

Initiative #53
Limit Deductions from Public Employee Paychecks

1 Amendment (?) proposes a change to the Colorado Constitution that:

2 ◆ prohibits any public employee paycheck deduction, except for:

- 3 • deductions required by federal law;
- 4 • tax withholdings;
- 5 • court-ordered liens and garnishments;
- 6 • health benefit and other insurance deductions;
- 7 • deductions for savings, investment, and retirement plans; and
- 8 • charitable deductions.

9 **Summary and Analysis**

10 A paycheck deduction is a specific amount of money withheld from an employee's
11 pay. Paycheck deductions can be mandatory (federal and state taxes); offered as an
12 employee benefit (health care and pension deductions); requested by the employee
13 (gifts to charities); or established through agreements with labor or other organizations
14 (automatic payment of dues).

15 State law regulates paycheck deductions for state employees, but not for
16 employees of local governments. Instead, each local government can set its own
17 rules and, in fact, some local governments have adopted limits on paycheck
18 deductions similar to those in this measure. For the state and several other local
19 governments, however, the measure prohibits certain paycheck deductions that are
20 currently in place. The limits established by this measure would apply to all public
21 employers in Colorado, including the state, counties, municipalities, school districts,
22 and special districts.

23 **Arguments For**

24 1) It is a conflict of interest for the government to collect money and transfer it to
25 private organizations that, in turn, contribute to political campaigns. Amendment (?)
26 ensures that government does not collect money for organizations that use portions of
27 the money to influence that same government.

28 2) Limiting deductions to those required by law, or those specifically authorized by
29 an employee, protects an employee's right to manage his or her pay. Some public
30 employers automatically deduct organization dues and fees from an employee's
31 paycheck and an employee must take extra steps to prevent an automatic deduction.
32 Amendment (?) stops this practice and sets uniform protections for all public
33 employees in Colorado.

1 3) Amendment (?) eliminates an unnecessary government function. Public
2 employees do not need a paycheck deduction to contribute money to any entity they
3 choose. This service is readily available using automatic withdrawals from their
4 private bank.

5 **Arguments Against**

6 1) The measure prevents public employers from deciding which paycheck
7 deductions will be available for their employees. These decisions are best made by
8 individual employers based on the needs of each local community, not mandated by a
9 statewide vote.

10 2) The measure singles out certain types of paycheck deductions for elimination,
11 while allowing others to continue. Restricting paycheck deductions that benefit some
12 private groups and not others is inconsistent.

13 3) Modern technology allows public employers to administer paycheck deductions
14 with minimal time and expense. Paycheck deductions are a small benefit that public
15 employers can offer to employees without burdening the taxpayer.

16 **Estimate of Fiscal Impact**

17 Amendment (?) does not affect state or local government revenues or
18 expenditures.