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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-204033

December 15, 1981

The Honorable Benjamin J. Guthrie
Sergeant at Arms
House of Representatives

Dear Mr. Guthrie:

You inquired as to the legal authority to allow for life insurance institutions to be paid automatic recurring payments from Members' salaries to cover premiums on their life insurance policies. You state that in reliance upon our letter of April 18, 1975 (B-123424), regarding the legal authority to create a joint account for a Member and his spouse in the House Bank, you have denied Members this service. For the reasons indicated below, we agree with your action.

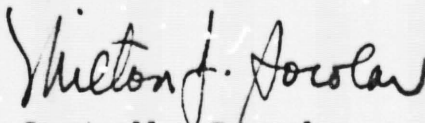
In our 1975 letter we cited v. United States, 167 F.2d 521 (D.C. Cir.), cert. denied, 334 U.S. 847 (1948), in which the United States Court of Appeals decided that cash held by the Sergeant at Arms to pay salaries is public money and ceases to be public money only when disbursed by the Sergeant at Arms to individual congressmen. We also explained, relying on 39 Comp. Gen. 372 (1959), that public moneys available for payment of salary may be disbursed only to the person legally entitled to the salary.

In our opinion, these decisions apply to your present inquiry. Section 492(a) of title 31 United States Code, upon which our decision in 39 Comp. Gen. 372 (1959) was premised, requires that a check be drawn by a disbursing officer only in favor of the person to whom payment is made. Subsection (b) of Section 492 is an exception to subsection (a), which allows Government employees to have all or a portion of their paycheck sent to qualified financial organizations. Specifically, subsection (b) states:

"(b)(1) Notwithstanding subsection (a) of this section or any other provision of law, and under regulations to be prescribed by the Secretary of the Treasury, the head of an agency shall, upon the written request of an employee of the agency to whom a payment for wages or salary is to be made, authorize a disbursing officer to make the payment * * * by sending to each financial organization designated by such employee a check that is drawn in favor of the organization and is for credit to the checking account of such employee or is for the deposit of savings or purchase of shares for such employee * * *."

Public Law 94-57 extended the services offered in subsection (b) to Members of Congress. However, the phrase "financial organization" within the meaning of subsection (b) is defined as "any bank, savings bank, savings and loan association or similar institution, or Federal or State chartered credit union." 31 U.S.C. § 492(b)(3); cf. v. Pioneer American Insurance Co., 383 F. Supp. 1135 (D. So. Car. 1974). Thus, while there is legal authority for Members to have all or a portion of their paycheck sent to a qualified financial institution for deposit in an individual account, there appears to be no legal basis by which insurance institutions could draw automatic recurring checks against Members' salaries.

Sincerely yours,

for 
Comptroller General
of the United States