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Testimony of Stacey Zimmerman on behalf of SEIU – CT State Council

S.B. 155 An Act Concerning Allowing Employers To Pay Wages Using Payroll Cards – **OPPOSED**

S.B. 181 An Act Requiring The Standard And Prevailing Wage Be Paid To Certain Employees Of Employers Who Received Financial Assistance From State Economic Development Entities – **SUPPORT**

H.B. 5291 An Act Increasing The Minimum Wage, Removing The Minimum Wage Tip Credit, And Increasing Penalties For Failure To Pay The Minimum Wage - **SUPPORT**

February 28, 2012

Good afternoon, Co-Chairs Senator Prague, Representative Zalaski and the members of the Labor and Public Employees Committee. Thank you for the opportunity to testify today. The Service Employees International Union Connecticut State Council represents over 53,000 active and retired members in Connecticut. SEIU is the states largest union with both public and private sector members.

We stand in support of **S.B. 181** An Act Requiring The Standard And Prevailing Wage Be Paid To Certain Employees Of Employers Who Received Financial Assistance From State Economic Development Entities and **H.B. 5291** An Act Increasing The Minimum Wage, Removing The Minimum Wage Tip Credit, And Increasing Penalties For Failure To Pay The Minimum Wage. It is in the State's best interest to provide standards that boost the floor for working people. These policies will help continue to create an economy that works for all the citizens of Connecticut.

SEIU has many questions and concerns about **S.B. 155** An Act Concerning Allowing Employers To Pay Wages Using Payroll Cards. Although we understand the desire to move to a more paperless business operation this transition can not happen on the backs of the employees.

It is clear that the employer will save payroll costs by such a shift and that the issuer of the cards will profit from the contract to provide cards and fees. What is unclear is how this shift will affect the employees?

Many questions remain unanswered in the proposed legislation. Such as:

- Will the employee still be able to receive a paper check if so desired?
- What are the fees for a second lost card?

Main Office:
77 Huyshope Avenue
Hartford, CT 06106
860.251.6091
Fax: 860.548.1935

777 Summer Street
5th floor, Suite 501
Stamford, CT 06901
203.602.6615
Fax: 203.964.0428

- How accessible are the locations to convert the card to cash?
- What other 3rd party fees maybe associated with the use of such a card?
- What will the fees be for second, third, etcetera withdrawals per pay period?
- What is the impact on low income households with out access to a computer?
- What is the privacy protection in regard to usage/purchases?
- What happens if an employee who has left the employ of a business but failed to pick up their card in 60 days?

It is clear that large financial institutions have made a push for this type of legislation throughout country and foresee a significant profit from the transition from paper to plastic. We in Connecticut must be vigilant that this transition is in the best interest of those that have worked hard for their paychecks and is not just the big banks and financial services companies.