

1 ENGROSSED SENATE  
2 BILL NO. 41

By: McCortney of the Senate

3 and

4 Johns of the House

5  
6 An Act relating to payroll deductions; amending 62  
7 O.S. 2011, Section 34.70, as amended by Section 393,  
8 Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2020, Section  
9 34.70), which relates to voluntary deductions;  
10 removing requirements for payroll deductions on  
11 private insurance organizations and service  
12 companies; modifying type of service company eligible  
for premium payments pursuant to payroll deductions;  
and providing an effective date.

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

14 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.70, as  
15 amended by Section 393, Chapter 304, O.S.L. 2012 (62 O.S. Supp.  
16 2020, Section 34.70), is 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~~7~~ or savings association having an  
20 office in this state.

21 2. If the governing body of any county, municipality~~7~~ or school  
22 district provides for voluntary payroll deductions to a credit union  
23 serving the employees of the county, municipality~~7~~ or school  
24 district, it shall provide voluntary payroll deductions to any

1 credit union, bank<sup>7</sup> or savings association having an office in this  
2 state which has a minimum participation of twenty percent (20%) of  
3 the employees of the county, municipality<sup>7</sup> or school district.

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

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

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

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

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

22 5. Membership dues utilized for benefits, goods or services  
23 provided by the Oklahoma Public Employees Association to the  
24 organization's membership or any other statewide association limited

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

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

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

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

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

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

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

20 E. Approval of a payroll deduction or salary adjustment  
21 agreement for any insurance organization, line of coverage or policy  
22 shall not be construed as an assumption of liability, for the term  
23 of policy or the performance of the insurance organization, by this  
24 state, or any of its agencies or any officer or employee thereof.

1 Contracts for such insurance shall be in all respects subject to the  
2 insurance laws of this state, and shall be enforceable solely  
3 pursuant to such laws.

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

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

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

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

23 SECTION 2. This act shall become effective November 1, 2021.  
24

1 Passed the Senate the 4th day of March, 2021.

2  
3 \_\_\_\_\_  
4 Presiding Officer of the Senate

5 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
6 2021.

7  
8 \_\_\_\_\_  
9 Presiding Officer of the House  
10 of Representatives