

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

As Engrossed: H2/8/23

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

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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.
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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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29 SECTION 1. Arkansas Code § 6-17-1115 is amended to read as follows:

30 6-17-1115. ~~Group insurance~~ Insurance for independent school districts.

31 (a) The employees of an independent school district may be insured
32 under ~~a~~ an individual or group insurance policy issued to and procured by an
33 independent school district to insure the employees of an independent school
34 district for the benefit of the employees of an independent school district
35 subject to the following requirements:

36 (1) The employees eligible for insurance under the ~~group~~



1 insurance policy shall all be employees of the school district or all of any
2 class determined by conditions pertaining to their employment; and

3 (2) The premium for the policy shall be paid by the policyholder
4 from funds contributed wholly by the insured employees, except that:

5 (A) The employer may deduct from the employees' salaries
6 the required contributions for the premiums when authorized in writing by the
7 respective employees to do so; and

8 (B) The premium for the policy may be paid for the
9 policyholder wholly or partly from funds of the school district.

10 (b) As used in this section, ~~"group insurance"~~ "insurance" shall be
11 individual life insurance contracts or policies or group life insurance as
12 described by § 23-83-101 et seq., § 23-86-101, and individual or group
13 contracts or policies that provide disability income insurance, specified
14 disease insurance, hospital indemnity insurance, long-term care insurance, or
15 accident-only insurance to employees of groups described under § 23-86-106.
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17 SECTION 2. Arkansas Code § 21-5-405, concerning additional duties of
18 the State Board of Finance, is amended to add an additional subsection to
19 read as follows:

20 (d) A broker of voluntary products shall provide the board with an
21 annual report of voluntary products to be offered to state employees during
22 open enrollment.
23

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

27 (3)(A) The director has the authority to supervise the
28 implementation and day-to-day management of the program and other employee
29 benefits, plans, and individual and group policies made available to
30 participants, if applicable, except voluntary products or insurance procured
31 under § 6-17-1115.

32 (B) The authority granted under subdivision (e)(3)(A) of
33 this section includes without limitation supervising:

34 (i) Life insurance coverage;

35 (ii) ~~Accident coverage;~~

36 (iii) ~~Dental coverage;~~

1 ~~(iv)~~ Disability benefit programs;
 2 ~~(v)~~ Optional retirement programs;
 3 ~~(vi)~~(iii) Deferred compensation;
 4 ~~(vii)~~(iv) Cafeteria plans for products that are not
 5 voluntary products; and
 6 ~~(viii)~~(v) ~~Such~~ Any other benefit plans, benefit
 7 programs, and individual and group benefit coverage that are offered from
 8 time to time to state employees, state employee retirees, public school
 9 employees, and public school employee retirees.

10 (C) The authority granted under subdivision (e)(3)(A) of
 11 this section does not include supervising ~~the State Employees Benefit~~
 12 ~~Corporation benefit plan in effect on July 1, 1995~~ the implementation and
 13 day-to-day management of a voluntary product made available to participants
 14 or insurance procured under § 6-17-1115.

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

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

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 21 SECTION 4. Arkansas Code § 21-5-407(19), concerning the definition of
 22 "vendor" under the State and Public School Life and Health Insurance Program,
 23 is amended to read as follows:

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

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

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

31 (B) "Vendor" does not include the Arkansas State Employees
 32 Association, Inc., or a designee of the Arkansas State Employees Association,
 33 Inc.

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 35 SECTION 5. Arkansas Code § 21-5-407, concerning definitions used under
 36 the State and Public School Life and Health Insurance Program, is amended to

1 add an additional subdivision to read as follows:

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

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8 SECTION 6. Arkansas Code § 21-5-901, concerning definitions used in
9 reference to administration of cafeteria plans offered to public officers and
10 employees, is amended to add an additional subdivision to read as follows:

11 (5) "Voluntary product" means any individual or group policy and
12 other employee benefits that are wholly paid for by the employee, including
13 without limitation those policies and benefits procured under § 6-17-1115 or
14 provided by the Arkansas State Employees Association, Inc., or a designee of
15 the Arkansas State Employees Association, Inc.

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17 SECTION 7. Arkansas Code § 21-5-902(a), concerning the ability of an
18 eligible employee to enter into a salary reduction agreement to participate
19 in a cafeteria plan offered to public officers and employees, is amended to
20 read as follows:

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

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25 SECTION 8. Arkansas Code § 21-5-904, concerning the administration of
26 cafeteria plans offered to public officers and employees, is amended to add
27 an additional subsection to read as follows:

28 (d) The Arkansas State Employees Association, Inc., or a designee of
29 the Arkansas State Employees Association, Inc., shall develop and administer
30 a cafeteria plan on behalf of eligible state employees for voluntary
31 products.

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33 /s/Wardlaw
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