

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

As Engrossed: H2/8/23 H2/16/23

# 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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20 TO REGULATE COMPENSATION AND BENEFITS OF  
21 PUBLIC OFFICERS AND EMPLOYEES; AND TO  
22 CLARIFY SUPERVISION OF VOLUNTARY PRODUCTS  
23 UNDER THE STATE AND PUBLIC SCHOOL LIFE  
24 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) The Arkansas State Employees Association, Inc., or a designee of  
21 the Arkansas State Employees Association, Inc., that develops and administers  
22 a cafeteria plan under § 21-5-405(d) shall provide the board with an annual  
23 report of voluntary products to be offered to state employees during open  
24 enrollment.  
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26 SECTION 3. Arkansas Code § 21-5-406(e)(3), concerning the authority of  
27 the Director of the Employee Benefits Division, is amended to read as  
28 follows:

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

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

36 (i) Life insurance coverage;

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

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

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

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

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

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

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

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

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

33 (B) "Vendor" does not include the Arkansas State Employees  
 34 Association, Inc., or a designee of the Arkansas State Employees Association,  
 35 Inc., that develops and administers a cafeteria plan under § 21-5-405(d).

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

4 (20) "Voluntary product" means any individual or group policy  
5 and other employee benefits that are wholly paid for by the employee,  
6 including without limitation those policies and benefits provided by the  
7 Arkansas State Employees Association, Inc., or a designee of the Arkansas  
8 State Employees Association, Inc., that develops and administers a cafeteria  
9 plan under § 21-5-405(d).

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

14 (5) "Voluntary product" means any individual or group policy and  
15 other employee benefits that are wholly paid for by the employee, including  
16 without limitation those policies and benefits procured under § 6-17-1115 or  
17 provided by the Arkansas State Employees Association, Inc., or a designee of  
18 the Arkansas State Employees Association, Inc., that develops and administers  
19 a cafeteria plan under § 21-5-405(d).

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

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

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

32 (d) The Arkansas State Employees Association, Inc., may:

33 (1) Develop and administer a cafeteria plan for voluntary  
34 products on behalf of eligible state employees; or

35 (2) Contract by a competitive sealed bidding process with a  
36 designee to develop and administer a cafeteria plan for voluntary products on

1 behalf of eligible state employees.

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/s/Wardlaw

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