

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 ENGROSSED SENATE
5 BILL NO. 41

By: McCortney of the Senate

and

Johns of the House

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9 An Act relating to payroll deductions; amending 62
10 O.S. 2011, Section 34.70, as amended by Section 393,
11 Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2020, Section
12 34.70), which relates to voluntary deductions;
13 removing requirements for payroll deductions on
14 private insurance organizations and service
15 companies; modifying type of service company eligible
16 for premium payments pursuant to payroll deductions;
17 and providing an effective date.

18 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

19 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.70, as
20 amended by Section 393, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
21 2020, Section 34.70), is amended to read as follows:

22 Section 34.70. A. 1. Upon the request of a state employee, a
23 state agency shall make voluntary payroll deductions for the
24 employee to any credit union, bank, or savings association having an
 office in this state.

1 2. If the governing body of any county, municipality~~7~~ or school
2 district provides for voluntary payroll deductions to a credit union
3 serving the employees of the county, municipality~~7~~ or school
4 district, it shall provide voluntary payroll deductions to any
5 credit union, bank~~7~~ or savings association having an office in this
6 state which has a minimum participation of twenty percent (20%) of
7 the employees of the county, municipality~~7~~ or school district.

8 B. Upon the request of a state employee and pursuant to
9 procedures established by the Director of the Office of Management
10 and Enterprise Services, a state agency shall make payroll
11 deductions for:

12 1. The payment of any insurance premiums due a private
13 insurance organization with a minimum participation of five hundred
14 (500) state employees for life, accident~~7~~ and health insurance which
15 is supplemental to that provided for by the state;

16 2. The payment of any insurance premiums, other than the
17 premiums due pursuant to paragraph 1 of this subsection, due a
18 private insurance organization or service company ~~which is regulated~~
19 ~~by the State Insurance Commissioner and~~ with a minimum participation
20 of five hundred (500) state employees for legal services;

21 3. Premiums or payments for retirement plans with a minimum
22 participation of five hundred (500) state employees for retirement
23 plans which are supplemental to that provided for by the state;

1 4. Salary adjustment agreements included in a flexible benefits
2 plan as authorized by the State Employees Flexible Benefits Act;

3 5. Membership dues utilized for benefits, goods or services
4 provided by the Oklahoma Public Employees Association to the
5 organization's membership or any other statewide association limited
6 to state employee membership with a minimum membership of two
7 thousand (2,000) dues-paying members. For purposes of this
8 paragraph, state agencies shall accept online or electronically
9 submitted forms from the Oklahoma Public Employees Association and
10 other state employee associations. The Office of Management and
11 Enterprise Services shall develop and implement a verification
12 process for online or electronically submitted forms which may
13 include the use of electronic signature technology or other process
14 as determined appropriate;

15 6. Contributions to any foundation organized pursuant to 26
16 U.S.C., Section 501(c)(3) of the Oklahoma Public Employees
17 Association or any other statewide association limited to state
18 employee membership with a minimum membership of two thousand
19 (2,000) dues-paying members;

20 7. Payments to a college savings account administered under the
21 Oklahoma College Savings Plan Act pursuant to Section 3970.1 et seq.
22 of Title 70 of the Oklahoma Statutes;

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1 8. Subscriptions to the Oklahoma Today magazine published by
2 the State of Oklahoma through the Oklahoma Tourism and Recreation
3 Department; and

4 9. The payment of any insurance premiums due a private
5 insurance organization, which is regulated by the State Insurance
6 Commission, for an Oklahoma Long-Term Care Partnership Program
7 approved policy pursuant to the Oklahoma Long-Term Care Partnership
8 Act.

9 C. The administrative costs of processing payroll deductions or
10 administering salary adjustment agreements for insurance premiums as
11 provided for in subsection B of this section shall be a charge of
12 two percent (2%) of the gross annual premiums for insurance plans.
13 The administrative costs of processing payroll deductions or
14 administering salary adjustment agreements for payments for
15 retirement plans as provided for in subsection B of this section
16 shall be one percent (1%) of the gross annual payments for
17 retirement plans. These charges shall be collected monthly from the
18 private insurance or retirement plan organization by the Office of
19 Management and Enterprise Services and shall be deposited to the
20 credit of the General Revenue Fund. Provided that these costs shall
21 not be collected from state employees or state agencies unless
22 otherwise directed in the Oklahoma State Finance Act.

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1 D. Any statewide association granted a payroll deduction prior
2 to January 1, 2008, shall be exempt from the minimum state employee
3 membership requirement.

4 E. Approval of a payroll deduction or salary adjustment
5 agreement for any insurance organization, line of coverage or policy
6 shall not be construed as an assumption of liability, for the term
7 of policy or the performance of the insurance organization, by this
8 state, or any of its agencies or any officer or employee thereof.
9 Contracts for such insurance shall be in all respects subject to the
10 insurance laws of this state, and shall be enforceable solely
11 pursuant to such laws.

12 F. The Oklahoma Employment Security Commission is authorized to
13 deduct from the wages or salary of its employees the employees'
14 contribution to the Oklahoma Employment Security Commission
15 Retirement Plan.

16 G. Payroll deductions shall be made for premium payments for
17 group insurance for retired members or beneficiaries of any state-
18 supported retirement system upon proper authorization given by the
19 member or beneficiary to the board from which the member or
20 beneficiary is currently receiving retirement benefits.

21 H. Upon request of instructional personnel employed at either
22 the Oklahoma School for the Blind or the Oklahoma School for the
23 Deaf and pursuant to procedures established by the Director of the
24 Office of Management and Enterprise Services, the Commission for

1 Rehabilitation Services shall make payroll deductions for membership
2 dues in any statewide educational employee organization or
3 association.

4 I. Upon the request of a state employee of the Department of
5 Corrections, the Department shall make voluntary payroll deductions
6 for the employee to the Correctional Peace Officer Foundation.

7 SECTION 2. This act shall become effective November 1, 2021.

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9 COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND
10 PENSIONS, dated 03/29/2021 - DO PASS.

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