

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1160

5 By: Representative Wardlaw
6 By: Senator J. Dotson
7

For An Act To Be Entitled

9 AN ACT TO REGULATE COMPENSATION AND BENEFITS OF
10 PUBLIC OFFICERS AND EMPLOYEES; TO DEFINE VOLUNTARY
11 PRODUCTS; TO CLARIFY SUPERVISION OF VOLUNTARY
12 PRODUCTS OFFERED TO PARTICIPANTS IN THE STATE AND
13 PUBLIC SCHOOL LIFE AND HEALTH INSURANCE PROGRAM; TO
14 AMEND THE ADMINISTRATION OF CAFETERIA PLANS FOR
15 CERTAIN PUBLIC OFFICERS AND EMPLOYEES; AND FOR OTHER
16 PURPOSES.

Subtitle

17
18
19 TO REGULATE COMPENSATION AND BENEFITS OF
20 PUBLIC OFFICERS AND EMPLOYEES; AND TO
21 CLARIFY SUPERVISION OF VOLUNTARY PRODUCTS
22 UNDER THE STATE AND PUBLIC SCHOOL LIFE
23 AND HEALTH INSURANCE PROGRAM.
24

25
26
27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
28

29 SECTION 1. Arkansas Code § 21-5-406(e)(3), concerning the authority of
30 the Director of the Employee Benefits Division, is amended to read as
31 follows:

32 (3)(A) The director has the authority to supervise the
33 implementation and day-to-day management of the program and other employee
34 benefits, plans, and individual and group policies made available to
35 participants, if applicable, except voluntary products.

36 (B) The authority granted under subdivision (e)(3)(A) of



1 this section includes without limitation supervising:

- 2 (i) Life insurance coverage;
- 3 (ii) ~~Accident coverage;~~
- 4 ~~(iii) Dental coverage;~~
- 5 ~~(iv) Disability benefit programs;~~
- 6 ~~(v) Optional retirement programs;~~
- 7 ~~(vi)~~(iii) Deferred compensation;
- 8 ~~(vii)~~(iv) Cafeteria plans for products that are not

9 voluntary products; and

10 ~~(viii)~~(v) ~~Such~~ Any other benefit plans, benefit
 11 programs, and individual and group benefit coverage that are offered from
 12 time to time to state employees, state employee retirees, public school
 13 employees, and public school employee retirees.

14 (C) The authority granted under subdivision (e)(3)(A) of
 15 this section does not include supervising ~~the State Employees Benefit~~
 16 ~~Corporation benefit plan in effect on July 1, 1995~~ the implementation and
 17 day-to-day management of a voluntary product made available to participants.

18 (D) ~~In addition, the~~ The director and the board may
 19 utilize the services of healthcare consultants and actuaries if necessary as
 20 provided for through the appropriation of the division.

21 (E) The Arkansas State Police Employee Health Plan is
 22 exempt from any mandatory participation required by this section.

23 (F) As used in this subdivision (e)(3), "voluntary
 24 products" means the same as defined in § 21-5-901.

25
 26 SECTION 2. Arkansas Code § 21-5-407(19), concerning the definition of
 27 "vendor" under the State and Public School Life and Health Insurance Program,
 28 is amended to read as follows:

29 (19)(A) "Vendor" means a corporation, partnership, or other
 30 organization that is:

31 ~~(A)~~(i) Licensed to do business and in good standing
 32 with the State of Arkansas; and

33 ~~(B)~~(ii) Lawfully engaged in administering employer-
 34 funded or employee-funded benefit plans for employer groups in consideration
 35 of an administration fee.

36 (B) "Vendor" does not include the Arkansas State Employees

1 Association, Inc., or a designee of the Arkansas State Employees Association,
2 Inc.

3
4 SECTION 3. Arkansas Code § 21-5-407, concerning definitions used under
5 the State and Public School Life and Health Insurance Program, is amended to
6 add an additional subdivision to read as follows:

7 (20) "Voluntary product" means any individual or group policy
8 and other employee benefits that are wholly paid for by the employee,
9 including without limitation those policies and benefits provided by the
10 Arkansas State Employees Association, Inc., or a designee of the Arkansas
11 State Employees Association, Inc.

12
13 SECTION 4. Arkansas Code § 21-5-901, concerning definitions used in
14 reference to administration of cafeteria plans offered to public officers and
15 employees, is amended to add an additional subdivision to read as follows:

16 (5) "Voluntary product" means any individual or group policy and
17 other employee benefits that are wholly paid for by the employee, including
18 without limitation those policies and benefits provided by the Arkansas State
19 Employees Association, Inc., or a designee of the Arkansas State Employees
20 Association, Inc.

21
22 SECTION 5. Arkansas Code § 21-5-902(a), concerning the ability of an
23 eligible employee to enter into a salary reduction agreement to participate
24 in a cafeteria plan offered to public officers and employees, is amended to
25 read as follows:

26 (a) Any eligible employee who chooses to participate in a cafeteria
27 plan or a voluntary product may enter into a salary reduction agreement with
28 the governmental entity.

29
30 SECTION 6. Arkansas Code § 21-5-904, concerning the administration of
31 cafeteria plans offered to public officers and employees, is amended to add
32 an additional subsection to read as follows:

33 (d) The Arkansas State Employees Association, Inc., or a designee of
34 the Arkansas State Employees Association, Inc., shall develop and administer
35 a cafeteria plan on behalf of eligible employees for voluntary products.

36