

# REGULATION

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<b>Issued By:</b> Executive	<b>Rule Reference:</b> Rules: 6-7 (Dues and Fees) 6-8 (Recognition Rights for Labor Organizations)		<b>Replaces:</b> Reg. 6.03 (CS-6974, May 10, 2002)
<b>Authority:</b> Regulations are issued by the State Personnel Director under authority granted in the Michigan Constitution and the Michigan Civil Service Commission Rules. Regulations are subordinate to the Commission Rules.			
<b>Subject:</b> <b>DUES AND FEES DEDUCTION</b>			

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## 1. PURPOSE

This regulation provides procedures for the collection of dues and fees from members and fee payers.

## 2. CIVIL SERVICE COMMISSION RULE REFERENCE

Note: This Section 2 reprints only selected Commission Rules for quick reference by the reader. Additional Rules (that are not reprinted below) may apply. The complete, current version of the Rules can be found at [www.michigan.gov/mdcs](http://www.michigan.gov/mdcs).

### *Rule 6-7 Dues and Fees*

#### *6-7.1 Membership Dues for Exclusive Representatives*

*If agreed to in a collective bargaining agreement, the state may deduct the dues of a member of an exclusive representative through payroll deduction. Notwithstanding any*

*contrary provision of a collective bargaining agreement, an appointing authority shall not deduct membership dues unless the employee has filed a prior, voluntary, written authorization.*

#### **6-7.2 Service Fee Authorized**

*Nothing in this rule precludes the employer from making an agreement with an exclusive representative to require, as a condition of continued employment, that each eligible employee in the unit who chooses not to become a member of the exclusive representative shall pay a service fee to the exclusive representative. If agreed to in a collective bargaining agreement, the state may deduct the service fee by payroll deduction. An appointing authority shall not deduct a service fee unless the employee has filed a prior written authorization or as otherwise authorized in a collective bargaining agreement.*

#### **6-7.3 Limitations on Service Fee**

*The amount of a service fee cannot exceed the employee's proportionate share of the costs of the activities that are necessary to perform its duties as the exclusive representative in dealing with the employer on labor-management issues. The service fee may include only the costs germane to collective bargaining, contract administration, grievance adjustment, and any other cost necessarily or reasonably incurred for the purpose of performing the duties of an exclusive representative of the employees in dealing with the employer on labor-management issues.*

#### **6-7.4 Right of Fee-Payer to Object**

*An employee required to pay a service fee has the right to object to the amount of the service fee and obtain a reduction of the service fee to exclude all expenses not germane to collective bargaining, contract administration, and grievance adjustment, or otherwise necessarily or reasonably incurred for the purpose of performing the duties of an exclusive representative of the employees in dealing with the employer on labor-management issues. Each collective bargaining agreement must provide a procedure that provides an objector with the following rights:*

- (a) The right to financial information sufficient to determine how the service fee is calculated.*
- (b) The right to challenge the amount of the service fee before an impartial decision-maker.*
- (c) The right to have any disputed amount of the service fee placed in escrow by the exclusive representative pending a final decision.*

#### **6-7.5 Posted Notice**

*Each appointing authority shall post in conspicuous places a notice, in the form prescribed by the state personnel director, informing employees of the rights and obligations set forth in this rule.*

#### **6-7.6 Accounting**

*An exclusive representative shall account for and report fees and expenses in such detail as necessary to allow employees to determine the proportionate costs of expenditures necessarily or reasonably incurred for the purposes of performing the duties of an exclusive representative of the employees in dealing with the employer on labor-*

management issues. Each exclusive representative shall provide three copies of an audited report accounting for its fees and expenses to the state personnel director annually.

## **Rule 6-8 Recognition Rights for Labor Organizations**

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### **6-8.3 Limited-Recognition Organizations**

Employees in excluded positions are not eligible for exclusive recognition but may join and be represented by limited-recognition organizations. Employees in eligible positions in units that have not yet elected an exclusive representative may join and be represented by limited-recognition organizations. However, a limited-recognition organization shall not represent nor seek to represent an employee in an eligible position after an exclusive representative has been certified in the employee's unit.

