

OPM 98-45

July 17, 1998

TO: Agency Personnel Responsible for Payroll Deductions, and All Organizations Approved for Deduction Status

FROM: Oscar B. Jackson, Jr.
Administrator and Cabinet Secretary of Human Resources

RE: **Voluntary Payroll Deduction Rules, Including Permanent Amendments Effective July 1, 1998**

Enclosed is a copy of the Voluntary Payroll Deduction Rules which include permanent amendments to the following rules:

- 530:15-1-1. Purpose
- 530:15-1-2. Definitions
- 530:15-3-7. Dues for employee associations
- 530:15-3-7.1 Contributions to employee association foundations

These permanent amendments became effective July 1, 1998, and were necessary due to a statutory change made during the 1997 Legislative Session by Enrolled Senate Bill 218. These permanent amendments supersede the emergency amendments of November 1997. **Please discard your November 1997 Voluntary Payroll Deduction Rules and any other earlier versions.**

Contact Marsha Reeder at (405) 521-2269 if you have any questions about the Voluntary Payroll Deduction Rules or our payroll deduction procedures.

Enclosures: OPM July 1998 Voluntary Payroll Deduction Rules

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

Subchapter	Section
1. General Provisions	530:15-1-1
3. Administrative Provisions	530:15-3-1
5. Complaints and Hearings	530:15-5-1

[**Authority:** 62 O.S. § 7.10 of Title 62 and 75 §§ 302, 305 and 307]

[**Source:** Codified 12-31-91]

SUBCHAPTER 1. GENERAL PROVISIONS

Section	
530:15-1-1.	Purpose [AS AMENDED EFF. 7/1/98]
530:15-1-2.	Definitions [AS AMENDED EFF. 7/1/98]
530:15-1-3.	[RESERVED]
530:15-1-4.	[RESERVED]
530:15-1-5.	Construction
530:15-1-6.	Determinations of fact and conclusions of law
530:15-1-7.	Filing and inspection of documents
530:15-1-8.	[RESERVED]
530:15-1-9.	Forms
530:15-1-10.	Computation of time
530:15-1-11.	Amending of rules
530:15-1-12.	Requests for declaratory rulings

530:15-1-1. Purpose [AS AMENDED EFF. 7/1/98]

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, and supplemental insurance and retirement plans, 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 [AS AMENDED EFF. 7/1/98]

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.

"**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 and signed 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.

"Member" means:

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

(B) 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 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.

"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."

"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.

530:15-1-3. [RESERVED]

530:15-1-4. [RESERVED]

530:15-1-5. Construction

The rules in this Chapter shall be construed liberally to effectuate the purposes and provisions of Section 7.10.

530:15-1-6. Determinations of fact and conclusions of law

All determinations of fact or conclusions of law shall be made by the Administrator. The Administrator may initiate actions when he determines it is necessary to do so in order to accomplish the objectives of Section 7.10, and to carry out his duties thereunder. The Administrator may appoint one or more employees or officers to assist him in executing such duties.

530:15-1-7. Filing and inspection of documents

(a) Requests for declaratory rulings, applications for administrative actions, complaints or other communications regarding any matter relevant to the Administrator's duties under Section 7.10 must be directed to the Administrator, Office of Personnel Management, 2101 N. Lincoln Blvd., Oklahoma City, OK 73105-4904; telephone (405) 521-2177.

(b) Except as provided elsewhere by the rules in this Chapter, no particular form is required. Requests for blank forms and general information may be directed to the Office of Personnel Management, Attention: Fiscal Services, at the same address and telephone number.

(c) A document that is required to be filed may be sent by mail or hand-delivered within the time limit, if any, for such filing. The date on which it is received at the Office of Personnel Management shall be deemed to be the date of filing. The document must be signed by the party to the action, by a duly authorized representative of the party, or by the party's attorney; provided, however, an application by a credit union or an employee association for approval or renewal of payroll deduction status must be signed by an officer of the organization. The signature of the person signing the document constitutes a certification that such person

has read the document and has personal knowledge of the facts set forth therein; that every statement contained in the instrument is true and correct and no such statements are misleading; and that the document is not interposed for delay. If any document submitted is not signed or is signed with intent to defeat the purposes of the rules in this Chapter, it may be stricken as sham and false and the Administrator may proceed as though the document had not been served or filed.

