

**STATE OF OKLAHOMA
OFFICE OF PERSONNEL MANAGEMENT**

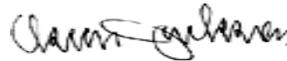
"Working for Oklahoma"

VPD 08-02

DATE: April 21, 2008

TO: Agency Personnel Responsible for Payroll Deductions

FROM: Oscar B. Jackson, Jr. IPMA-CP
Administrator and Cabinet Secretary of
Human Resources and Administration



RE: Employee Association Membership Dues Paid Through Voluntary Payroll Deduction

Through the state Voluntary Payroll Deduction Program, state employees may have employee association dues, contributions to employee association foundation, credit union payments, bank payments, savings association payments, supplemental insurance premiums, supplemental retirement plan payments, and subscription fees to Oklahoma Today Magazine automatically deducted from their paychecks. These deductions must be approved by the Office of Personnel Management prior to making the deductions in accordance with Section 7.10 of Title 62 of the Oklahoma Statutes and the Voluntary Payroll Deduction Rules adopted by the Office of Personnel Management.

It has come to the attention of the Office of Personnel Management that some payroll deductions to employee associations for membership dues may include amounts in addition to membership dues.

I have reviewed the statutory and rule provisions regarding the Voluntary Payroll Deduction (VPD) Program to determine the appropriateness of these practices. In accordance with the provisions of Section 7.10 of Title 62 of the Oklahoma Statutes and VPD Rules [530:15-3-7 and 530:15-3-7.1] I am advising the following:

- A. Purchasing of products, including computers, cannot be characterized as membership dues. The use of payroll deduction for the purchase of products, including computers, is in violation of the applicable statutory and rule provisions. Section 7.10 and VPD Rules are specific, as the use of payroll deduction is limited to specific circumstances. Statute and rule only allow for the use of payroll deduction to members of an approved employee association for the payment of membership dues. [62 O.S. §7.10 and VPD Rule 530:15-3-7]
- B. The use of payroll deduction for making a donation in addition to the payment of membership dues is not authorized. The statute and rules do allow for the use of

"We serve the people of Oklahoma by delivering reliable and innovative human resource services to our partner agencies to achieve their missions."

payroll deduction for contributions to an employee association's foundation organized under 26 U.S.C. §501(c) (3). However, at this time no approved employee association has requested approval for, nor provided evidence of, such an organized foundation, which would be the only permissible authorization for using payroll deduction for contributions in addition to membership dues. [62 O.S. §7.10 and VPD Rule 530:15-3-7.1]

As a result of my review, I am reminding state agencies, boards, and commissions of the Executive Branch of the applicable provisions governing the use of payroll deduction and that any use inconsistent with these provisions should be discontinued.

Should you have any questions regarding this correspondence, please feel free to contact Kara Smith at 522-1736 or Marsha Reeder at 521-2269.