



# House of Representatives

General Assembly

**File No. 32**

February Session, 2008

House Bill No. 5114

*House of Representatives, March 17, 2008*

The Committee on Labor and Public Employees reported through REP. RYAN, K. of the 139th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING PAYMENT OF WAGES TO EMPLOYEES BY PAY CARD.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2008*) (a) As used in this  
2 section, (1) "pay card" means a card issued by an employer or its  
3 payroll service provider to its employee that is linked to an account  
4 and credited with the employee's wages at the close of a pay period;  
5 and (2) "pay card system" means an electronic pay arrangement where  
6 an employee's wages are credited to an individual bank account that is  
7 subject to withdrawal charges and fees and where withdrawals may be  
8 made using a debit card or pay card at automated teller machines.

9 (b) (1) Except as provided in subdivision (2) of this subsection, no  
10 employer shall require its employees to receive payment of wages  
11 through direct deposit or through a pay card system in lieu of a  
12 negotiable check.

13 (2) An employer may use a pay card system, if such employer

14 reimburses employees for automated teller machine withdrawal fees  
15 from the pay card system account. Such employer shall not be  
16 responsible for any other account penalties or charges incurred by an  
17 employee.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008</i>	New section

**LAB**      *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

---

***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill requires employers who use a pay card system to reimburse employees for automated teller withdrawal fees from the pay card system account and has no fiscal impact.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

**OLR Bill Analysis****HB 5114*****AN ACT CONCERNING PAYMENT OF WAGES TO EMPLOYEES  
BY PAY CARD.*****SUMMARY:**

This bill requires employers who pay their employees using a pay card (debit card) system to reimburse employees for automated teller machine (ATM) withdrawal fees through the employee's pay card system account. Employers meeting the bill's requirements are not responsible for other account penalties or charges the employee incurs.

Some employers use a pay card instead of a check or a direct deposit system for employees who do not have checking accounts.

The bill defines "pay card" as a card issued by an employer or its payroll service provider to an employee that is linked to an account and credited with the employee's wages at the close of a pay period. A "pay card system" is an electronic pay arrangement in which an employee's wages are credited to an individual bank account that is subject to withdrawal charges and fees and where withdrawals may be made using a debit or pay card at ATMs.

EFFECTIVE DATE: October 1, 2008

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable

Yea 11 Nay 0 (03/04/2008)