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REFERENCE TITLE: state employee payroll deductions

State of Arizona
Senate
Forty-sixth Legislature
First Regular Session
2003

SB 1326

Introduced by
Senator Mitchell

AN ACT

AMENDING SECTION 38-612, ARIZONA REVISED STATUTES; RELATING TO STATE EMPLOYEES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 38-612, Arizona Revised Statutes, is amended to
3 read:

4 38-612. Administration of payroll salary deductions

5 A. There shall be no payroll salary deductions from the compensation
6 of state officers or employees except as specifically authorized by federal
7 law or regulation or by a statute of this state. No administrative agency of
8 this state may authorize any other deduction.

9 B. In addition to those payroll salary deductions required by federal
10 law or regulation or by statute, state officers or employees may authorize
11 deductions to be made from their salaries or wages for the payment of:

12 1. Premiums on any health benefits, disability plans or group life
13 plans provided for by statute and any existing insurance programs already
14 provided by payroll deduction.

15 2. Shares or obligations to any state or federally chartered credit
16 union established primarily for the purpose of serving state employees and
17 their families.

18 3. Dues in a recognized association comprised principally of employees
19 and former employees of agencies of this state, subject to the following
20 criteria:

21 (a) When comprised of at least one thousand state employees other than
22 employees of ~~the state universities~~, the department of public safety and
23 academic personnel of the Arizona state schools for the deaf and the blind.

24 (b) When comprised of at least ~~twenty-five per cent of~~ ONE THOUSAND
25 EMPLOYEES OF ANY STATE UNIVERSITY, INCLUDING ~~the~~ academic personnel ~~or of the~~
26 AND nonacademic employees ~~of any state university~~.

27 (c) When comprised of at least twenty-five per cent of the academic
28 personnel of the Arizona state schools for the deaf and the blind.

29 (d) When comprised of at least five hundred state employees who are
30 certified as peace officers by the Arizona peace officer standards and
31 training board established by section 41-1821.

32 4. Deferred compensation or tax sheltered annuity salary reductions
33 when made under approved plans.

34 5. Federal savings bond plans.

35 6. Recurrent fees, charges or other payments payable to a state agency
36 under a collection plan approved by the director of the department of
37 administration.

38 7. Contributions made to a charitable organization:

39 (a) Organized and operated exclusively for charitable purposes and
40 selected by the presidents of the state universities. Employees of the state
41 universities shall be advised by form of the charitable organizations to
42 which they may contribute through payroll salary deductions. The advisory
43 provided under this subdivision shall be substantially similar to the
44 following and prominently printed:

1 "You may contribute to any charitable organization registered
2 under internal revenue code section 501(c)(3), tax exempt
3 status.
4

5 Charitable organization name"

6 This subdivision applies only to academic personnel and nonacademic employees
7 of the state universities.

8 (b) Organized and operated exclusively for charitable purposes,
9 provided a fund drive by such an organization shall be applicable to all
10 state agencies except the state universities covered under subdivision (a) of
11 this paragraph and no state officer or employee of state agencies subject to
12 this subdivision may authorize more than one deduction for charitable
13 purposes to be in effect at the same time. This subdivision applies to all
14 state agencies except the universities covered under subdivision (a) of this
15 paragraph.

16 8. Contributions made for the purpose of contributing to a fund
17 raising campaign for a university or a club for faculty or staff, or both,
18 which is recognized by the university president and authorized by the Arizona
19 board of regents. This paragraph applies only to academic personnel and
20 nonacademic employees of the state universities.

21 9. Charges payable for transportation expenses pursuant to section
22 41-786.

23 10. Payments ordered by courts of competent jurisdiction within this
24 state.

25 11. Automobile or homeowner's insurance premiums.

26 C. In order for the department of administration to establish and
27 maintain a dues deduction pursuant to subsection B, paragraph 3 of this
28 section, the department of administration shall have the capacity and
29 capability to establish and maintain the deduction without the appropriation
30 of any additional monies or technological improvements. The department of
31 administration shall track all personnel hours dedicated to dues deduction.
32 The department of administration may charge a fee to a recognized association
33 that qualifies under subsection B, paragraph 3 of this section for
34 establishing the automatic dues deduction and ~~any time~~ ANYTIME changes are
35 needed in the automatic dues deduction system as a result of an increase or
36 decrease in association dues. If the membership criteria of a recognized
37 association falls below the criteria set forth in subsection B, paragraph 3
38 of this section, the recognized association shall be on probation for one
39 year. If the membership of a recognized association falls below the criteria
40 set forth in subsection B, paragraph 3 of this section for more than one
41 year, or if the members of the association engage in a work slowdown or work
42 stoppage, the dues deduction authorized by this section shall immediately be
43 discontinued.

1 D. For those state officers and employees under payroll systems which
 2 are under the direction of the director of the department of administration,
 3 the director shall provide for the administration of payroll deductions for
 4 the purposes set forth in this section. For all other state officers and
 5 employees and for persons receiving allowances or benefits under other state
 6 payroll and retirement systems, the appropriate state officer shall provide
 7 for such administration of payroll deductions. Such administration shall
 8 operate without cost or contribution from the state other than the incidental
 9 expense of making the deductions and remittances to the payees. If any payee
 10 requests additional services, the director of the department of
 11 administration or any other appropriate state officer may require payment for
 12 the additional cost of providing such services.

13 E. As a means of readily identifying the employee from whom payroll
 14 deductions are to be made, the state officer administering payroll deductions
 15 may request an employee to enter such employee's social security
 16 identification number on the payroll deduction authorization. Such number
 17 shall not be used for any other purpose.

18 F. The state, the director of the department of administration or any
 19 other appropriate state officer shall be relieved of any liability to
 20 employees authorizing deductions or organizations receiving deductions that
 21 may result from authorizations pursuant to this section.