(d) If a party has designated an attorney to represent it, the Administrator shall communicate with the party through the attorney, and consider that the attorney can act for and bind the party.

(e) A document a party has filed may be amended, upon the party's written request and in the discretion of the Administrator, at any time prior to final action. If amended, the document shall be effective as of the date of the original filing.

(f) If a document that has been filed is not in substantial conformity with the applicable rules as to the contents thereof or is otherwise insufficient, the Administrator, on his own initiative or upon request of a party, may strike or dismiss such document, or require its amendment.

(g) All documents filed with the Administrator shall be retained in the files of the Office of Personnel Management in accordance with the Records Management Act, Section 201 through 216 of Title 67 of the **Oklahoma Statutes**. The Administrator may permit the withdrawal of original documents upon submission of properly authenticated copies to replace such documents.

(h) Any document submitted to the Administrator with respect to a matter under Section 7.10 and that is not exempt from public disclosure; any form that may be adopted by the Administrator; all rules, written statements of policy or interpretation; and all final orders, decisions and opinions formulated or used by the Administrator are available for public inspection.

530:15-1-8. [RESERVED]

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 and insurance/retirement plan organizations to request initial approval or continuation of payroll deduction status.

530:15-1-10. Computation of time

The time within which an act is to be performed under the rules in this Chapter shall be computed by

excluding the first day and including the last. When the last day for doing an act required by the rules in this Chapter falls on a day on which the Office of Personnel Management is not open, then the required act may be performed on the next business day. The Administrator, for good cause shown, and with notice to all interested parties, may extend any time prescribed in the rules in this Chapter.

530:15-1-11. Amending of rules

Any party may petition the Administrator for the adoption, amendment or repeal of any rule in this Chapter. Such petition shall be in writing and shall include the party's name and address, the wording of proposed new rules or amendments, and an explanation of why the change is requested and its intended effect.

530:15-1-12. Requests for declaratory rulings

(a) A party may request that the Administrator issue a declaratory ruling with regard to any matter relating to the party's interests and involving the administration of Section 7.10. A request for declaratory ruling must be in writing and signed in accordance with the rules in this Chapter. No particular form is required. A request for declaratory ruling shall include the following:

(1) The name and address and organizational affiliation, if any, of the requesting party, and the title of any representative filing the request; and

(2) A clear and concise explanation why a declaratory ruling is needed, including such facts, names, citations of law and administrative rules that may be relevant to the matter.

(b) The Administrator will acknowledge receipt of the request for declaratory ruling within **15** days after receipt. If the request is repetitive, concerns a matter that in the Administrator's judgment is inappropriate for a declaratory ruling, or concerns a matter beyond the Administrator's scope of authority, the request may be denied and the party so advised.

(c) If a request for declaratory ruling names or will directly, materially and adversely affect another party, the Administrator shall provide the other party with written notice and afford such party an opportunity to respond in writing. Any response must be filed with the Office of Personnel Management within **15** days after the date notice was mailed.

(d) The Administrator will consider a request for declaratory ruling and issue a decision within **30** days after receipt, unless additional time is deemed necessary in which event the requestor will be so advised and given the reasons therefor.

