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Testimony of Eric W. Gjede
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Before the Committee on Labor and Public Employees
Hartford, CT
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Testifying in support of SB 908 An Act Allowing Employers to Pay Wages Using Payroll Cards

Good afternoon Senator Winfield, Representative Tercyak, Senator Hwang, Representative Rutigliano and members of the Labor and Public Employees Committee. My name is Eric Gjede and I am assistant counsel at the Connecticut Business and Industry Association (CBIA), which represents more than 10,000 large and small companies throughout the state of Connecticut.

CBIA supports SB 908.

This bill allows employers to offer employees the option of being paid their wages, salary, or other compensation via payroll card. It also allows employers to provide employees with an electronic record of their hours worked, gross earnings, deductions and net earnings. Current law requires employers to pay their employees in cash or by negotiable check and allows them to pay via direct deposit only if requested by the employee.

In today's modern economy, electronic transactions and payments are commonplace and exist in almost every aspect of our lives. Paycheck, tax returns, unemployment benefit checks and scores of other private and government payments are made electronically. Many employers use direct deposit and other automated methods of making employee compensation in order to avoid costs and wastefulness associated with paper checks. Insofar as Connecticut law already provides for direct deposit as a means of making employee compensation payments, it is only logical that payroll cards be authorized under the law as well.

For the foregoing reasons, we support SB 908.