STATE PERSONNEL DIRECTOR'S
PAYROLL DEDUCTION POLICY
C.R.S. sec. 24-50-104(8)(c)

PURPOSE

This policy provides interpretive guidance to state agencies and institutions of higher education regarding permissible payroll deductions for all state employees.

BASIS

The State Personnel Director is charged by statute with administering payroll deductions. In accordance with sec. 24-50-104(8)(c), the Director or his designee "shall regulate, approve, and review all payroll deductions not authorized by statute or state sponsored for all state employees." The state payroll system exists primarily for the State's administrative convenience. Electronic funds transfer and other alternatives are available to employees. Therefore, the Director hereby establishes an appropriate policy for the future use of payroll deductions.

POLICY

State agencies and institutions of higher education shall not permit or process payroll deductions except as expressly authorized in this Policy. Payroll deductions are permitted only when:

1) required by federal law or state statute (e.g. tax withholdings, garnishments, court ordered child support);

2) authorized by federal or state statute (e.g. employee benefits, "eco passes," tax treatment elections);

3) expressly authorized for state sponsorship by executive order of the governor and available to all state employees (e.g. Colorado Combined Campaign); or

4) the deduction is for the purpose of facilitating the reimbursement of monies owed to the state from an employee; (e.g. higher education tuition, uniforms, salary overpayments).

For purposes of this Policy, direct electronic deposits of payroll to more than one financial institution for a single employee are not payroll deductions within the meaning of sec. 24-50-104(8)(c).

This policy shall be effective immediately, subject to a grace period for implementation of not later than November 1, 2001.

8/27/01
Date

LARRY E. TRUJILLO SR.
EXECUTIVE DIRECTOR