



# CHARTER COMMITTEE AGENDA REPORT

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MEETING DATE: FEBRUARY 26, 2014

ITEM NUMBER: 8B-1

**SUBJECT:** AUTOMATIC PAYROLL DEDUCTIONS

**DATE:** FEBRUARY 26, 2014

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## BACKGROUND

The following is a discussion of general law and charter cities authority to govern automatic payroll deductions.

## DISCUSSION

Government Code §§ 1150-1158 authorize public agencies to automatically deduct employees' salaries under a number of different scenarios. For example, § 1157.2<sup>1</sup> authorizes automatic deductions for employees that wish to contribute to the California Peace Officers' Memorial Foundation. Additionally, § 1157.3<sup>2</sup> authorize automatic deductions for public agency employee welfare organizations. In each of these scenarios, however, the statute (set forth in the footnotes) requires the city council to approve the automatic deduction.

The above provisions do not apply to charter cities. As a charter city, compensation of city officers and employees are considered a municipal affair pursuant to the California Constitution art. XI, § 5(b) and affirmed by the California Supreme Court

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<sup>1</sup> § 1157.2. **Charitable contributions; Public agency employees.** With the approval of the governing body of a public agency and under such regulations as it may prescribe, employees of the public agency may authorize deductions to be made from their salaries or wages either for the payment of contributions to bona fide charitable organizations or for the payment of designated sums to a nonprofit California corporation which is compelled by its by-laws to make, and which does expend such sums solely by the making of, contributions to bona fide charitable organizations.

<sup>2</sup> § 1157.3. **Dues in public agency employee welfare organization.** Employees, including retired employees, of a public agency in addition to any other purposes authorized in this article, on approval of the governing body of such public agency, may also authorize deductions to be made from their salaries, wages, or retirement allowances for the payment of dues in, or for any other service provided by, any bona fide organization whose membership is comprised, in whole or in part, of employees of such agency and employees of such organization and which has as one of its objectives improvements in the terms or conditions of employment for the advancement of the welfare of such employees, such deductions to be made in accordance with the provisions made by the governing body of the public agency.

in *Sonoma County Organization of Public Employees v. County of Sonoma*, 23 Cal. 3d 296 (1979). Moreover, Government Code Section 1150 et. seq. is silent as to whether the California Legislature intended to completely occupy the field of automatic deductions. As a municipal affair, a city's charter may provide its own provisions on the types of deductions that are authorized and the procedure for doing so.

### **CONCLUSION**

Government Code Section 1157 et. seq. authorizes certain automatic payroll deductions for general law cities. However, as a charter city, a city may provide its own regulations governing automatic payroll deductions.