



**Public Hearing Testimony of
Sharon Palmer, Commissioner
Department of Labor
Labor and Public Employees Committee
March 11, 2014**

Good Afternoon Senator Holder-Winfield, Representative Tercyak, Senator Markley and Representative Smith and members of the Labor and Public Employees Committee. Thank you for the opportunity to provide you with testimony regarding **House Bill No. 5315, AA Allowing Employers to Pay Wages Using Payroll Cards**. My name is Sharon Palmer and I am the Commissioner of the Department of Labor.

I am here to speak in opposition to this bill. Section One of the bill alters the traditional methods of paying wages by permitting payment via a payroll card without the express consent of the employee. In the event that employees do not formally elect a payment method within 2 weeks of receiving an election form from the employer, the method of payment automatically defaults to a debit card. Paying wages by debit card potentially works to the detriment of many workers, particularly low-income and elderly workers. Specifically, debit card usage subjects employees to unspecified bank fees, including charges for a replacement payroll card or making multiple withdrawals, among others. Similarly, I oppose the language in Section 2 of the bill authorizing the employer to pay wages by direct deposit without the consent of the employee, which is currently required by statute.

The bill also allows employers to provide electronic pay stubs rather than paper stubs. While the bill provides that employers must provide a means for employees to access and print their pay stubs, there are no restrictions on how that access is to be provided. For instance, it appears that an employer could comply with this section by providing access at a different location of the employer that is far from where the employee works and lives. In addition, many low income employees do not have computers and/or internet access in their homes. If the access provided by the employer is not tenable for the employee, that employee may not have good options to access his or her pay stub.

We would be in favor of a bill that gives employees a choice among these options, but allowing employers to mandate direct deposit, payroll cards, and electronic access is not fair to employees.

Thank you for the opportunity to provide this testimony. I am available to answer any questions you may have.