

STATE OF CALIFORNIA

DEDUCTION PROGRAM HANDBOOK

for:

Fair Share Fees
Fair Share Alternative Fees

Administered by:
Office of the State Controller
Personnel/Payroll Operations Bureau
PO Box 942850
Sacramento, California 94250-5878

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Fair Share

With the enactment of Senate Bill No. 645 effective January 1, 2000 for the California State University Office of the Chancellor; and Senate Bill No.1419 effective January 1, 1983 for the Department of Personnel Administration, the state employer and a recognized exclusive representative can enter into an agreement providing for organizational security in the form of *fair share fees*. These fees are collected by payroll deduction from every employee represented by that exclusive representative who is not a dues-paying member.

The law also allows employees with religious or conscientious objections to financially supporting or joining an employee organization to make specified charitable contributions equal to the fair share fee that would also be payroll deducted. The *fair share alternative* deductions are withheld at the amount specified by the exclusive representative.

The policies, procedures, and requirements governing fair share deductions are controlled by various Government Code Sections as well as memorandums of understanding between the State employer and the exclusive representative. Generally, the deduction processing for fair share is identical to dues deductions with a few exceptions.

- Form CD88A (blue paper) is used;
- two (2) documents are required for a *fair share alternative* deduction; and
- exclusive representatives are required to furnish names of approved charitable organizations to employees to designate an alternate recipient of their fair share deductions.

To insure the smooth and efficient processing of fair share deductions, please follow these instructions. These procedures are subject to change, and advance notification will be provided as needed.

Fair Share Form CD88A

The Form CD88A, *Notice to the State Controller of Fair Share Payroll Deduction Authorization*, is used only by an exclusive representative to notify State Controller's Office (SCO) of a fair share fee or fair share alternative deduction action. It must be completed and submitted by the exclusive representative (SCO will not accept requests from state agencies or employees.) The form can be submitted on either blue 8 1/2" x 11" paper or magnetic media.

Paper Form CD88A

The paper Form CD88A must be reproduced from a master copy provided, and it *must be an exact reproduction of the master and be on blue paper*. If another master is needed, contact the Deduction Program Coordinator.

Magnetic Media Form CD88A

Upon approval by SCO, information on the Form CD88A can be submitted on magnetic media. Exclusive representatives must furnish magnetic media in the format and specifications prescribed by SCO and contain only fair share fee deductions. It cannot

contain fair share alternative nor membership dues information because these must be submitted separately.

If you are interested in receiving further information on magnetic media please indicate this in item #6 of the Payroll Deduction Specifications form, or contact the Magnetic Media Coordinator (see Controller's Office Contact List).

Authorized Signatures

Exclusive representatives must authorize persons to sign the Form CD88A and must have sample signatures on file with SCO. The form submitted must be the original signed copy. A stamped signature of the authorized person will be accepted if a sample of the stamped signature is on file. Please keep authorized signatures updated.

Fair Share Alternative

If an employee holds conscientious objections to financially supporting or joining an employee organization, the fair share deduction can be forwarded to an approved charitable organization in lieu of the exclusive representative. To accomplish this, a *Fair Share Alternative Designation Form* must be completed by the employee and submitted with the CD88A.

Fair Share Alternative Designation Form

The Fair Share Alternative Designation Form (Part 1) is completed by the employee, and (Part 2) the exclusive representative. Please note that Part 1 was revised to include the designated charity's name and address. The employee must review the Charitable Fund Listing and select a designated charity before completing the form. The form, both front and back, must be reproduced on white paper from a master copy provided by SCO. If another master is needed, contact the Deduction Program Coordinator.

Charitable Fund Listing

The Fair Share Alternative Designated Charity Listing identifies organizations approved by the State Board of Control to receive payroll deductions and should be made available to employees who wish to designate their deductions to a specific charitable organization. Listings are updated annually.

FAIR SHARE ALTERNATIVE DESIGNATION FORM

COMPLETION INSTRUCTIONS

1. Enter your full name, social security number, and the complete name and mailing address of the designated charity you've selected to receive your fair share fees. Make your selection from the list provided by your exclusive representative. Sign and date the form. Enter your address only if you want to receive an acknowledgement of your donation.
2. Return the completed designation form to your exclusive representative.

