

DEPARTMENT OF TRANSFORMATION AND SHARED SERVICES
EMPLOYEE BENEFITS DIVISIONS RULES GOVERNING
VOLUNTARY PRODUCTS

Effective: _____

1.0 AUTHORITY

1.01 These rules shall be known as the Department of Transformation and Shared Services Employee Benefits Division Rules Governing Voluntary Products.

1.02 These rules are promulgated pursuant to Ark. Code Ann. § 21-5-905 and Ark. Code Ann. § 25-15-201 et seq.

2.0 PURPOSE

The purpose of these rules is to implement Ark. Code Ann. § 21-5-904 regarding the administration of voluntary products.

3.0 DEFINITIONS

3.01 EBD means the Department of Transformation and Shared Services, Employee Benefits Division.

3.02 Voluntary Products means any individual or group policy and other employee benefits that are wholly paid for by the employee, including without limitation those policies and benefits provided by the Arkansas State Employees Association, Inc., or a designee of the Arkansas State Employees Association, Inc., that develops and administers a cafeteria plan under Ark. Code Ann. § 21-5-405(d).

4.0 VOLUNTARY PRODUCTS OFFERINGS

4.01 All state employees who are eligible under Ark. Code Ann. § 21-5-901 shall be offered the opportunity to participate in a cafeteria plan for Voluntary Products during their new hire eligibility period and during the annual open enrollment.

4.02 The Arkansas State Employees Association, Inc., shall offer education and information to each employee regarding the available Voluntary Products annually during open enrollment and to new hires throughout the year.

5.0 VOLUNTARY PRODUCTS CONTRACTS

5.01 The Arkansas State Employees Association, Inc., shall develop and administer a cafeteria plan for Voluntary Products on behalf of eligible state employees.

5.02 All Voluntary Products shall be contracted through a competitive sealed bidding process.

- 5.02.1 The Arkansas State Employees Association, Inc., shall ensure the selection of Voluntary Products offer the best combination of benefits and pricing available.
- 5.02.2 The Arkansas State Employees Association, Inc., shall provide EBD a report of all competitive bids including the procedures followed and selection process.
- 5.02.3 No Voluntary Product contract, including amendments and extensions, shall exceed seven (7) years without being competitively rebid.
- 5.03 The Arkansas State Employees Association, Inc., shall present all new contracts and amendments to existing contracts for Voluntary Products to the State Board of Finance and the Employee Benefits Oversight Subcommittee of the Arkansas Legislative Council.
- 5.04 Any material changes to Voluntary Products contracts shall be reported to the State Board of Finance and the Employee Benefits Oversight Subcommittee of the Arkansas Legislative Council.

6.0 COORDINATION WITH THE EMPLOYEE BENEFITS DIVISION

- 6.01 To ensure continuity of service to state employees, the Arkansas State Employees Association, Inc., shall coordinate with the EBD on issues regarding, but not limited to billing, employee management, record keeping, and information sharing.
- 6.02 The Arkansas State Employees Association, Inc., shall meet with the EBD quarterly.
- 6.03 The State Board of Finance shall resolve any disputes between the Arkansas State Employees Association, Inc. and EBD regarding voluntary products. These disputes shall be exempt from the Administrative Procedures Act, Ark. Code Ann. § 25-15-201 et seq.

7.0 SEMI-ANNUAL REPORTING

- 7.01 The Arkansas State Employees Association, Inc., shall submit to the Employee Benefits Oversight Subcommittee of the Arkansas Legislative Council a semi-annual report that includes:
 - 7.01.1 A summary of the Voluntary Products offerings, including the contract, pricing, and number of participants for each offering; and
 - 7.01.2 A financial analysis report for each offering, including premiums paid by state employees and additional fees and expenses, if any.