



STATE OF ILLINOIS

OFFICE OF THE COMPTROLLER

GEORGE W. LINDBERG

November 5, 1973

PAYROLL BULLETIN
(12-73)

TO: All State Agencies and Departments
Attention: Payroll Clerks

SUBJECT: **Optional** Insurance Payroll Deductions

It has been brought to our attention that employees of the State of Illinois are having some difficulties with deductions concerning optional coverage from authorized insurance carriers. These difficulties fall into three categories, namely:

1. The insurance deductions are not processed by the agency payroll departments within 30 days and in extreme cases, not at all.
2. Employees changing their insurance deductions are sometimes subjected to double deductions for insurance.
3. When a state employee decides to switch dependent coverage from the State Plan to another authorized insurance plan, some personnel officers have refused to honor the employee's request and have required a special appearance by the employee at the personnel office of that agency before effecting the change.

The purpose of this bulletin is to bring these problems to your attention and to point out to you the rules of the Comptroller with reference to these deductions which were filed in the Index Department with the Secretary of State on June 27, 1972, and which are in force today. For your convenience, we are setting out some of the rules which pertain to the problems involved. These rules are as follows:

Rule 3.03. "Payroll deduction shall only be made on authority of written authorization cards, signed by the officer or employee and filed by the company or employee with the employing department or agency. Payroll deduction authorization cards may be obtained from the employing department or agency, from the office of the (Comptroller), or from the insurance companies."

Rule 3.05. ". . . The signed deduction authorization and revocation cards must be filed with the employing department or agency, and deductions or revocations shall begin not later than thirty (30) days from the date upon which they are filed."

Rule 3.08. "Payroll deduction authorization cards shall continue in force as authorized until revoked in writing by the officer or employee, or until employment for such officer or employee is terminated. An officer or employee may revoke in writing at any time the salary withholding for any optional coverages (i.e., those coverages which are not purchased for the employee by the State of Illinois) in which he is enrolled. Such revocation of salary deductions for optional insurance coverages may be accomplished upon completion of a revocation card designed especially for Revocation of Payroll Deduction for Insurance, signed by the employee and filed with the payroll section of his employing department or agency . . .

"Where the employee is enrolled in more than one type of coverage offered by a particular carrier, he may revoke one or more of such optional deductions without revoking all such deductions by completing the revocation card in a manner which will accomplish a partial rather than a total revocation of deductions."

Under the above rules, in order to begin the withholding of insurance premiums an employee must sign written payroll deduction authorization cards which are to be filed by the employee with his employing agency. These deductions for insurance are to begin no later than 30 days from the date which they are filed.

Another complaint is that when an employee authorizes additional coverage while at the same time amending his authorization so as to eliminate another insurance coverage, the employee is subjected to a double deduction. In other words, in some cases he is paying twice for the same insurance coverage (not only to the new company the employee has chosen but also for the plan he has attempted to terminate by signing a revocation card). This necessitates the insurance carrier's remitting to the employee the excess payments; and in the meantime, the employee is deprived of the use of his monies.

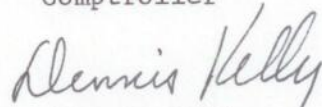
Problems have also arisen where the State employee desires to revoke his optional insurance with the State insurance plan and desires to take insurance with another insurance carrier. We have received complaints that the State employee must appear at the Personnel Office and sign

special cards in order to revoke this insurance. In fact, some employees have informed us that they have been told that the only person authorized to revoke such coverage is a representative of the insurance company. It was the intent of the statutes and our rules that the employee be the sole person to decide what is to be deducted from his salary as far as optional insurance is concerned and that he may cancel the deductions at any time with or without a personal appearance at the Personnel Office.

If you have any questions concerning our rules and regulations, please feel free to contact Payroll Supervisor, Dennis Kelly, at (217) 525-4758.

Very truly yours,

George W. Lindberg
Comptroller



By: Dennis Kelly
Payroll Supervisor

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