SUBCHAPTER 3. ADMINISTRATIVE PROVISIONS

Section

530:15-3-1.	[RESERVED]
530:15-3-2.	Deduction authorization procedure
530:15-3-3.	[RESERVED]
530:15-3-4.	Fees
530:15-3-5.	[RESERVED]
530:15-3-6.	Consideration of applications for deduction status
530:15-3-7.	Dues for employee associations [AS AMENDED EFF. 7/1/98]
530:15-3-7.1	Contributions to employee association foundations [NEW PERMANENT RULE EFF. 7/1/98]
530:15-3-8.	Credit unions
530:15-3-9.	Supplemental insurance or retirement plans
530:15-3-10.	[RESERVED]
530:15-3-11.	[RESERVED]
530:15-3-12.	Notification of approval for payroll deduction
530:15-3-13.	Denial of deduction status

530:15-3-1. [RESERVED]

530:15-3-2. Deduction authorization procedure

(a) All state agencies shall implement procedures to accommodate payroll deductions requested by employees, as permitted by law and the rules in this Chapter.

(b) Agencies shall require their employees to submit signed authorizations to begin or change a payroll deduction; provided, for a change in an employee association's dues agencies shall accept the association's notice of such change in lieu of individual authorizations.

(c) An entity that receives payment through deduction must provide upon request by the Administrator or an agency the appropriate deduction amount for any specified payroll period.

530:15-3-3. [RESERVED]

530:15-3-4. Fees

The Office of Personnel Management, using payment information furnished by the Office of State Finance, and other state agencies when necessary, will calculate and assess monthly the statutory fees for processing insurance and retirement plan deductions. Fees shall be payable on demand. If payments are not made in a timely manner, payroll deduction status may be terminated.

530:15-3-5. [RESERVED]

530:15-3-6. Consideration of applications for deduction status

The Administrator will consider an application for approval or renewal of payroll deduction status and issue a decision in writing within 30 days of receipt, unless additional time is deemed necessary in which event the applicant will be so advised and given the reasons therefor. Unless the Administrator determines a hearing is necessary to receive additional information and so orders, his decision will be based solely upon the application, accompanying information and evidence, and records in the Administrator's custody or control.

530:15-3-7. Dues for employee associations [AS AMENDED EFF. 7/1/98]

(a) An employee association other than one specifically authorized payroll deduction for its dues by statute may request such status. The request must be made by filing a completed Form VPD-1 and providing the Administrator with information to show it is a statewide association limited to state employee membership and has at least 1,000 dues-paying members. [62:7.10(B)(4)]

(b) Either of the following may be submitted as evidence that an employee association has at least 1,000 dues-paying members.

(1) Attestation by an independent public accountant or certified public accountant that the association had at least 1,000 members at the time of the accountant's examination of membership records, all of whom either were currently paying dues or had signed valid authorizations for payroll deduction of dues. The examination must have taken place within the

60 days preceding the date of application for payroll deduction status.

(2) Photocopies of membership application cards, showing the association name, date of membership application, member's name and address, employing state agency and signature authorizing payroll deduction of dues. These must be accompanied by an affidavit signed by a duly authorized representative of the association, attesting that all persons for whom cards are submitted are current members. Cards shall be considered valid if the dates thereon, and other evidence provided to the Administrator, indicate a regularity of continuing interest by the employees signing the cards.

(c) The Administrator may require an association that has previously been granted payroll deduction status to file a completed Form VPD-1 and to certify or demonstrate it continues to be a statewide association limited to state employees with at least 1,000 dues-paying members. The Administrator may utilize the State's payroll records to satisfy himself that there continue to be at least 1,000 dues-paying members.

(d) As evidence an employee association is a "statewide" organization in which membership is limited to state employees, the association must submit a copy of its governing instruments, demonstrating that membership is both:

- (1) restricted to state employees, and
- (2) open to state employees regardless of the geographic location of their duty stations.

530:15-3-7.1. Contributions to employee association foundations [NEW PERMANENT RULE EFF. 7/1/98]

(a) An employee association authorized payroll deduction for its dues by statute or by the Administrator according to 530:15-3-7 may request payroll deduction for contributions to its foundation organized under 26 U.S.C., Section 501(c)(3). The request must be made by filing a completed form VPD-1 with the Administrator. The form shall be accompanied by:

- (1) a copy of the determination by the Internal Revenue Service that the foundation is exempt from federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code; and
- (2) a statement on the foundation's letterhead signed by an officer of the foundation indicating the foundation is affiliated with the employee association submitting the request.

