

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 3111

By: Hickman

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7 COMMITTEE SUBSTITUTE

8 An Act relating to public finance; amending 62 O.S.
9 2011, Section 34.70, which relates to payroll
10 deductions; modifying certain payroll deductions;
11 modifying administrative costs of processing payroll
12 deductions; providing exemption; modifying collection
13 of charges; amending 70 O.S. 2011, Section 5-139,
14 which relates to certain payroll deductions for
15 school employees; providing for administrative costs
16 of processing payroll deductions; providing
17 exemption; providing for collection of charges; and
18 providing an effective date.

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

20 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.70, is
21 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.

2. If the governing body of any county, municipality, or school
district provides for voluntary payroll deductions to a credit union

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

6 B. Upon the request of a state employee or a school district
7 employee and pursuant to procedures established by the Administrator
8 of the Office of Personnel Management, a state agency or school
9 district shall make payroll deductions for:

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

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

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

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

23 5. Membership dues utilized for benefits, goods or services
24 provided by the Oklahoma Public Employees Association to the

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

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

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

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

22 9. The payment of any insurance premiums due a private
23 insurance organization, which is regulated by the State Insurance
24 Commission, for an Oklahoma Long-Term Care Partnership Program

1 approved policy pursuant to the Oklahoma Long-Term Care Partnership
2 Act.

3 C. The administrative costs of processing payroll deductions or
4 administering any salary adjustment agreements ~~for insurance~~
5 ~~premiums as provided for in subsection B of this section~~ in any
6 state agency or school district shall be a charge of two percent
7 (2%) of the gross ~~annual premiums for insurance plans~~ revenue of the
8 payroll deduction. ~~The administrative costs of processing payroll~~
9 ~~deductions or administering salary adjustment agreements for~~
10 ~~payments for retirement plans as provided for in subsection B of~~
11 ~~this section shall be one percent (1%) of the gross annual payments~~
12 ~~for retirement plans~~ Contributions to charitable organizations
13 established under Section 501(c)(3) of the Internal Revenue Code
14 shall be exempt from paying administrative costs. These charges
15 shall be collected monthly ~~from the private insurance or retirement~~
16 ~~plan organization~~ by the Office of ~~Personnel Management~~ State
17 Finance or local school district and shall be deposited to the
18 credit of the General Revenue Fund or the general fund of the local
19 school district. Provided that these costs shall not be collected
20 from state employees, school district employees, local school
21 districts, or state agencies unless otherwise directed in the
22 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 Administrator of
24 the Office of Personnel Management, 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. AMENDATORY 70 O.S. 2011, Section 5-139, is
8 amended to read as follows:

9 Section 5-139. A. School districts shall make payroll
10 deductions for either or both professional organization dues and
11 political contributions upon the request of any school employee and
12 shall transmit deducted funds to the organization designated by the
13 school district employee. Such deductions shall be on a ten-month
14 basis unless otherwise designated by the employee organization.
15 However, a school employee may request in writing at any time for
16 the school district to immediately terminate or initiate payroll
17 deductions to a professional organization. Upon receipt of a
18 request the school district shall within five (5) business days or
19 by the next pay period, whichever is earlier, terminate or initiate
20 any future payroll deductions of the requesting school employee to a
21 professional organization. Upon receipt of a request the school
22 district shall notify the professional organization of the
23 initiation or termination of payroll deductions within fifteen (15)
24 business days. If the request is to terminate a deduction, the

1 school district shall not make any advance payments to any
2 professional organization of any future dues on behalf of the school
3 employee.

4 B. The administrative costs of processing payroll deductions
5 agreements as provided for in subsection A of this section shall be
6 a charge of two percent (2%) of the gross revenue of the payroll
7 deduction. Contributions to charitable organizations established
8 under Section 501(c)(3) of the Internal Revenue Code shall be exempt
9 from paying administrative costs. These charges shall be collected
10 monthly by the local school district and shall be deposited to the
11 credit of the district's general fund.

12 SECTION 3. This act shall become effective November 1, 2012.

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