

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL 587

By: Dahm

4
5
6 AS INTRODUCED

7 An Act relating to payroll deductions; amending 62
8 O.S. 2011, Section 34.70, as amended by Section 393,
9 Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2018, Section
10 34.70), which relates to voluntary payroll
11 deductions; limiting purposes for which state
12 agencies shall make payroll deductions; deleting
13 payroll deduction for Oklahoma Today magazine;
14 amending 70 O.S. 2011, Section 5-139, as amended by
15 Section 1, Chapter 193, O.S.L. 2018 (70 O.S. Supp.
16 2018, Section 5-139), which relates to school
17 districts; prohibiting school districts from making
18 certain payroll deductions; and providing an
19 effective date.

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

21 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.70, as
22 amended by Section 393, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
23 2018, Section 34.70), is amended to read as follows:

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

1 2. If the governing body of any county, municipality, or school
2 district provides for voluntary payroll deductions to a credit union
3 serving the employees of the county, municipality, or school
4 district, it shall provide voluntary payroll deductions to any
5 credit union, bank, 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, 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 the following purposes:

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, and health insurance which
15 is supplemental to that provided for by the state;

16 2. The payment of any insurance premiums due a private
17 insurance organization or service company which is regulated by the
18 State Insurance Commissioner and with a minimum participation of
19 five hundred (500) state employees for legal services;

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

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

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

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

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

21 8. ~~Subscriptions to the Oklahoma Today magazine published by~~
22 ~~the State of Oklahoma through the Oklahoma Tourism and Recreation~~
23 ~~Department; and~~

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

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

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

23 E. Approval of a payroll deduction or salary adjustment
24 agreement for any insurance organization, line of coverage or policy

1 shall not be construed as an assumption of liability, for the term
2 of policy or the performance of the insurance organization, by this
3 state, or any of its agencies or any officer or employee thereof.
4 Contracts for such insurance shall be in all respects subject to the
5 insurance laws of this state, and shall be enforceable solely
6 pursuant to such laws.

7 F. The Oklahoma Employment Security Commission is authorized to
8 deduct from the wages or salary of its employees the employees'
9 contribution to the Oklahoma Employment Security Commission
10 Retirement Plan.

11 G. Payroll deductions shall be made for premium payments for
12 group insurance for retired members or beneficiaries of any state-
13 supported retirement system upon proper authorization given by the
14 member or beneficiary to the board from which the member or
15 beneficiary is currently receiving retirement benefits.

16 H. Upon request of instructional personnel employed at either
17 the Oklahoma School for the Blind or the Oklahoma School for the
18 Deaf and pursuant to procedures established by the Director of the
19 Office of Management and Enterprise Services, the Commission for
20 Rehabilitation Services shall make payroll deductions for membership
21 dues in any statewide educational employee organization or
22 association.

1 I. Upon the request of a state employee of the Department of
2 Corrections, the Department shall make voluntary payroll deductions
3 for the employee to the Correctional Peace Officer Foundation.

4 SECTION 2. AMENDATORY 70 O.S. 2011, Section 5-139, as
5 amended by Section 1, Chapter 193, O.S.L. 2018 (70 O.S. Supp. 2018,
6 Section 5-139), is amended to read as follows:

7 Section 5-139. School districts shall make payroll deductions
8 for ~~either or both~~ professional organization dues ~~and political~~
9 ~~contributions~~ at the written request of any school employee and
10 shall transmit deducted funds to the organization designated by the
11 school district employee. Such deductions shall be on a ten-month
12 basis unless otherwise designated by the employee organization.
13 However, a school employee may request at any time in writing,
14 including by email or fax, for the school district to immediately
15 terminate or initiate payroll deductions to a professional
16 organization. Upon receipt of any written request, the school
17 district shall within five (5) business days or by the next pay
18 period, whichever is earlier, terminate or initiate any future
19 payroll deductions of the requesting school employee to a
20 professional organization. Upon receipt of a written request, the
21 school district shall notify the professional organization of the
22 initiation or termination of payroll deductions within fifteen (15)
23 business days. If the request is to terminate a deduction, the
24 school district shall not make any advance payments to any

1 professional organization of any future dues on behalf of the school
2 employee. No school district policy or negotiated agreement shall
3 place any other conditions or requirements, including but not
4 limited to personal hand delivery, upon any employee to initiate or
5 terminate any payroll deduction to a professional organization
6 except for a written request as outlined in this section. Any
7 school district policy or provision in a negotiated agreement that
8 places additional conditions or requirements on initiation or
9 termination beyond those outlined in this section shall be null and
10 void. A school district which fails to terminate payroll deductions
11 for an employee in accordance with this section shall immediately
12 reimburse the employee the amount of all payroll deductions made by
13 the school district after the employee's request, and the amount due
14 the employee shall double every thirty (30) days until paid in full.

15 SECTION 2. This act shall become effective November 1, 2019.

16
17 57-1-722 MG 1/17/2019 8:46:01 AM
18
19
20
21
22
23
24
25