

Legislative Analysis



ANNUAL WRITTEN CONSENT FOR DEDUCTION OF UNION DUES

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House Bill 5025

Sponsor: Rep. Earl Poleski

Committee: Oversight, Reform, and Ethics

Complete to 1-17-12

A SUMMARY OF HOUSE BILL 5025 AS INTRODUCED 9-28-11

House Bill 5025 would amend Public Act 390 of 1978, which concerns the payment of wages and benefits to employees, to require that an employer have the annual written consent of an employee for the deduction of union membership dues from the employee's wages.

Currently under the law, an employer must have the full, free, and written consent of an employee (obtained without intimidation or fear of discharge for refusal to permit the deduction), to deduct (directly or indirectly) any amount of the employee's wages.

House Bill 5025 would retain this provision, but modify it to require an annual written consent for the deduction of union dues. The bill also specifies that the consent could be revoked by the employee at any time.

The bill also says that its provisions "shall not be construed to impair the labor organization's ability to bargain for the right to collect an agency fee or fair share contribution from a nonmember, as permitted by law."

The term "employer" in this act applies to private and public employers. It includes state government, cities, counties, villages, townships, school districts, intermediate school districts, institutions of higher education, as well as individuals, sole proprietorships, partnerships, associations, and corporations.

MCL 408.477

FISCAL IMPACT:

HB 5025 may have a minor fiscal impact on the Wage & Hour Division inasmuch as the proposed amendment requiring employees to give written consent authorizing deductions annually could result in violations of the proposed amendment and thus additional investigation and enforcement activities of the Wage and Hour Division.

HB 5025 would impose some additional costs on school districts relative to the filing and retention of the annual written consent to deduct union dues from an employee's paycheck. Currently, the process for payroll deductions for union dues and service fees is

largely automated, so there is very little work school districts must go through on a regular basis. However, to the extent that the written consent is not timely filed (e.g. prior to the start of a district's fiscal year, the start of the school year, or the receipt of the employee's first paycheck), school districts could expend additional staff time and resources to ensure that the union dues are properly withheld, including, potentially, the collection of any "past due" union dues. The cost of these additional expenses would be offset in those school districts where a collective bargaining agreement explicitly provides that the union is to reimburse (at least in part) the school district for administering a payroll deduction.

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