



# Commonwealth of Massachusetts

## OFFICE OF THE COMPTROLLER

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**MMARS Policy: Payroll**

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**Date Last Revised: November 1, 2006**

## **Mandatory and Voluntary Deductions: Union Endorsed Special Insurance Deductions**

### **Executive Summary**

Special Insurance deductions are voluntary post-tax payroll deductions that an employee can authorize to be taken from their net pay and have it paid directly to an authorized vendor. Authorized vendors must be union endorsed and are listed on the Vendor Payment Table, which is managed by the Office of the Comptroller. The most common types of special insurance include short and long-term disability, supplemental life insurance, homeowners insurance and group car insurance.

### **Considerations**

This policy applies to all Commonwealth Branches and Departments.

### **Policy**

#### **Special Insurance Deductions:**

- Are administered by Departments;
- Are authorized by the Office of the Comptroller;
- Are offered to Commonwealth state employees in related bargaining units;
- Are authorized by statute and endorsed by the employee union;
- Require a Payroll Deduction Authorization (PDA) form;
- Are deducted in every biweekly pay period; and
- Are available on a voluntary post-tax basis.

To add a new special insurance vendor to the Vendor Payment Table, the union that is endorsing the insurance vendor must submit its letter of endorsement, identifying which programs the union is endorsing, to the Office of the Comptroller for approval. If the vendor is approved, the Office of the Comptroller will add the vendor to the Vendor File.

Employees can then fill out a "Payroll Deduction Authorization (PDA) For Insurance Or Other Employee Deductions" form and submit it to their payroll unit to authorize the deduction. The Department's payroll unit will enter the deduction in the payroll system for that employee, and file the PDA form in the employee's file.

Authorization for special insurance deductions may be terminated by the employee as long as the employee gives at least sixty days notice in writing, using the "Discontinuation Of Authorization For Payroll Deduction For Insurance Or Other Employee Deductions" form to their payroll unit.

Payroll Deduction Authorization Forms and Discontinuation of Payroll Deduction Authorization Forms can be found on the Comptroller's website: <http://www.mass.gov/osc/publications-and-reports/forms/payroll-and-lcm.html>

## **Internal Controls**

### **Information Sources**

- Related Procedure – None
- Legal Authority
  - Massachusetts General Laws, Chapter 7A, Sections 3, 7 and 8
  - Massachusetts General Laws, Chapter 180, Section 17J
- Attachments - None
- Links - None
- [Contacts – CTR Help Desk](#)

**November 1, 2006** – Removed language referencing Knowledge Center and updated relevant links to Mass.gov/osc portal site.