

1 **SENATE FLOOR VERSION**

2 April 6, 2023

3 ENGROSSED HOUSE
4 BILL NO. 2026

By: Wolfley of the House

5 and

6 Pemberton of the Senate

7
8 An Act relating to public finance; amending 62 O.S.
9 2021, Section 34.70, which relates to payroll
10 deductions; requiring issuance of certain report; and
11 providing an effective date.

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

13 SECTION 1. AMENDATORY 62 O.S. 2021, Section 34.70, is
14 amended to read as follows:

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

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

3 B. Upon the request of a state employee and pursuant to
4 procedures established by the Director of the Office of Management
5 and Enterprise Services, a state agency shall make payroll
6 deductions for:

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

11 2. The payment of any insurance premiums, other than the
12 premiums due pursuant to paragraph 1 of this subsection, due a
13 private insurance organization or service company with a minimum
14 participation of five hundred (500) state employees for legal
15 services;

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

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

21 5. Membership dues utilized for benefits, goods or services
22 provided by the Oklahoma Public Employees Association to the
23 organization's membership or any other statewide association limited
24 to state employee membership with a minimum membership of two

1 thousand (2,000) dues-paying members. For purposes of this
2 paragraph, state agencies shall accept online or electronically
3 submitted forms from the Oklahoma Public Employees Association and
4 other state employee associations. The Office of Management and
5 Enterprise Services shall develop and implement a verification
6 process for online or electronically submitted forms which may
7 include the use of electronic signature technology or other process
8 as determined appropriate. In addition, the Office of Management
9 and Enterprise Services shall provide an association representing
10 state employees with a reconciliation report once a month containing
11 information related to the name, warrant number and warrant date of
12 those employees that have opted into the association's membership;

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;

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

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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 these costs shall
18 not be collected from state employees or state agencies unless
19 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.

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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. This act shall become effective November 1, 2023.

5 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT
6 April 6, 2023 - DO PASS
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