

March 1, 2017

To:

Representative Stephen Schmidt, Chair, and honorable members of the New Hampshire House Committee on Labor, Industrial and Rehabilitative Services

New Hampshire AFL-CIO statement in opposition to House Bill 438, an act eliminating the automatic dues payment for state employees.

Thank you for hearing my testimony. My name is Glenn Brackett, since 2015 I have served as the President of the New Hampshire AFL-CIO, an organization representing a federation of labor unions with over 18,000 private and public sector workers in New Hampshire.

Under state regulations for withholding of wages (RSA 275:48), New Hampshire employees currently enjoy clear and robust protections for authorized payments to third-party entities by means of automatic paycheck deductions. Accordingly, New Hampshire employers have broad authority to allow their employees to use automatic deductions for dozens of approved transactions, including payment of union dues.

Other allowable uses of authorized paycheck deductions include charitable donations to groups such as the United Way; rent and mortgage payments; loan payments; car payments; utility bills; child support payments; gym memberships; child care fees; and authorized contributions to political action groups such as Americans for Prosperity and MoveOn.org. In fact, the state of New Hampshire permits paycheck deductions for virtually any legal purpose that an employer and employee may mutually agree on, as long as the employer does not benefit and the employee authorizes the payments in writing. These standard protections now apply equally to all New Hampshire workers, in both the public and private sector.

As the state's largest federation of labor unions, the New Hampshire AFL-CIO submits that current wage withholding regulations are fair and sufficiently flexible to benefit a broad cross-section of New Hampshire residents, without imposing undue costs or administrative burdens on employers. We therefore oppose House Bill 438 and all similar legislation that seeks to arbitrarily exclude one group of New Hampshire workers from the full protection and range of options allowed under existing law.

We are further concerned that other than creating an inconvenience for a certain class of unionized employee, and potentially interrupting the flow of operating funds to the labor unions that represent them, House Bill 438 appears to have no discernable purpose or added value for New Hampshire workers and businesses.

That may explain why legislation similar to House Bill 438 has failed to advance in past legislatures. In 2012, Senator Gary Daniels, then Chair of the New Hampshire House Labor Committee, issued the following statement on the committee's unanimous rejection of HB 1163, a bill to outlaw withholding of union dues from an employee's paycheck: "The statutes currently authorize a number of items to be withheld from an employee's paycheck with the employee's permission. The committee felt that targeting this one item [withholding of union dues] was not appropriate since many of the other authorized deductions were also going to private entities."

On behalf of the New Hampshire AFL-CIO, I agree with Senator Daniel's assessment. Our current wage withholding regulations are time-tested, inclusive and do a good job of balancing the needs of employees and employers. House Bill 438 rescinds these appropriate protections for one group of workers based on their membership in a labor union, and has no problem-solving value to the state of New Hampshire. We urge the members of the committee to stop House Bill 438 from moving forward for further consideration.