(b) The Administrator may verify that an association has previously been granted payroll deduction status for membership dues and continues to be eligible by statute or under 530:15-3-7.

(c) After a foundation has been authorized payroll deduction status, the employee association shall be responsible for immediately notifying the Administrator in writing of any changes in the foundation's eligibility for payroll deduction status. This shall include but not be limited to copies of any communications from the Internal Revenue Service concerning the foundation's exemption from federal income tax as an organization described in section 501(3)(c) of the Internal Revenue Code. The Administrator may require an association that has previously been granted payroll deduction for its association to file a completed VPD-1 and to submit evidence that it continues to possess a 501(c)(3) exemption from the Internal Revenue Service.

retirement plan must have received applicable regulatory approvals to qualify for payroll deduction.

(b) The Administrator shall not consider any application for payroll deduction status during a period of 6 months following the removal or

530:15-3-8. Credit unions

(a) A credit union 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. [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.

530:15-3-9. Supplemental insurance or retirement plans

(a) A private organization, including an independent insurance agency, that was not accorded payroll deduction status as of July 1, 1988, may request such status with respect to insurance policies or retirement plans that are supplemental to those provided for by the State. Such requests must be made by filing a completed Form VPD 1. A policy or

revocation of such status, nor shall he consider more than 3 applications from an applicant previously denied or removed from deduction status during any 3 year period after the first denial or refusal.

(c) Upon a determination that a supplemental insurance or supplemental retirement applicant is eligible for payroll deduction status, the Administrator shall grant probationary deduction status to continue through the end of the fourth month following the month in which probationary status is granted. If participation during the fourth month is less than 500 state employees, the Administrator shall notify the applicant that deduction status will be revoked.

(d) The minimum participation requirement shall apply to each supplemental insurance billing unit, as identified by the Federal Employer (Tax) Identification Number, to which payments are payable, and to each retirement plan.

530:15-3-10. [RESERVED]

530:15-3-11. [RESERVED]

530:15-3-12. Notification of approval for payroll deduction

(a) Upon the approval of an application for payroll deduction status, the Administrator shall notify the applicant. The Administrator shall periodically distribute to state agencies a list of entities for which deduction status has been granted or withdrawn.

(b) The approval of an application does not constitute an endorsement or recommendation by the Office of Personnel Management or the State of Oklahoma as to the subject of the payroll deduction,

and applicants shall make no such representation.

530:15-3-13. Denial of deduction status

(a) If the Administrator determines an applicant does not meet the criteria set forth in Section 7.10 for payroll deduction status, he shall notify the applicant in writing of denial and the reasons for denial. The Administrator may reconsider an application, if an applicant submits a request and additional information within 15 calendar days after notification of denial.

(b) If the Administrator determines an entity with current deduction status no longer meets the criteria for such status, he shall notify it of his intent to terminate deduction status, giving the reason for such proposed termination. This notice will be mailed at least 30 calendar days in advance of the date the Administrator expects to notify agencies of the termination. Within 15 calendar days after the notice of the intention to terminate was mailed to the entity, the entity may submit a written request for continued status to the Administrator. The written request must be accompanied by a statement of the specific reasons why status should not be terminated, and must also be accompanied by all evidentiary material the requestor seeks to rely on. The Administrator will consider the request, reasons, and evidence presented, and will issue a decision within 5 calendar days after receipt. The decision of the Administrator is final, unless otherwise provided by the Administrative Procedures Act.

(c) The Administrator shall notify all state agencies of a termination of payroll deduction status and shall allow a reasonable period of time for adjustments to payrolls.

