



General Assembly

February Session, 2008

**Raised Bill No. 5114**

LCO No. 224

\*        HB05114LAB        030508        \*

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

**LAB**      *Joint Favorable*