- (a) **Limited-recognition status and payroll deduction of dues.** The state personnel director shall recognize as a limited-recognition organization an organization that registers with the director and provides (1) a copy of its constitution, bylaws, or other governing documents; (2) the names and addresses of its officers; (3) proof of registration as a nonprofit corporation in the state of Michigan; and (4) proof of membership of 50 or more excluded employees. Proof of membership must be in the form of signed membership application forms. Upon submission to the office of the state employer of 50 or more appropriate dues deduction cards, such an organization has the privilege of payroll deduction of dues for members who are excluded. An employee cannot have the privilege of payroll deduction of dues to more than one organization.

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## **3. DEFINITIONS**

### **A. Civil Service Commission Rule Definitions**

1. **Exclusive representative** means a labor organization granted recognition and certified as the sole representative of all employees in an appropriate unit.
2. **Labor organization** means an employee organization recognized by the state personnel director as (1) an exclusive representative of eligible employees or (2) a limited-recognition organization.
3. **Limited-recognition organization** means a labor organization recognized by the state personnel director to represent employees in nonexclusively represented positions.

## **4. STANDARDS**

### **A. Right to Dues or Fees Deduction of Exclusive Representative.**

If agreed to in a valid collective bargaining agreement, an employee organization has the right to payroll deduction of dues or service fees as authorized individually by members in its unit. Employees in an exclusively represented unit cannot pay dues or fees through payroll deduction to, nor be represented by, an employee

organization or agent other than the organization certified as the exclusive representative of their unit. The provisions of this procedure concerning the rights of an exclusive representative to payroll deduction of dues or fees may be changed by negotiation and agreement between an exclusive representative and the State Employer.

**B. Right to Dues Deduction of Nonexclusively Represented Employees in a Limited-Recognition Organization.**

A limited-recognition organization, upon approval of the Office of the State Employer, has the right to payroll deduction of dues as authorized individually by its employee members. A nonexclusively represented employee cannot have dues or fees deducted from earnings and remitted to more than one organization.

**C. Employee Deductions.**

1. **Payroll Deduction Authorization Form.** A labor organization shall print a payroll deduction authorization form for use by its members or service fee payers. The form must be approved by the State Personnel Director, consistent with the accounting convenience of the State.
  - a. **Current Deduction.** As of the effective date of this regulation, all payroll deduction cards filed with state agencies supporting current individual employee deductions will continue to be honored.
  - b. **Signatures.** If a change in card design is required, employee organizations are not required to obtain signatures of current members on payroll deduction.
2. **Starting.** To initiate payroll deduction, an authorization form signed and dated by the employee must be submitted to the employing agency in accordance with its procedures.
3. **Canceling.** To terminate payroll deduction, a written request, signed and dated by the employee, must be submitted to the employing agency. The employing agency shall not print or provide withdrawal cards.
4. **Service Fee Payers.** An exclusive representative may deduct a service fee from a non-member employee in its unit if the employee has filed a prior written authorization or if the collective bargaining agreement otherwise authorizes deduction.
5. **Effective Date.** The initiation or termination of deductions, based on a request received during any pay period, is effective no later than the following pay period.
6. **Automatic Cancellation.** Separation from employment or layoff in excess of 180 calendar days terminates an employee's deduction authorization. Decertification or derecognition of a labor organization also terminates deduction authorization of all members and fee payers.


**D. Changes in Deduction Amounts.**

Group increases or decreases in the amount of deductions require application to the State Employer. The employee organization must provide the State Employer with a certification that the membership authorized the change and that notice has

been given to all members. The Office of the State Employer shall ensure that the change is implemented within three payroll periods after State Employer approval.

### **CONTACT**

Questions regarding this regulation should be directed to the Office of the General Counsel, Civil Service Commission, P.O. Box 30002, 400 South Pine Street, Lansing, MI 48909; or by telephone, at 517-373-3024

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