



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

**WRITTEN CONSENT FOR
WAGE DEDUCTIONS**

House Bill 5352

Sponsor: Rep. John Llewellyn

Committee: House Oversight and Ethics

Complete to 11-27-95

A SUMMARY OF HOUSE BILL 5352 AS INTRODUCED 10-31-95

Public Act 117 of 1994 (enrolled House Bill 5416) made significant amendments to the Campaign Finance Act, including a requirement for affirmative consent to allow payroll deductions. More specifically, the act amended Section 55(5) of the act to say that corporations, joint stock companies, or labor organizations "shall not solicit or obtain contributions for a separate segregated fund . . . on an automatic or passive basis including but not limited to a payroll deduction plan or reverse checkoff method" unless the individual contributing to the fund "affirmatively consents to the contribution at least once in every calendar year." Although the act was due to go into effect on April 1, 1995, the U.S. District Court, Eastern District of Michigan, Southern Division, issued an order on March 31 to prevent the enforcement of this section (and two other sections) of P.A. 117.

The wages and fringe benefits act (Public Act 390 of 1978) prohibits employers from deducting from employee wages, directly or indirectly, any amount (except for those deductions required or expressly permitted by law or a collective bargaining agreement) without "the full, free, and written consent of the employee, obtained without intimidation or fear of discharge for refusal to permit the deduction." The bill would amend the wages and fringe benefits act to explicitly include in the prohibited deductions employee contributions to "separate segregated funds" (often called political action committees or PACs) established by a corporation or labor organization under the Michigan Campaign Finance Act.

MCL 408.477

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.