

**Title 1—OFFICE OF ADMINISTRATION
Division 10—Commissioner of Administration
Chapter 4—Vendor Payroll Deduction Regulations**

1 CSR 10-4.010 State of Missouri Vendor Payroll Deductions

PURPOSE: The Office of Administration has authority to establish rules concerning deductions from employee compensation for participation in voluntary retirement plans, group hospital service plans, group life insurance plans, medical service plans, labor unions, employee associations, and credit unions. This rule establishes criteria for vendors and procedures which must be fulfilled prior to receiving payroll deduction authority.

(1) Definitions. For the purposes of this rule, terms and their meanings are—

(A) Vendor—any private insurance carrier or company, a labor union, an employee association or credit union;

(B) Labor union—an exclusive state employee bargaining representative established in accordance with sections 105.500– 105.530, RSMo;

(C) Employee association—an organized group of state employees that has a written document, such as bylaws, which govern its activity;

(D) Credit union—a financial institution located in Missouri, which has a state charter and is insured by an agency of the United States government or credit union share guarantee corporation approved by the director of the Missouri Division of Credit Unions; and

(E) Dues—a fee or payment owed by an employee to a labor organization as a result of and relating to employment in a bargaining unit covered by an existing labor agreement or a payment owed by an employee for membership in an employee association.

(2) The following requirements apply to payroll deductions:

(A) The vendor providing a product or service must have fulfilled all prescribed standards with applicable federal and state regulatory agencies;

(B) The proposed payroll deductions must be for programs or services which do not duplicate existing programs and services provided by statutorily authorized entities (for example, Missouri State Employees' Retirement System, Missouri State Highway Employees' Retirement System and State of Missouri Deferred Compensation Commission);

(C) The proposed service or program must be offered on a consistent and continuing basis and must be reasonably anticipated to be available for a period of five (5) or more years;

(D) The vendor must provide the Office of Administration a request for payroll deduction in writing on official company or association stationery plus all relevant product information and marketing materials that fully describe the proposed product;

(E) Within a period of ninety (90) days, the vendor applicant for payroll deduction authority must obtain a minimum of one hundred (100) state employee-signed applications for the proposed product, employee association or credit union membership. The ninety (90)-day period for obtaining one hundred (100) employee signatures will commence on the date designated by the Office of Administration acknowledgment to a payroll deduction request required in subsection (2)(D);

(F) The commissioner of administration shall terminate voluntary payroll deduction authority for any product that does not maintain at least one hundred (100) active employee deductions;

(G) Solicitation by a vendor of signed employee applications or memberships may not be performed in state facilities at any time with the exception of qualified vendor products for the cafeteria plan and regulations under 1 CSR 10-15.010;

(H) Labor unions are not required to comply with subsections (2)(D)–(F) to become a vendor and collect dues, but must be recognized as an exclusive bargaining representative by separate resolution agreement with the commissioner of administration in accordance with sections 36.510 and 105.500–105.525, RSMo; and

(I) Vendors must maintain a current primary point of contact with the Office of Administration.

(3) The commissioner of administration may reduce, suspend or discontinue an employee's voluntary deduction when the net pay, after all mandatory deductions required by law, is insufficient to meet wage garnishments, sequestrations or levies required by law or court order or when the vendor fails to fulfill the required standards prescribed by law or applicable federal and state regulatory agencies.

(4) Request for payroll deduction authority must be addressed to: Commissioner of Administration, Office of Administration, PO Box 809, Jefferson City, MO 65102.

(5) The commissioner of administration may include as an option in the state cafeteria plan any authorized voluntary payroll deduction product that is eligible under Section 125 of Title 26 of the *United States Code* and compliant with the state cafeteria plan rule 1 CSR 10-15.010.



OFFICE OF THE GOVERNOR
STATE OF MISSOURI
JEFFERSON CITY
65101

MATT BLUNT
GOVERNOR

STATE CAPITOL
ROOM 216
(573) 751-3222

January 11, 2005

Robin Carnahan
Secretary of State
Administrative Rules Division
600 West Main Street
Jefferson City, Missouri 65102

Dear Secretary Carnahan,

RE: Notice of Termination
1 CSR 10-4.010(1)(E) State of Missouri Vendor Payroll Deductions

On January 11, 2005, I issued Executive Order 05-01 which rescinded Executive Order 01-09. That Executive Order purported to allow departments and agencies in the executive branch to enter into collective bargaining agreements with local unions. The rescission of Executive Order 01-09 removes any authority for collective bargaining agreements by departments and agencies within the executive branch. Pursuant to Executive Order 01-09, the Office of Administration promulgated 1 CSR 10-4.010(1)(E) to allow the automatic deduction of service fees from employees' paychecks. My action as Governor to rescind Executive Order 01-09 terminates 1 CSR 10-4.010(1)(E). Pursuant to section 536.022, RSMo, I am notifying you that 1 CSR 10-4.010(1)(E) is hereby terminated effective January 11, 2005. As provided in section 536.022.4, such notices shall be printed by the Secretary of State in the Missouri Register as soon as practicable, and codified in the Code of State Regulations regarding the termination of this subsection.

Thank you for your attention to this matter.

Sincerely,

Matt Blunt
Governor and
Acting Commissioner of Administration

cc: Joint Committee on Administrative Rules

JOINT COMMITTEE ON
JAN 12 2005
ADMINISTRATIVE RULES

AUTHORITY: sections 33.103, 536.010 and 536.023, RSMo Supp. 2007 and section 370.395, RSMo 2000. Original rule filed May 15, 1990, effective Sept. 28, 1990. Amended: Filed Aug. 15, 2003, effective Jan. 30, 2005. Emergency amendment filed July 15, 2005, effective Sept. 1, 2005, expired Feb. 27, 2006. Amended: Filed July 15, 2005, effective Dec. 30, 2005. Emergency Amendment filed July 14, 2008, effective July 24, 2008, expires Dec. 31, 2008. Amended: Filed July 14, 2008, effective Dec. 30, 2008.*

**Original authority: 33.103, RSMo 1951, amended 1969, 1975, 1977, 1987, 1989, 1990, 1993, 1997, 1998, 1999, 2004, 2005; 370.395, RSMo 1982; 536.010, RSMo 1945, amended 1957, 1976, 2004, 2005, 2006; and 536.023, RSMo 1975, amended 1976, 1997, 2004.*