SUBCHAPTER 5. COMPLAINTS AND HEARINGS

Section

- 530:15-5-1. [RESERVED]
- 530:15-5-2. Complaints
- 530:15-5-3. [RESERVED]
- 530:15-5-4. [RESERVED]
- 530:15-5-5. Rules of evidence
- 530:15-5-6. [RESERVED]
- 530:15-5-7. [RESERVED]
- 530:15-5-8. Hearings

530:15-5-1. [RESERVED]

530:15-5-2. Complaints

(a) A complaint with regard to any matter relating to the administration of Section 7.10 may be made to

the Administrator. A complaint shall be in writing and signed in accordance with the rules in this Chapter. Except as may be provided elsewhere by the rules in this Chapter, no particular form is required. A complaint shall include the following:

(1) the name and address and organizational affiliation, if any, of the complainant, and the title of any representative filing the complaint; and

(2) a clear and concise statement of the nature of the complaint, including such facts, names, citations of law and administrative rules that may be relevant to the matter, and the remedy, if any, requested.

(b) The Administrator will acknowledge receipt of the complaint within **15** days of date of receipt. If the complaint is repetitive, concerns a matter that has previously been resolved, or concerns a matter beyond the Administrator's scope of authority, the complaint may be rejected and the complainant so advised.

(c) If a complaint names or will directly, materially and adversely affect another party, the Administrator shall provide the other party with written notice and afford such party an opportunity to respond in writing to the complaint. Any response must be filed with the Office of Personnel Management within **15** days after the date notice was mailed. The response must contain all of the following elements:

(1) A specific admission, denial, or explanation of each allegation of the complaint, or, if the respondent is without knowledge thereof, respondent shall so state and that statement shall constitute a denial. Admissions and denials may be made to all or part of the allegation, but shall fairly meet the substance of the allegation;

(2) A specific and appropriately detailed statement of any affirmative defense; and

(3) A clear and concise statement of the facts and matters of law relied upon constituting any grounds of defense.

(d) The Administrator will consider a complaint and issue a decision within **30** days after receipt, unless additional time is deemed necessary in which event the complainant will be so advised and given the reasons therefor. Unless the Administrator determines a hearing is necessary to receive additional information and so orders, his decision will be based solely upon the complaint, any responses to the complaint, accompanying information and evidence, and records in the Administrator's custody or control.

(e) Complaints may be informally settled by stipulation, agreed settlement, consent order, default, or by any other method agreed upon by the parties in writing.

530:15-5-3. [RESERVED]

530:15-5-4. [RESERVED]

530:15-5-5. Rules of evidence

In any proceeding, the Administrator shall not be bound by technical rules of evidence. The Administrator may admit and give probative effect to evidence which possesses probative value commonly accepted by reasonably prudent persons in the conduct of their affairs.

(1) All irrelevant, immaterial, or unduly repetitive evidence shall be excluded from consideration.

(2) The Administrator shall give effect to the rules of privilege recognized by Oklahoma state law.

(3) Documentary evidence may be received in the form of copies or excerpts, if the submitting party certifies authenticity and if upon request the original is available for comparison with the copy.

(4) The Administrator may take notice of judicially or generally cognizable facts; however, before a decision is made final parties shall be notified of the material so noticed and afforded an opportunity to contest the facts so noticed.

530:15-5-6. [RESERVED]

530:15-5-7. [RESERVED]

530:15-5-8. Hearings

(a) The Administrator may hold a hearing on any matter relating to the administration of Section 7.10. The Administrator or a person designated by the Administrator as the hearing officer may conduct the hearing.

(b) The following procedures for hearings will be followed except as may be required by the provisions of Article II of the Administrative Procedures Act, Sections 309 through 323 of Title 75 of the **Oklahoma Statutes**:

(1) The Administrator shall give at least **10** days notice of a hearing. Notice shall be made:

(A) by posting a meeting announcement at the premises of the Office of Personnel Management; and

(B) by mail to persons who have requested that they receive notice of a hearing or who, in the judgment of the Administrator, may be affected by the subject of the hearing.