NOTE: Once you have designated a charitable fund to receive your fair share fees, the designation remains in effect for the duration of your fair share alternative deduction. A change in designation can only occur under the following conditions:

- The designated charitable fund is no longer in existence; or,
- The Board of Control approval is rescinded for the designated charitable fund; or,
- Your exclusive representative changes.

Submitting Forms To SCO

Fair Share Fees

The Form CD88A is used for establishing, changing, or deleting fair share fee deductions. The Form CD88A's for fair share fees must be sent separately from those for fair share alternatives.

Fair Share Alternative

In addition to the Form CD88A, other documents are required for fair share alternatives. The following chart identifies the required documents needed to negotiate fair share alternative deductions.

| Type Of Action | Required Documents | | Special Instructions |
|-------------------------------|--------------------|-------------|--|
| | CD88A | Designation | |
| New | X | X | The designation form and copy of the declaration form must be stapled (in that order) to the back of the CD88A. |
| Delete | X | X | The designation form must be stapled to the back of the CD88A. |
| Change amount | X | | (none) |
| Change designation | | X | The written notification sent By SCO must be stapled to the back of the designation form. |
| Change amount and designation | X | X | The above instruction for "change designation" applies; and the CD88A and designation form must be submitted separately. |

Employee Status Change

If an employee's status changes to a dues-paying member, a Form CD88A must be submitted to cancel the fair share fee deduction, and a Form CD88 must be submitted to establish the dues deduction.

Return of Erroneous Forms

SCO will return unprocessed fair share forms if the information on the form does not agree with our files, is invalid, incorrect or incomplete. A cover sheet will accompany the returned form(s) and indicate the reason for return.

Administrative Cancellations

Fair share deductions will be administratively canceled for employees who are no longer eligible due to moving into a class or position represented by another exclusive representative, or moved into an excluded class or position.

SCO will notify the exclusive representative and the employee when fair share deductions are cancelled due to the above reasons. Notifications will be sent the beginning of the month following the month of cancellation. Cancellations will only occur based on the employees' collective bargaining status at the time SCO processes them.

Service Charges

By statutory requirement, SCO must determine and collect the cost involved in making payroll deductions. Service charges are deducted from the total remittances sent to the exclusive representative.

Participation Forms

To participate in fair share deduction privileges, an exclusive representative must complete and submit the Hold Harmless Agreement, Payroll Deduction Specifications Form and Internet Participation Request Forms to SCO. All forms must be submitted together—one form without the other, or forms with missing/illegible information, will delay the SCO approval process. A copy of the completed forms should be made and retained by the deduction client.

Hold Harmless Agreement

This form contains certified statements and a hold harmless agreement or waiver of liability that an exclusive representative must enter into with SCO for payroll deduction privileges.

Payroll Deduction Specifications Form

This form provides SCO with key information needed to begin withholding and remitting fair share monies.

Internet Participation Request Form

This form provides SCO with information necessary to begin the process of providing you access to your payroll deduction files through our Internet Reporting Process.

Since you are already an exclusive representative, and as such, already have payroll deductions for dues, you are familiar with SCO's guidelines and policies pertaining to Miscellaneous Payroll Deduction program. Rather than duplicate many of this information, please refer to the Miscellaneous Deduction Package. The package also includes pertinent information regarding the Internet Reporting Process. The package is also available from our website at: http://www.sco.ca.gov/Files-PPSD/dedinfo_intpart.pdf

FORM CD88A COMPLETION INSTRUCTIONS

The Form CD88A must be completed (typed or hand written in legible form) as outlined below to add, change the amount, or delete the employee's deduction.

FAIR SHARE

NOTICE TO THE STATE CONTROLLER OF FAIR SHARE PAYROLL DEDUCTION AUTHORIZATION

PRINT OR TYPE BELOW

FAIR SHARE SELECTION

Check ONE box

Fair Share Fee Deduction **A** Fair Share Alternative Deduction (Attach required document)

NAME OF ORGANIZATION

B

EMPLOYEE IDENTIFICATION

| | | |
|------------------------|----------|-----------|
| Social Security Number | Initials | Last Name |
| C | D | E |

DEDUCTION INFORMATION

| Deduction Code | Organization Code | Deduction Amount | Type of Change (check ONLY one box) | Pay Period |
|----------------|-------------------|------------------|---|----------------------------|
| F | G | H | NEW <input type="checkbox"/> DELETE <input type="checkbox"/> CHANGE <input type="checkbox"/> | I J K |

