

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: H3/8/01 S4/10/01

A Bill

HOUSE BILL 2266

5 By: Representative Ferguson
6 By: Senator Fitch
7
8

For An Act To Be Entitled

9
10 AN ACT TO AMEND ARKANSAS CODE 21-5-406, 21-5-410
11 AND 21-5-904 TO CLARIFY THE AUTHORITY OF THE
12 EMPLOYEE BENEFITS DIVISION OF THE DEPARTMENT OF
13 FINANCE AND ADMINISTRATION OVER EMPLOYEE BENEFIT
14 PROGRAMS; THE ELIGIBILITY OF STATE EMPLOYEES TO
15 PARTICIPATE IN BENEFITS; AND FOR OTHER PURPOSES.
16

Subtitle

17
18 CLARIFIES THE AUTHORITY OF EMPLOYEE
19 BENEFITS DIVISION OF THE DEPARTMENT OF
20 FINANCE AND ADMINISTRATION OVER EMPLOYEE
21 BENEFIT PROGRAMS.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code 21-5-406 is amended to read as follows:

27 21-5-406. Executive director - Staff.

28 (a) The State and Public School Life and Health Insurance Board shall
29 choose an executive director with the approval of the Director of the
30 Department of Finance and Administration. The executive director shall be
31 employed by and serve at the pleasure of the Director of the Department of
32 Finance and Administration. However, the board may recommend the removal of
33 the executive director, but removal shall be subject to the approval of the
34 Director of the Department of Finance and Administration. The executive
35 director shall employ staff adequate to manage the program within the funds
36 appropriated therefor within the Department of Finance and Administration.

1 (b)(1) The executive director and his staff shall be located in the
2 Employee Benefits Division of the Department of Finance and Administration.

3 (2) Premiums collected from employers, participating employees,
4 and retirees for health and life insurance plans shall be used solely to pay
5 medical claims, premiums, and direct administrative expenses of the health
6 and life insurance programs.

7 (c)(1) The executive director shall be charged with the duty of
8 administering the provisions of this subchapter and the rules, regulations,
9 and orders of the Employee Benefits Division of the Department of Finance and
10 ~~Administration~~ Administration and the board.

11 (2)(A) The executive director shall have the authority to
12 supervise the implementation and day-to-day management of the health
13 insurance programs and other employee benefit programs, plans and individual
14 and group policies made available to ~~those eligible for state employee and~~
15 ~~public school personnel health benefit programs~~ public school employees and
16 state employees.

17 (B) This may include, but not be limited to:

- 18 (i) Life insurance coverages;
- 19 (ii) Accident coverages;
- 20 (iii) Dental coverages;
- 21 (iv) Disability benefit programs;
- 22 (v) Optional retirement programs;
- 23 (vi) Deferred compensation; ~~and~~
- 24 (vii) Cafeteria plans; and

25 ~~(vii)-(viii)~~ Such other benefit plans, benefit
26 programs and individual and group benefit coverages that are offered from
27 time to time to public school employees and state employees.

28 (C) This authority shall not include the State Employee
29 Benefit Corporation benefit plan which is in effect on July 1, 1995.

30 (d) In addition, the executive director and the board may utilize the
31 services of health care consultants and actuaries if necessary as provided
32 for through the appropriation of the Employee Benefits Division of the
33 Department of Finance and Administration.

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35 SECTION 2. Arkansas Code 21-5-410 is amended to read as follows:

36 21-5-410. ~~Eligibility of employees generally~~ Employees - Eligibility.

1 (a) Eligible employees shall include all actively employed permanent
2 employees of eligible participating agencies, boards, commissions,
3 institutions, and constitutional offices, members of the General Assembly,
4 elected constitutional officers, appointed or elected board and commission
5 members who are on a full-time salaried basis; and those state contract
6 employees hired by the Arkansas National Guard on a full-time basis in
7 accordance with the provisions of 10 U.S.C. § 2304.

8 (b) Membership of the contract employees of the Arkansas National
9 Guard is conditioned upon the federal government's contributing the
10 employer's share to the State Employees Insurance Section of the Department
11 of Finance Administration.

12 (c) Membership of state employees is conditioned upon the employee
13 being in a budgeted state employee position or a position authorized by the
14 General Assembly.

15 ~~(e)~~(d) Permanent employees are those whose employment is not seasonal
16 or temporary and whose actual performance of duty requires one thousand
17 (1,000) or more working hours per year.

18 (e) If a participating institution discontinues its participation in
19 the group health insurance program instituted pursuant to the provisions of
20 this subchapter, then the institution may not reparticipate in the program
21 for one (1) year after the institution's final date of participation in the
22 program unless the Executive Director of the Employee Benefits Division of
23 the Department of Finance and Administration gives his or her consent to an
24 earlier date.

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26 SECTION 3. Arkansas Code 21-5-904 is amended to read as follows:

27 21-5-904. ~~Cafeteria~~ Administration of cafeteria plans.

28 (a) The Executive Director of the Employee Benefits Division of the
29 Department of Finance and Administration shall have administrative
30 responsibility for developing, implementing, and maintaining cafeteria plans.
31 ~~The Chief Fiscal Officer of the State shall~~ on behalf of state employees and
32 may promulgate necessary rules and regulations as he deems necessary to carry
33 out the provision of this section.

34 (b)(1) This section shall not apply to separate cafeteria plans
35 established by governmental entities prior to the effective date of this
36 subsection.

1 (2) However, the exempt governmental entities may choose to
2 participate in a cafeteria plan established pursuant to this section.

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4 SECTION 4. The Arkansas State Police Health Plan shall be exempt from
5 any mandatory participation required by §§ 21-5-406, 21-5-410, and 21-5-904.

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7 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
8 General Assembly of the State of Arkansas that many state and public school
9 employees participate in benefits offered through a cafeteria plan; that many
10 state and public school employees participate in voluntary health, disability
11 and other insurance programs; that the Employee Benefits Division of the
12 Department of Finance and Administration is charged with the responsibility
13 of administering these plans; that the existing law governing these plans is
14 in need of clarification in order to allow the Employee Benefits Division to
15 obtain bids for these programs at the lowest possible rates; that state and
16 public school employees are in need of obtaining these programs at the lowest
17 possible rates; and, that this act is necessary in order to achieve those
18 objectives. Therefore, an emergency is declared to exist and this act being
19 immediately necessary for the preservation of the public peace, health and
20 safety shall become effective on the date of its approval by the Governor.
21 If the bill is neither approved nor vetoed by the Governor, it shall become
22 effective on the expiration of the period of time during which the Governor
23 may veto the bill. If the bill is vetoed by the Governor and the veto is
24 overridden, it shall become effective on the date the last house overrides
25 the veto.

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29 /s/ Ferguson
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