



Connecticut Business & Industry Association

**Testimony of Kia F. Murrell
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Before the Committee on Labor and Public Employees
Hartford, CT
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S.B. 94 AAC The Use of Payroll Cards for Wage Payments to Employees

Good Afternoon Senator Prague, Representative Ryan and other members of the Committee. My name is Kia Murrell and I am Assistant Counsel for Labor & Employment matters at the Connecticut Business and Industry Association (CBIA). CBIA represents more than 10,000 companies throughout the state of Connecticut, ranging from large corporations to small businesses, but the vast majority of our members are small businesses of fifty or fewer employees. CBIA generally does not support legislation which increases the costs of doing business in the state; creates new administrative burdens for employers; or restricts employers' flexibility to manage their workforces or make personnel and operational decisions.

We are concerned that Section (e)(3) of S.B. 94, as currently written, **may unintentionally increase labor costs and administrative burdens for some Connecticut businesses by allowing employees to opt in and out of payroll cards with little notice and added expense to their employers.**

Although S.B. 94 is intended only to codify the practice of allowing payroll cards to be used as a form of payment for employee wages, **Section (e)(3) of the bill allows employees to elect not to receive their wages by payroll card at any time upon "timely notice to the employer."** However, **this section sets no guidelines or provisions for what constitutes "timely notice."**

Many businesses use payroll cards and other automated payroll processes to issue pay checks faster, more efficiently and at a significant cost savings to both the employers and employees alike. However, for companies that use professional payroll processing services, they may be charged per transaction each time an employee changes his or her mind about payroll options, as that may change the nature of the payroll transaction the employer pays for.

In allowing employees to change his or her mind regarding payroll cards at any time after electing to receive them, **Section (e)(3) may inadvertently cause some employers added inconvenience and expense at a time when predictable and consistent business costs are crucial to keeping some businesses alive.**

Based on the above, CBIA would encourage the Committee to **amend Section (e)(3) of this legislation to define the term “*timely notice to the employer.*”**

Thank you for the opportunity to testify before you today.