

Business and Noninstructional Operations

AR 4152(a)

VOLUNTARY PAYROLL DEDUCTIONS

4252

4352

Purpose and Scope

To outline administrative procedures governing voluntary payroll deductions for district employees.

Definitions

1. **Mandatory payroll deduction:** An amount withheld from an employee's pay warrant by *legal mandate*, such as social security, retirement, income tax, tax levies and garnishments, or as required by collective bargaining agreement organizational security, such as union dues.
2. **Voluntary payroll deduction:** An amount withheld from an employee's pay warrant *upon the employee's request* under plans authorized and approved by the Board of Education, such as group insurance and charitable contributions.

Rules of Application

Statutes authorize the district, upon approval of the Board, to make voluntary deductions from an employee's warrant upon his/her request, with or without charge, as a service to the employee. Proliferation in types of voluntary deductions and increasing administrative costs necessitate adherence to reasonable guidelines covering this service to employees.

1. Approval by Board or designee is required for deduction plans constituting a fringe-benefit service to employees. (Approved plans and "systems" of insurance are listed in the District-Approved Voluntary Deduction Plans section below.)
2. Charges for service, if any, to an employee or employee organization shall not exceed actual cost to the district, with the exception of *group* insurance plans as defined in the District-Approved Voluntary Deduction Plans section below, for which there is no charge.
3. Requests for adding plans to the district-approved list must be submitted by employee groups or organizations.
4. Each employee group or organization is entitled to one of each voluntary type of payroll deduction plan at any one time.

District-Approved Voluntary Deduction Plans

1. Group insurance (Four basic types): Life, medical, disability, and income protection plans, in which the master contract is held by the school district or an employee organization. Deduction shall be made without charge to employee. (Education Code 44041, 44042)
2. Charitable contributions (One only): Community Service Association (Government Code 1157.2)
3. Organization and professional dues: (Education Code 45060, 45168; Government Code 1157.3, 3543.1; collective negotiations contracts)

VOLUNTARY PAYROLL DEDUCTIONS (continued)

Changes in Deductions

Changes in deductions by individual employees must be submitted to the Payroll/Benefits Department or updated online through Employee Self-Service, by the first workday of the month to be effective on the pay warrant issued for that month.

Implementation

1. Application for District Approval of Plan
 - a. Requesting employee group or organization submits letter and complete description of proposed plan to the Payroll/Benefits Director.
 - b. Payroll/Benefits Director, Finance Division
 - (1) Reviews proposed plan for compatibility with authorized plans and compliance with regulations and transmits plan, along with recommendations including service charge considerations, to the Superintendent or designee for consideration and Board action, if necessary.
 - (2) If approved, sends written acknowledgement to requesting employee group or organization with instructions to contact the Payroll/Benefits Director for further processing.
 - (3) If disapproved, advises employee group or organization.
 - c. Payroll/Benefits Department
 - (1) Assigns payroll deduction code and enters payee information into the PeopleSoft System (HCM)
 - (2) Determines whether payroll deduction will be for ten or twelve months.
 - (3) Provides standard payroll deduction format for enrollment forms to employee group or organization.
 - (4) Enters deduction information received from employees.
 - d. Office of the Controller issues warrants to remit amount deducted to authorized recipients. Remittances for the previous month are made on or about the third workday of current month for deductions withheld from the prior month's payroll.
2. Employee Enrollment in Approved Plans
 - a. Employee executes voluntary payroll deduction authorization and sends to the Payroll/Benefits Department, Finance Division or utilizes Employee Self-Service to make online changes.

VOLUNTARY PAYROLL DEDUCTIONS (continued)

- b. Some plans have a periodic or “open” enrollment period for current employees. New employees should inquire about plans available and sponsoring organizations as soon as possible after reporting for duty.

Reports and Records

Hard copy voluntary payroll deduction forms are archived in an electronic format. Electronic records of voluntary payroll deduction additions or changes will be retained for a minimum of three years.

Legal Reference:

EDUCATION CODE

44041-44042 Payroll deductions for collection of premiums

45060 Deduction of fees from salary or wage payment, certificated employees

45168 Deduction of fees from salary or wage payment, classified employees

GOVERNMENT CODE

1152 et seq. Salary and wage deductions

3543.1 Release time for representatives of employee organizations