



# Senate

General Assembly

**File No. 65**

January Session, 2013

Senate Bill No. 906

*Senate, March 20, 2013*

The Committee on Labor and Public Employees reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

## ***AN ACT CONCERNING DIRECT DEPOSIT OF WAGES.***

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

1 Section 1. Subsection (a) of section 31-71b of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2013*):

4 (a) (1) Except as provided in subdivision (2) of this subsection, each  
5 employer, or the agent or representative of an employer, shall pay  
6 weekly all moneys due each employee on a regular pay day,  
7 designated in advance by the employer, in cash, by negotiable checks  
8 or, upon an employee's written request, by credit to such employee's  
9 account in any bank that has agreed with the employer to accept such  
10 wage deposits. Any electronic direct deposit of wages to an employee's  
11 account in any bank, Connecticut credit union or federal credit union  
12 that has agreed to accept such payment shall be electronically  
13 identified by the depositor as a deposit of wages.

14 (2) Unless otherwise requested by the recipient, the Comptroller

15 shall, as soon as is practicable, pay all wages due each state employee,  
16 as defined in section 5-196, by electronic direct deposit to such  
17 employee's account in any bank, Connecticut credit union or federal  
18 credit union that has agreed with the Comptroller to accept such wage  
19 deposits.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2013</i>	31-71b(a)
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**LAB**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

Municipalities	Effect	FY 14 \$	FY 15 \$
Various Municipalities	Potential Cost	See Below	See Below

**Explanation**

The bill requires employers that make electronic direct deposit of wages to separately distinguish wages and other payments, such as reimbursements.

The bill has no fiscal impact to the state, as it is anticipated that the State Comptroller has the information technology resources to meet the bill's requirements.

Potential costs to municipalities vary based on: 1) how municipalities currently report payroll information to banks; 2) their current IT resources; and 3) how they implement the bill. For example, if a municipality requires the development of new coding to comply with the bill, there may be a cost associated with updating their payroll software.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****SB 906*****AN ACT CONCERNING DIRECT DEPOSIT OF WAGES.*****SUMMARY:**

This bill requires an employer, its agent, or representative paying an employee's wages by direct deposit to electronically identify the deposit as wages. It applies to deposits in an employee's account in any bank, Connecticut credit union, or federal credit union.

EFFECTIVE DATE: October 1, 2013

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable

Yea 11 Nay 0 (03/07/2013)