

2018 Regular Session

HOUSE BILL NO. 593

BY REPRESENTATIVE NANCY LANDRY

STATE EMPLOYEES: Permits an administrative fee to be assessed for certain payroll deductions

1 AN ACT

2 To amend and reenact R.S. 42:456(A)(1) and to enact R.S. 42:456(C), relative to public
3 employee payroll withholdings; to allow for certain permitted withholdings; to allow
4 employing authorities to charge an administrative fee for withholdings; to provide
5 for the collection and remittance of the fee; to provide for an effective date; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 42:456(A)(1) is hereby amended and reenacted and R.S. 42:456(C)
9 is hereby enacted to read as follows:

10 §456. Permitted withholdings

11 A. Payroll deductions shall be authorized only for the following:

12 (1) Mandated federal or state income withholdings, credit unions,
13 garnishments, liens, union dues, dues to professional associations, professional
14 organizations, savings bonds programs, qualified United Way entities, health and life
15 insurance products offered through the Office of Group Benefits, and products
16 having state participating contributions, sponsored by the Office of Group Benefits,
17 which qualify and are offered under Section 125 of the Internal Revenue Code
18 (Cafeteria Plan).

1 C. For any withholding for garnishments, liens, union dues, dues to
 2 professional associations and organizations, qualified United way entities, products
 3 offered without state contributory participation which have been evaluated and
 4 approved in accordance with rules and procedures promulgated by the commissioner
 5 of administration, and donations to any qualified nonprofit community health and
 6 human services charities coordinated and payable through the Louisiana Association
 7 of United Ways, the employing authority may retain an administrative fee not to
 8 exceed three percent of the amount withheld. If the administrative fee is assessed on
 9 an entity, plan, program, or organization, the same administrative fee shall be
 10 assessed on all like entities, plans, programs, and organizations.

11 Section 3. This Act shall become effective on July 1, 2018.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 593 Original

2018 Regular Session

Nancy Landry

Abstract: Allows for permitted withholdings for professional dues and authorizes an administrative fee of up to 3% of the amount withheld for certain payroll withholdings for public employees.

Present law allows permitted payroll withholdings for public employees for federal or state income, credit unions, garnishments, liens, union dues, savings bonds programs, United Way, insurance products provided by the Office of Group Benefits, and state participating contributions products sponsored by the Office of Group Benefits.

Proposed law retains present law and adds authorization for withholding dues for professional associations and organizations for public employees.

Proposed law authorizes an administrative fee of up to 3% of the amount withheld for public employees for the following permitted payroll withholdings:

- (1) Garnishments
- (2) Liens
- (3) Union dues
- (4) Professional dues
- (5) Qualified United Way entities
- (6) Products offered without state contributory participation evaluated and approved by the commissioner of administration
- (7) Donations to qualified nonprofit charities through La. Association of United Ways

Effective July 1, 2018.

(Amends R.S. 42:456(A)(1); Adds R.S. 42:456(C))