

875—217.40(91D) Payments to employee's assignee.

217.40(1) Where an employer is directed by a voluntary assignment or order of an employee to pay a sum for the benefit of the employee to a creditor, donee, or other third party, deduction from wages of the actual sum so paid is not prohibited: Provided, that neither the employer nor any person acting in the employer's behalf or interest, directly or indirectly, derives any profit or benefit from the transaction. In those cases, payment to the third person for the benefit and credit of the employee will be considered equivalent, for purposes of this chapter, to payment to the employee. Any payments to employee's assignees must be pursuant to a written authorization by the employee.

217.40(2) No payment by the employer to a third party will be recognized as a valid payment of compensation where it appears that payment was part of a plan or arrangement to evade or circumvent the requirements of this chapter.

SOURCE: 29 CFR 531.40.