



CATEGORY: **Fiscal Management, Payroll**

EFFECTIVE: **5-01-68**

SUBJECT: **Voluntary Payroll Deductions**

REVISED: **11-01-06**

A. PURPOSE AND SCOPE

1. To outline administrative procedures governing voluntary payroll deductions for district employees.
2. **Related Procedures:**

Tax-sheltered annuities	2630
Group health care plans	7122
Group dental insurance plan	7124
Group life insurance plans	7126

B. LEGAL AND POLICY BASIS

1. **Reference:** Board Policy I-1020; Education Code Sections 44041, 44042, 45060, 45168; Government Code Sections 1152, *et seq.*, 3543.1; Collective Negotiations Contracts.

C. GENERAL

1. **Originating Office.** Suggestions or questions concerning this procedure should be directed to the Payroll/Employee Benefits Department, Human Resource Services Division, Office of the Chief of Staff.
2. **Definitions**
 - a. **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 SDEA dues.
 - b. **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, savings bonds and charitable contributions.
3. **Regulations.** Statutes authorize the district, upon approval of the governing 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.

- a. **Approval by governing board** or designee (Human Resource Services Division Chief Human Resources Officer) is required for deduction plans constituting a fringe-benefit service to employees. (Approved plans and “systems” of insurance are listed in C.4.)
 - b. **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 C.4., for which there is no charge.
 - c. **Requests for adding plans** to the district-approved list must be submitted by employee groups or organizations.
 - d. **Each employee group or organization** is entitled to *one* of each voluntary type of payroll deduction plan at any one time.
4. **District-Approved Voluntary Deduction Plans**
- a. **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 Sections 44041, 44042)
 - b. **Charitable contributions:** (One only) Community Service Association (Government Code Section 1157.2).
 - c. **Organization and professional dues:** (Education Code Sections 45060, 45168; Government Code Sections 1157.3, 3543.1; collective negotiations contracts)
5. **Changes in deductions** by individual employees must be submitted to the Payroll/Employee Benefits Department or updated on-line through Employee

Self-Service, by the first workday of the month to be effective in the pay warrant issued for that month.

D. 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 Manager, Human Resource Services Division.

b. Payroll/Benefits Manager, Human Resource Services 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 for consideration and board action, if necessary.
- (2) *If approved*, sends written acknowledgment to requesting employee group or organization with instructions to contact the Payroll/Benefits Manager for further processing.
- (3) *If disapproved*, advises employee group or organization.

c. Payroll/Employee Benefits Department, Human Resource Services Division

- (1) Assigns payroll deduction code and enters payee information into the Human Resources Management System (HRMS).
- (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. Accounting Operations Department 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/Employee Benefits Department, Human Resource Services Division or utilizes Employee Self-Service to make on-line changes.
- 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.

SUBJECT: **Voluntary Payroll Deductions**

NO: **2625**

PAGE: **4 OF 4**

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E. FORMS AND AUXILIARY REFERENCES

1. Forms used to begin or change voluntary payroll deductions can be obtained directly from the agency involved.

F. REPORTS AND RECORDS

1. Hard copy voluntary payroll deduction forms will be kept by the Payroll/Employee Benefits Department for a minimum of one year following the enrollment date or change made by the employee. Electronic records of voluntary payroll deduction additions or changes will be retained for a minimum of three years.

G. APPROVED BY



Chief of Staff,
For the Superintendent of Schools