

Policy 2-60.1 Rev.
Date: March 16, 1978

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Subject: **PAYROLL DEDUCTIONS**

I. OBJECTIVE

To set forth the policy and procedures governing payroll deductions.

II. DEFINITIONS

Employee organization - a voluntary nonprofit association or organization, or a local campus unit or chapter of such an association or organization, the membership of which is predominantly composed of university employees, which exists for the primary purpose of promoting and protecting the interests of its members in the terms, conditions, rights and responsibilities associated with their employment by the university.

Processing charges - a one-time or periodic charge, including but not limited to a fee to be added to each voluntary payroll deduction, to assist in defraying the cost of processing voluntary payroll deductions.

III. POLICIES

A. Mandatory Deductions

The university is required by law to make certain deductions from employee's gross earnings, including income taxes and social security taxes. In addition, for certain benefit programs which require payments by participants, the university may specify payroll deduction as the only acceptable method of payment.

B. Voluntary Deductions

Clerical, administrative, and data processing expenses are associated with each payroll deduction made. In an effort to minimize such costs and assure optimal use of the university's data processing resources, voluntary payroll deductions will be made available to employees without charge only in circumstances which are regarded by the university as supportive of or beneficial to the university's goals and objectives, including fringe benefit programs for university employees.

C. Processing Charges

When voluntary payroll deductions are made available primarily as a convenience to employees of the university, a processing charge may be imposed.

D. Scheduling of Deductions

Payroll deductions ordinarily will be distributed in equal amounts to each paycheck issued during the period of time for which the deductions are authorized, except that voluntary deductions will not be made from the third paycheck in months with three paydays. For good cause, the vice president for administrative services may authorize exception to this scheduling policy.

E. Amount of Voluntary Deductions

Voluntary payroll deductions in the amount of less than one dollar per paycheck, exclusive of authorized processing charges, or for less than six successive payroll periods, are not authorized. Each voluntary payroll deduction must be for an equal amount during each pay period.

IV. ELIGIBILITY STANDARDS FOR VOLUNTARY DEDUCTIONS

A. University-Endorsed Programs

1. The following university-endorsed programs are eligible for voluntary payroll deduction on request by the employee, without imposition of a processing charge:
 - a. Any optional basic or supplemental insurance benefits program approved by the university.
 - b. Any optional basic or supplemental retirement or annuity program approved by the university.
 - c. University of Utah Employees Credit Union share purchase (savings) or loan payments.
 - d. United States Savings Bonds purchases.
 - e. Faculty Club memberships.
 - f. University parking permits.
 - g. University of Utah development and/or alumni fund contributions.
 - h. University-wide charitable fund-raising programs approved by the Board of Trustees.
2. Additional university-endorsed programs for payroll deduction may be approved, and previously approved programs (including those designated in paragraph 1 above) may be terminated by the Board of Trustees upon a determination that the best interests of the university so require.

B. Deductions Subject to Processing Charges

1. Payroll deductions on a voluntary basis are approved for the following purposes, subject to applicable conditions specified in paragraph C, below, including payment of processing charges:
 - a. Dues and fees required as a condition of membership in a university employee organization.
 - b. Season tickets for attendance at university-sponsored intercollegiate athletic events, Pioneer Memorial Theatre productions, and University Lectures and Concerts series.
 - c. Annual fees for use of campus recreational facilities.
2. Additional payroll deduction programs, subject to processing charges and to the

conditions of paragraph C below, may be approved, and previously approved deduction programs (including those described in paragraph 1) may be terminated by the Board of Trustees upon a determination that the best interests of the university so require.

C. Conditions Applicable to Processing Charges

1. Each category of processing charge required in connection with voluntary payroll deductions taken under paragraph B, above, including fees to be added to authorized deductions from individual paychecks, shall be uniform in amount and approved from time to time by the vice president for administrative services.
2. Processing charges shall be fixed and adjusted so that the estimated aggregate annual collections from such charges will substantially offset but not exceed the estimated annual incremental costs to the university of providing payroll deduction services under Section IV B.
3. The amount of the processing charges, as collected, will be credited to the account of the Employee Services Center, and will be used to offset wholly or partially the incremental costs associated with the implementation of payroll deductions under Section IV B.
4. Members of a university employee organization will be eligible for initiation of payroll deductions under Section IV B for the purpose of membership fees or dues only if (1) a responsible officer of the organization presents to the Employee Services Center a written request for payroll deduction privileges, and pays any required initial processing charge for implementing the deduction program, and (2) within thirty days thereafter, not less than twenty-five (25) members of the organization submit to the Employee Services Center duly signed payroll deduction authorizations. The number of participants in each employee organization deduction program will be reviewed annually and may be discontinued, on sixty days notice to the organization if the total number of participants during the preceding twelve months is less than 25 and sufficient additional authorizations are not presented within 30 days after such notice is given to bring that total to 25 or more.
5. Payroll deductions for season tickets and annual recreational fees are subject to the following conditions:
 - a. Payroll deductions for these purposes will be implemented only upon written request from the responsible operating unit, with approval of the cognizant vice president.
 - b. Prior to implementation, specific administrative arrangements for each deduction program, including the payment of any required initial processing charge for implementing the deduction program, the format of deduction authorization forms to be used, time periods during which deductions will be authorized, and accounting and reporting systems to be used, must be specifically agreed upon in writing, signed by the cognizant vice president and the vice president for administrative services.
 - c. Upon termination of employment of any person purchasing season tickets, or paying annual recreation fees, on a payroll deduction basis, the Employee Services Center may withhold the amount of any unpaid portion of the total price or fee, together with applicable processing charges, from the employee's final paycheck. See 1953 Utah Code Anno. 53-45-3.

- d. Any undercollection, whether such undercollection results from the termination of employment of the purchaser, a reduction in or termination of compensation payable through the university's payroll system to the employee, a programming or data processing error, or other cause, shall under no circumstances be chargeable to the Employee Services Center, but shall be the sole obligation and liability of the operating unit which requested the payroll deduction program.
- e. Payroll deduction authorizations for season tickets or annual recreation fees shall be subject to cancellation only as to future deductions, and only upon receipt by the Employee Services Center, not less than five working days prior to the end of the applicable payroll period, of a request for cancellation signed by the employee and bearing the written consent of an authorized representative of the responsible operating unit.

D. Implementing Forms and Procedures

The vice president for administrative services shall prescribe operating guidelines and practices for carrying out this Policy and Procedure, including appropriate forms and assignment of administrative responsibilities.

Effective date: July 1, 1978

Approved: Institutional Council 2/13/78