I CERTIFY THAT AUTHORIZATION FOR PAYROLL DEDUCTIONS SIGNED BY THIS EMPLOYEE AND APPOINTING THE ABOVE NAMED COMPANY OR ORGANIZATION AS HIS/HER AGENT IS ON FILE IN THIS OFFICE

L
M

DATE
SIGNATURE OF AUTHORIZED COMPANY OR ORGANIZATION OFFICIAL

FORM CD88A (1-1995) PAYROLL DEDUCTION AUTHORIZATION FOR FAIR SHARE

- A Fair Share Selection**
Check applicable box for fair share fees or fair share alternative. Attach required documents if necessary.
- B Name of Organization**
Enter the name of your organization.
- C Social Security Number**
Enter the employee's Social Security Number.
- D Initials**
Enter the employee's first and middle initials.
- E Last Name**
Enter the employee's full last name.
- F Deduction Code**
Enter either "500" for fair share fees, or "550" for fair share alternative.
- G Organization Code**
Enter your assigned three (3) digit organization code.
- H Deduction Amount**
Enter the total *monthly* amount that is to be withheld from the employee's pay. Leave blank when deleting.
- I Type of Change**
Check only one box: NEW, DELETE, or CHANGE.
- J Pay Period - Month**
Enter the numerical month of the effective pay period (e.g., '01' for January).
- K Pay Period - Year**
Enter the last two digits of the year (e.g. '00' for 2000).
- L Date**
Enter the date the form was completed.
- M Signature of Authorized Company or Organization Official**
Must be the original signature of the person authorized to sign Form CD88A.

Mail to: State Controller's Office
 Personnel/Payroll Services Division
 Attn: Miscellaneous Deductions Unit
 PO Box 942850
 Sacramento, CA 94250-5878

STATE OF CALIFORNIA
OFFICE OF THE STATE CONTROLLER

FAIR SHARE ALTERNATIVE DESIGNATION FORM

Part 1 - Completed by Employee (Instructions on Back)

Name: _____
(First) (Middle) (Last)

Social Security Number: _____ - -

Designated Charity: _____
(Name)

(Street)

(City) (State) (Zip)

Employee Signature: _____ Date: _____

If acknowledgement wanted, provide address:

(Street) (City) (State) (Zip)

Part 2 - Completed by Exclusive Representative

Type of Change (Check ONE box only):
New Delete Change
1 2 3

Payroll Deduction/Organization Code: ~~550 or 551~~ _____
Ded Code Org Code

PRIVACY NOTICE

The Information Practices Act of 1977 (Civil Code Section 1798.17) and the Federal Privacy Act (Public Law 93-579) require that this notice be provided when collecting personal information from individuals. Information requested on this form is used by the State Controller's Office and Charitable Funds for the purpose of identification and deduction processing. It is mandatory to furnish all information on this form. Failure to provide the mandatory information may result in the deduction being processed incorrectly.

Legal reference authorizing maintenance of employee's social security number and name include Government Code Sections 1151 and 3513 (j), Sections 6011 and 6051 of the Internal revenue Code, and regulation 4, Section 404.1256, Code of federal regulations, under maintained in confidential files for 5 years. Employees have the right of access to copies of their designation forms upon request. To request access, contact: Chief of Personnel/Payroll Operations Bureau, Personnel/Payroll Services Division, State Controller's Office, P.O. Box 942850, Sacramento, CA 94250-5878.

Hold Harmless Agreement

Pursuant To Government Code Section 1153(C)

(Name of Exclusive Representative)

hereby requests payroll deductions of fair share as defined in Government Code Section 3513(j) pursuant to a memorandum of understanding.

1. We certify that the eligibility requirements set forth above and in Government Code Sections 3513(j) 3515.7, or 3583 through 3585, and the memorandum of understanding are satisfied and will continue to be satisfied as long as payroll deductions are being withheld for the above named exclusive representative.
2. We have read and accept the policies, methods, and procedures of the State Controller's Office relating to fair share deductions.
3. We agree to notify the State Controller's Office immediately of any changes required to the fair share deductions of the above named exclusive representative.
4. We agree, in consideration for and as a condition of the State Controller withholding and transmitting payroll deductions authorized by Government Code Sections 1151 and 3515.7, or 3583 through 3585, to hold harmless, the State of California, it's officers and employees from any liability that may result from making, canceling or changing requested deductions.

Signature of Authorized Official

Name of Authorized Official

Title

