

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 3111

By: Hickman

4
5 AS INTRODUCED

6 An Act relating to public finance; amending 62 O.S.
7 2011, Section 34.70, which relates to payroll
8 deductions; modifying certain payroll deductions;
9 amending 70 O.S. 2011, Section 5-139, which relates
10 to certain payroll deductions for school employees;
11 prohibiting school districts from making certain
12 payroll deductions for school employees; and
13 providing an effective date.

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

15 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.70, is
16 amended to read as follows:

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

21 2. If the governing body of any county, municipality, or school
22 district provides for voluntary payroll deductions to a credit union
23 serving the employees of the county, municipality, or school
24 district, it shall provide voluntary payroll deductions to any
credit union, bank, or savings association having an office in this

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 Administrator of the Office of
5 Personnel Management, a state agency shall make payroll deductions
6 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 due a private
12 insurance organization or service company which is regulated by the
13 State Insurance Commissioner and with a minimum participation of
14 five hundred (500) state employees for legal services;

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

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

20 5. ~~Membership dues utilized for benefits, goods or services~~
21 ~~provided by the Oklahoma Public Employees Association to the~~
22 ~~organization's membership or any other statewide association limited~~
23 ~~to state employee membership with a minimum membership of two~~
24 ~~thousand (2,000) dues-paying members. For purposes of this~~

1 ~~paragraph, state agencies shall accept online or electronically~~
2 ~~submitted forms from the Oklahoma Public Employees Association and~~
3 ~~other state employee associations. The Office of Personnel~~
4 ~~Management shall develop and implement a verification process for~~
5 ~~online or electronically submitted forms which may include the use~~
6 ~~of electronic signature technology or other process as determined~~
7 ~~appropriate;~~

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

13 ~~7. Payments to a college savings account administered under the~~
14 ~~Oklahoma College Savings Plan Act pursuant to Section 3970.1 et seq.~~
15 ~~of Title 70 of the Oklahoma Statutes;~~

16 ~~8. 6. Subscriptions to the Oklahoma Today magazine published by~~
17 ~~the State of Oklahoma through the Oklahoma Tourism and Recreation~~
18 ~~Department; and~~

19 ~~9. 7. The payment of any insurance premiums due a private~~
20 ~~insurance organization, which is regulated by the State Insurance~~
21 ~~Commission, for an Oklahoma Long-Term Care Partnership Program~~
22 ~~approved policy pursuant to the Oklahoma Long-Term Care Partnership~~
23 ~~Act.~~

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

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

18 E. Approval of a payroll deduction or salary adjustment
19 agreement for any insurance organization, line of coverage or policy
20 shall not be construed as an assumption of liability, for the term
21 of policy or the performance of the insurance organization, by this
22 state, or any of its agencies or any officer or employee thereof.
23 Contracts for such insurance shall be in all respects subject to the
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1 insurance laws of this state, and shall be enforceable solely
2 pursuant to such laws.

3 F. The Oklahoma Employment Security Commission is authorized to
4 deduct from the wages or salary of its employees the employees'
5 contribution to the Oklahoma Employment Security Commission
6 Retirement Plan.

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

12 ~~H. Upon request of instructional personnel employed at either~~
13 ~~the Oklahoma School for the Blind or the Oklahoma School for the~~
14 ~~Deaf and pursuant to procedures established by the Administrator of~~
15 ~~the Office of Personnel Management, the Commission for~~
16 ~~Rehabilitation Services shall make payroll deductions for membership~~
17 ~~dues in any statewide educational employee organization or~~
18 ~~association.~~

19 ~~F.~~ Upon the request of a state employee of the Department of
20 Corrections, the Department shall make voluntary payroll deductions
21 for the employee to the Correctional Peace Officer Foundation.

22 SECTION 2. AMENDATORY 70 O.S. 2011, Section 5-139, is
23 amended to read as follows:

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

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

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23 53-2-9211 LRB 01/19/12

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