

- (1) 29 CFR 3.5 permits the following deductions from wages *without the approval of the Secretary*. See 29 CFR 3.5 for further detail.
- a. Deductions for social security or federal or state income tax withholding
  - b. Deductions for bona fide prepayment of wages
  - c. Deductions for court ordered payments
  - d. Deductions for contributions to fringe benefit plans, *provided that* the deduction is not prohibited by law, that it is either voluntarily consented to by the employee in writing in advance of the time the work is done or provided for in a collective bargaining agreement, that no profit or other benefit is obtained by the contractor, and that the deduction serves the convenience of the employee
  - e. Deductions for purchase of U.S. savings bonds when voluntarily authorized by the employee
  - f. Deductions to repay loans or to purchase shares in a credit union
  - g. Deductions voluntarily authorized for contributions to organizations such as the Red Cross, United Way, or similar charitable organizations
  - h. Deductions to pay union initiation fees and membership dues, not including fines or special assessments, *provided that* a collective bargaining agreement provides for such deductions and the deductions are not otherwise prohibited by law
  - i. Deductions for the reasonable cost of board, lodging, or other facilities meeting the requirements of section 3(m) of FLSA.
  - j. Deductions for the cost of safety equipment purchased by the employee if such equipment is not required by law to be furnished by the employer, if such deduction is not prohibited by FLSA or other law, and if the cost on which the deduction is based does not exceed the actual cost to the employer.
- (2) Pursuant to 29 CFR 3.6, any contractor may apply to the Secretary for permission to make any deductions not permitted under 29 CFR 3.5. *The Secretary may approve payroll deductions whenever all of the following conditions are met:*
- a. The contractor does not make a profit or benefit directly or indirectly from the deduction
  - b. The deduction is not otherwise prohibited by law
  - c. Either the employee voluntarily consented to the deduction in writing in advance of the time the DBA/DBRA work is performed or the deduction is provided under the terms of a bona fide collective bargaining agreement
  - d. The deduction serves the convenience and interest of the employee