(2) A meeting announcement shall include the time, date and place for the hearing, and a description of the subject of the hearing. Unless

the meeting announcement contains other instruction, the meeting will begin with introductory remarks, followed by an explanation of the subject, and an opportunity for attendees to make oral comments. Oral presentations by an individual attendee, or by a group of attendees who represent a common interest, may be limited to **30** minutes. Ten minutes additional time may be allowed if

necessary for responses. Written comments are encouraged but not required.

(c) This Section does not apply to meetings and hearings which are subject to the Open Meeting Act, Section 301 through 314 of Title 25 of the **Oklahoma Statutes** or to Article I of the Administrative Procedures Act, Sections 250.2 through 308.2 of Title 75 of the **Oklahoma Statutes**.

Section 7.10 of Title 62 of the Oklahoma Statutes

The following text is Section 7.10 of Title 62 of the Oklahoma Statutes as it was last amended, effective November 1, 1997. It is NOT part of the Voluntary Payroll Deduction Rules. It is the law upon which the Rules are based.

A. 1. Upon the request of a state employee, a state agency, board, or commission shall make voluntary payroll deductions for the employee to a credit union which primarily serves state employees or employees of a political subdivision of the state.

2. The governing body of any county, municipality, or school district may provide for voluntary payroll deductions to a credit union serving the employees of the county, municipality, or school district.

B. Upon the request of a state employee and pursuant to procedures established by the Administrator of the Office of Personnel Management, a state agency, board, or commission shall make payroll deductions for:

1. The payment of any insurance premiums due a private insurance organization with a minimum participation of five hundred (500) state employees for life, accident, and health insurance which is supplemental to that provided for by the state;

2. The payment of any insurance premiums due a private insurance organization or service company which is regulated by the State Insurance Commissioner and with a minimum participation of five hundred (500) state employees for legal services;

3. Premiums or payments for retirement plans with a minimum participation of five hundred (500) state employees for retirement plans which are supplemental to that provided for by the state;

4. Salary adjustment agreements included in a flexible benefits plan as authorized by the State Employees Flexible Benefits Act;

5. Membership dues in the Oklahoma Public Employees Association or any other statewide association limited to state employee membership with a minimum membership of one thousand (1,000) dues-paying members; and

6. Contributions to its foundation organized pursuant to 26 U.S.C., Section 501(c)(3) in the Oklahoma Public Employees Association or any other statewide association limited to state employee membership with a minimum membership of one thousand (1,000) dues-paying members.

C. The administrative costs of processing payroll deductions or administering salary adjustment agreements for insurance premiums as provided for in subsection B of this section shall be a charge of two percent (2%) of the gross annual premiums for insurance plans. The administrative costs of processing payroll deductions or administering salary adjustment agreements for payments for retirement plans as provided for in subsection B of this section shall be one percent (1%) of the gross annual payments for retirement plans. These charges shall be collected monthly from the private insurance or retirement plan organization by the Office of Personnel Management and shall be deposited to the credit of the General Revenue Fund. Provided that these costs shall not be collected from state employees or state agencies unless otherwise directed in Section 1 et seq. of this title.

D. Any insurance or retirement plan organization with a payroll deduction as of the date the Office of State Finance begins administering this section shall be exempt from the minimum state employee participation requirement for a period of six (6) months from said date.

E. Any statewide association granted a payroll deduction prior to March 23, 1984, shall be exempt

from the minimum state employee membership requirement.

F. Approval of a payroll deduction or salary adjustment agreement for any insurance organization,

line of coverage or policy shall not be construed as an assumption of liability, for the term of policy or the performance of the insurance organization, by this state, or any of its agencies, boards, commissions, institutions or any officer or employee thereof. Contracts for such insurance shall be in all respects subject to the insurance laws of this state, and shall be enforceable solely pursuant to such laws.

G. The Oklahoma Employment Security Commission is authorized to deduct from the wages

or salary of its employees the employees' contribution to the Employment Security Commission Retirement Plan.

H. Payroll deductions shall be made for premium payments for group insurance for retired members or beneficiaries of any state-supported retirement system upon proper authorization given by the member or beneficiary to the board from which the member or beneficiary is currently receiving retirement benefits.