

CHAPTER 45
PAYROLL DEDUCTION FOR TUITION PROGRAM CONTRIBUTIONS

11—45.1(81GA,HF748) General provisions. The state of Iowa may grant to a qualified tuition program the right to receive payments from a state officer or employee through payroll deduction upon presentation of a tuition program contribution authorization form signed by the state officer or employee.

11—45.2(81GA,HF748) Definitions. For the purpose of this chapter, the following definitions apply.

“*Employee*” means a permanent employee of the state of Iowa.

“*Payroll system*” means any one of the following:

1. State of Iowa centralized.
2. Department of transportation.
3. Iowa State University of Science and Technology.
4. State University of Iowa.
5. University of Northern Iowa.
6. Iowa Braille and Sight Saving School.
7. Iowa School for the Deaf.
8. Iowa state fair board.

“*Qualified tuition program*” means a program which meets the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code.

11—45.3(81GA,HF748) Tuition program qualifications. To be eligible to receive contributions from state employees through payroll deductions, a tuition program must meet the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code and must meet the requirements of this rule.

45.3(1) *Minimum number of participating employees.* The qualified tuition program must have and maintain the participation of 500 or more state employees.

45.3(2) *Qualification process.*

a. Written agreement. The qualified tuition program representative must enter into a written agreement with the centralized payroll administrator. The agreement shall delineate each party’s rights and responsibilities. At the same time, the qualified tuition program representative must provide a template of the program’s enrollment form to the centralized payroll administrator.

b. Forms. Payroll deductions for contributions to a qualified tuition program must be authorized on enrollment forms approved by the centralized payroll administrator.

c. Payroll deduction requests. A state employee must request payroll deduction for tuition program contributions in writing on the approved enrollment form and provide the form to the appointing authority.

d. Participating employee list. A tuition program seeking to be eligible must supply the centralized payroll administrator with a certified list of all state employees for whom tuition contribution payroll deductions are sought. The list of names of employees who have authorized a deduction, in alphabetical order for each affected payroll system, shall also contain each employee’s date of birth, employing agency name, work telephone number, and the last four digits of the employee’s social security number.

e. Multiple payroll systems. For determining the qualified tuition program’s eligibility, a list of employees requesting payroll deduction for contributions to the qualified tuition program shall be provided by the qualified tuition program to the centralized payroll administrator in an acceptable electronic format. The centralized payroll administrator will determine whether the qualified tuition program has attained the minimum 500 participating employees by counting employees from all payroll systems combined. The centralized payroll administrator will notify the other payroll systems of the eligibility determination for a qualified tuition program.

11—45.4 Reserved.

11—45.5(81GA, HF748) Deduction limits and frequency. An authorized deduction must be a minimum of \$1. The frequency of the deductions must be compatible with the affected payroll system. All of an employee's payroll deductions must be made in equal amounts on a monthly basis or be made on a basis compatible with the payroll system. The deduction will be made only for the amount of the tuition contribution and shall not include amounts for any other purpose.

11—45.6(81GA, HF748) Distribution of literature. The state of Iowa will not distribute any literature soliciting tuition program contribution deductions or distribute any other materials for a qualified tuition program.

11—45.7(81GA, HF748) Number of contributions. Each payroll system must allow each employee the opportunity to make tuition contribution payroll deductions to any combination of qualified tuition programs, up to the limit that has been set by the applicable payroll system.

11—45.8(81GA, HF748) Cash contributions. No cash contributions will be accepted or administered through the payroll process or system.

11—45.9(81GA, HF748) Terminations. An employee wishing to terminate the deduction shall give 30 days' notice in writing to the department or agency in which the employee works or, in the case of regents institutions, to the officer in charge of the payroll system through which the employee is paid.

11—45.10(81GA, HF748) Remittance.

45.10(1) The officer in charge of the payroll system must send the monthly payment for the benefit of the employee's account to each eligible qualified tuition program no later than 30 days following the payroll deduction from the wages of the employee.

45.10(2) The deduction may be made even though the compensation paid to an employee is reduced to an amount below the minimum prescribed by law. Payment to an employee of compensation less the deduction shall constitute a full discharge of claims and demands for services rendered by the employee during the period covered by the payment.

45.10(3) Support documentation is limited to a listing of employees and the amount deducted for each such employee.

11—45.11(81GA, HF748) Unapproved solicitation prohibited. Salespersons or agents for the qualified tuition program must follow all applicable rules prohibiting solicitation on state property. The designated program representative may schedule presentations of marketing and informational materials provided that the centralized payroll administrator has given written approval of said materials and provided that applicable rules are followed concerning approval of the date, time, and location of such presentations. Further, use of employees' state E-mail addresses or work addresses to mass distribute marketing materials is prohibited.

11—45.12(81GA, HF748) Annual review of participating employees. During September of each year, each participating qualified tuition program must supply the centralized payroll administrator with a certified list, in an acceptable electronic format, of all state employees who have a tuition contribution deduction through any state payroll system. The list must contain the same information as required in 45.3(2) "d" and will be used by the centralized payroll administrator to determine whether the qualified tuition program has 500 employees participating in the program.

The centralized payroll administrator will provide a copy of the certified list for each payroll system to the officer in charge of that payroll system for verification of employee status.

If the minimum qualification is not being maintained, written notification will be provided to the qualified tuition program, giving the qualified tuition program 90 days to meet the minimum qualification. If, at the end of the 90-day period, the minimum qualification has not been attained, the tuition contribution deduction for all participating employees in that qualified tuition program will be terminated.

11—45.13(81GA, HF748) Termination of qualified tuition program participation. If the centralized payroll administrator finds that a qualified tuition program is not complying with the rules in this chapter or the agreement made with the centralized payroll administrator, or if the program is not operating in a manner that the centralized payroll administrator determines to be in the best interest of the state or its employees, the department of administrative services reserves the right to terminate a qualified tuition program's participation in the payroll deduction program.

11—45.14(81GA, HF748) Reinstatement of company participation. A qualified tuition program that has been terminated from participation in payroll deduction for tuition contributions may be reinstated when the company has again met program qualifications as set forth in this chapter.

These rules are intended to implement 2005 Iowa Acts, House File 748.

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