



**STATE OF OKLAHOMA
OFFICE OF PERSONNEL MANAGEMENT**

"Serving Equal Opportunity Employers"

OPM 05-49

TO: All Appointing Authorities

FROM: Oscar B. Jackson, Jr., IPMA-CP, Administrator and
Cabinet Secretary of Human Resources and Administration

A handwritten signature in black ink, appearing to read "Oscar B. Jackson, Jr.", positioned to the right of the "FROM:" line.

DATE: October 25, 2005

**RE: Emergency Amendments to the
Voluntary Payroll Deduction ("VPD") Rules**

Enclosed please find the text of emergency amendments to the Voluntary Payroll Deduction Rules which went into effect October 6, 2005. Due to budgetary constraints, the Office of Personnel Management has no current plans to produce a rulebook or supplement for distribution to all state employees. However, all currently effective Voluntary Payroll Deduction Rules adopted by the Administrator are available on the Office of Personnel Management's website at:

http://www.ok.gov/opm/documents/Voluntary_Payroll_Deduction.rtf

The emergency amendments to the Voluntary Payroll Deduction Rules enclosed with this memorandum will be available at the above website address beginning November 1, 2005.

The emergency amendments serve to reflect changes from the 2005 legislative session, which allow state employees to make voluntary payroll deductions to banks and savings associations with at least one office in the State of Oklahoma. The text of the emergency rule amendments follows.

**TITLE 530. OFFICE OF PERSONNEL MANAGEMENT
CHAPTER 15. VOLUNTARY PAYROLL DEDUCTION RULES**

SUBCHAPTER 1. GENERAL PROVISIONS

530:15-1-1. Purpose

The rules in this Chapter provide procedures for implementation of voluntary payroll deductions for employee association dues, employee association foundation contributions, payments to credit unions, banks, or savings associations, payments to supplemental insurance and retirement plans, payments to a college savings account, and subscriptions to Oklahoma Today magazine, as authorized for state employees by Section 7.10 of Title 62 of the Oklahoma Statutes. Other types of voluntary payroll deductions (such as those for salary adjustment agreements under subsection B(3) of Section 7.10, U.S. Savings Bonds or charitable gifts) are not addressed by the rules in this Chapter.

530:15-1-2. Definitions

The following words and terms, when used in this Chapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Administrator" means the chief administrative officer of the Office of Personnel Management, an officer of the State of Oklahoma appointed by the Governor pursuant to Section 840-1.6A of Title 74 of the **Oklahoma Statutes**, and authorized to establish procedures for administration of voluntary payroll deductions by Section 7.10. The term, as used in this Chapter, includes employees of the Office of Personnel Management to whom the Administrator has lawfully delegated authority to act on his or her behalf.

"Appointing Authority" means the chief administrative officer of an agency. As the term is used in the Voluntary Payroll Deduction Rules, the term includes employees of an agency to whom the Appointing Authority has lawfully delegated authority to act on his or her behalf.

"Complaint" means a grievance with respect to any matter relevant to the Administrator's duties under Section 7.10.

"Complainant" means a person or an organization that has submitted a complaint.

"Declaratory ruling" means an explanation of a rule or order and its applicability to a particular matter.

"Dues-paying" means, with respect to a member of an employee association, the member is either currently paying dues or has provided a valid authorization to have such dues withheld from pay and remitted to the association. [62:7.10(B)(4)]

"Employee association" means a formal and continuing affiliation of state employees with the principle objective of speaking for and benefiting their interests as employees, in which membership is restricted to state employees but unrestricted as to the geographic location of their duty stations, and which has at least 1,000 dues-paying members. An employee organization also falls within this definition.

"Member" means:

(A) with respect to a credit union, a shareholder; and

(B) with respect to a bank or savings association, an account holder; and,

(C) with respect to an employee association, a person who has sought and been granted recognition as one of those within the field of membership as defined by the association's governing instruments.

"Participation" means the total number of state employees reported to the Office of Personnel Management for which amounts withheld from pay for a given month were remitted

pursuant to employee authorization to a single billing unit as identified by its Federal Employer (Tax) Identification Number.

"Party" means any person, employee association, credit union, bank, savings association or insurance organization that is the subject of, or requests, action by the Administrator in connection with any matter relevant to the Administrator's duties under Section 7.10.

"Product vendor" means any of the following entities approved for state employees' voluntary payroll deduction:

- (A) an entity offering a supplemental retirement plan with a minimum participation of **500** state employees;
- (B) a private insurance organization with a minimum participation of **500** state employees for supplemental life, accident, or health insurance;
- (C) a private insurance organization with a minimum participation of **500** state employees for legal services;
- (D) the Oklahoma Tourism and Recreation Department as publisher of Oklahoma Today magazine.

"Provided for by the State" means:

- (A) for insurance purposes, the basic health, life, dental, or disability plan or any other such insurance a state agency is authorized to provide for its employees as evidenced by financial participation in those policies or a group policy(s) the agency has negotiated as a basic employment benefit; and
- (B) for retirement purposes, any state retirement system, deferred compensation program (commonly referred to as deferred annuities), or other retirement plan(s) a state agency is authorized to provide for its employees as evidenced by financial participation in those plans.

"Section 7.10" means Section 7.10 of Title 62 of the **Oklahoma Statutes**.

"State agency" means any office, department, board, commission, or institution of the State of Oklahoma."

"State employee" means any employee of a state agency.

"Supplemental" means:

- (A) for insurance purposes, life, accident (including income continuation during disability), legal, and health insurance policies not provided for by the State; and
- (B) for retirement purposes, plans that provide retirement income benefits and are not provided for by the State. In recognition of the powers conferred upon state institutions of higher education by Section 3905 of Title 70 of the **Oklahoma Statutes**, the Administrator will follow such institutions' decisions as to whether an insurance policy or retirement plan is a basic or a supplemental employee benefit.

530:15-1-9. Forms

The following form has been adopted by the Administrator for use in administering Section 7.10: Form VPD-1 "Request for Approval or Renewal of Payroll Deduction Status." This form is to be used by employee associations, credit unions, banks, savings associations and insurance/retirement plan organizations to request initial approval or continuation of payroll deduction status.

SUBCHAPTER 3. ADMINISTRATIVE PROVISIONS

530:15-3-8. Credit unions, banks and savings associations

~~(a)~~ A credit union, bank or savings association having an office in this state may request payroll deduction status. The request must be made by filing a completed Form VPD-1 and

providing the Administrator with information to show at least one half (1/2) of its members are either employees of the State or a political subdivision of the State, or are members by reason of their relation to such employees. one branch office location in the state of Oklahoma.
[62:7.10(A)(1)]

~~(b) The Administrator may conclude that based upon a credit union's charter, purpose, membership criteria and location that at least one half (1/2) of its members are or will be either employees of the State or a political subdivision of the State, or are members by reason of their relation to such employees.~~

~~(c) The Administrator may require a credit union that has previously been granted payroll deduction status to file a completed VPD 1 and to certify or demonstrate that at least one half (1/2) of its members are either employees of the State or a political subdivision of the State, or are members by reason of their relation to such employees.~~