

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

SENATE BILL 235

5 By: Senator J. Boyd
6 By: Representative Lundstrum
7

For An Act To Be Entitled

8
9 AN ACT TO CREATE THE VOLUNTARY PORTABLE BENEFIT
10 ACCOUNT ACT; AND FOR OTHER PURPOSES.
11

Subtitle

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13
14 TO CREATE THE VOLUNTARY PORTABLE BENEFIT
15 ACCOUNT ACT.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code Title 11, Chapter 4, is amended to add an
20 additional subchapter to read as follows:
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22 Subchapter 7 – Voluntary Portable Benefit Account Act
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24 11-4-701. Title.

25 This subchapter shall be known and may be cited as the "Voluntary
26 Portable Benefit Account Act".
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28 11-4-702. Definitions.

29 As used in this subchapter:

30 (1)(A) "Bank" means a state bank or a national bank or an out-
31 of-state state-chartered bank that has received a certificate of authority
32 under § 23-48-1001.

33 (B) "Bank" shall also include any foreign bank organized
34 under the laws of a territory of the United States, the Commonwealth of
35 Puerto Rico, Guam, American Samoa, or the United States Virgin Islands, the
36 deposits of which are insured by the Federal Deposit Insurance Corporation;



1 (2) "Hiring party" means a person who hires or enters into a
 2 contract with an independent contractor;

3 (3)(A) "Voluntary portable benefit account" means an account
 4 that is:

5 (i) Opened by an independent contractor to fund the
 6 purchase of one (1) or more benefit plans;

7 (ii) Administered by a voluntary portable benefit
 8 account provider; and

9 (iii) Assigned to a beneficiary of one (1) or more
 10 benefit plans rather than to an employer or hiring party.

11 (B) "Voluntary portable benefit plan" includes without
 12 limitation:

13 (i) Health insurance;

14 (ii) Income replacement insurance;

15 (iii) Life insurance; and

16 (iv) Retirement benefits; and

17 (4) "Voluntary portable benefit account provider" means the
 18 administrator of a voluntary portable benefit account and includes:

19 (A) A bank;

20 (B) An investment management firm;

21 (C) A technology provider or program manager that offers
 22 services through a bank or investment management firm; or

23 (D) Any other person who demonstrates to the satisfaction
 24 of the Bank Commissioner that the manner in which the bank or person will
 25 administer the voluntary portable benefit account will be consistent with the
 26 voluntary portable benefit account requirements under this subchapter.

27
 28 11-4-703. Voluntary portable benefit account.

29 (a)(1) A person or entity, including an independent contractor or an
 30 internet- or application-based company, may voluntarily contribute funds to a
 31 voluntary portable benefit account for an independent contractor.

32 (2) Employment status as an independent contractor shall be
 33 determined by the employment status factors set out in the Empower
 34 Independent Contractors Act of 2019, § 11-1-201 et seq.

35 (3) A contribution to a voluntary portable benefit account shall
 36 not be used as a criterion for determining a worker's employment

1 classification.

2 (b) A contribution to a voluntary portable benefit account may be made
3 using the funds of the hiring party or a percentage of funds withheld from
4 compensation owed to an independent contractor if:

5 (1) The withholding of compensation is expressly agreed to in
6 writing;

7 (2) The written agreement is clear, unambiguous, and prominently
8 displayed either in a work contract or a separate notice;

9 (3) The withholdings are voluntary and require an independent
10 contractor to opt in; and

11 (4) An independent contractor may choose to opt out of the
12 agreement in subdivision (b)(2) of this section at any time.

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