

Criteria for Payroll Deductions

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I. Purpose

Establish requirements for the request and consideration of new voluntary payroll deductions.

II. Definitions (if necessary)

- Payroll Deductions: amounts withheld from an employee's paycheck and remitted to a specific entity. Deductions can be mandatory or voluntary.
 - *Mandatory Payroll Deductions: amounts required by law or regulation withheld from an employee's paycheck and remitted to a specific entity.*
 - *Voluntary Payroll Deductions: amounts elected by an employee to be withheld from their paycheck and remitted to a specific entity.*

III. Policy

The University of Kentucky payroll system provides payroll deductions for all mandatory and voluntary employee benefit programs approved by Human Resources. The payroll system is not intended to be used to provide payroll deductions for non-university programs or organizations relative to membership dues and/or fees for services.

Accordingly, the University will only consider permitting voluntary payroll deductions for non-university sponsored programs or organizations if all of the following criteria are satisfied and provided the process does not pose undue administrative burdens or system requirements:

1. Services or memberships are available to all employees of the University;
2. The organization's primary purposes should be supportive or beneficial to the University's mission and promote the improvement of higher education;
3. The organization is tax-exempt under the Internal Revenue Code Section 501 (c) (3);
4. The organization maintains an affirmative action plan;
5. The organization maintains compliance with all federal and state regulations;
6. The organization can demonstrate that at least 500 employees will be enrolled in the payroll deduction process each payroll period;
7. The organization will receive a single remittance of the payroll deductions supported with a list of employee names and amount deducted per employee;
8. The organization's finances are subject to an annual independent audit to be provided to the University upon request; and
9. The organization has maintained an active local chapter for not less than one year.

IV. Procedures

- A. Requests for voluntary payroll deductions will be submitted annually to the University Financial Services Payroll Services UFS@uky.edu no later than March 1 for permission to use the payroll system for the next fiscal year beginning on July 1.

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- B. University Financial Services will review the organization's eligibility to continue with the payroll deduction each year.