



General Assembly

February Session, 2008

Raised Bill No. 5114

LCO No. 224

00224_____LAB

Referred to Committee on Labor and Public Employees

Introduced by:
(LAB)

**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

Statement of Purpose:

To allow employees to elect to receive payment for their wages through negotiable check if using an electronic pay arrangement will result in account charges for withdrawal of funds owed to employees.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]