

S.58

Introduced by Senators Carris, Ayer, Brock, Hartwell, Illuzzi and Mullin

Referred to Committee on

Date:

Subject: Labor; employment practices; payment of wages

Statement of purpose: This bill proposes to authorize the payment of wages by
debit card.

An act relating to electronic payment of wages

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 21 V.S.A. §§ 342 and 343 are amended to read:

§ 342. WEEKLY PAYMENT OF WAGES

(a) Any person having employees ~~in his service~~ doing and transacting
business within the state shall ~~pay~~:

(1) Pay to those employees each week, in lawful money or checks, ~~each~~
~~of his employees~~, the wages earned by ~~such~~ each employee to a day not more
than six days prior to the date of ~~such~~ payment.

~~(b)(2)~~ (2) After giving written notice to ~~his~~ the employees, ~~any person having~~
~~employees in his service doing and transacting business within the state~~ may,
~~notwithstanding subsection (a) of this section~~, pay bi-weekly or semi-monthly
in lawful money or checks; ~~each of his employees~~, employee the wages earned

1 by the employee to a day not more than six days prior to the date of the
2 payment. If a collective bargaining agreement so provides, the payment may
3 be made to a day not more than 13 days prior to the date of payment.

4 ~~(e)(1)(b)~~ An employee who ~~voluntarily~~:

5 (1) Voluntarily leaves ~~his~~ employment shall be paid on the last regular
6 pay day, or if there is no regular pay day, on the following Friday.

7 ~~(2) An employee who is~~ Is discharged from employment shall be paid
8 within 72 hours of ~~his~~ discharge.

9 ~~(3) If an employee is~~ Is absent from his or her regular place of
10 employment on the employer's regular scheduled date of wages or salary
11 payment ~~such employee~~ shall be entitled to ~~such~~ payment upon demand.

12 ~~(d)(c)~~ With the written authorization of an employee, an employer may pay
13 wages due the employee by ~~deposit~~:

14 (1) Deposit through electronic funds transfer or other direct deposit
15 systems to a checking, savings, or other deposit account maintained by or for
16 the employee in any financial institution within or without the state.

17 (2) Credit to a payroll card account directly or indirectly established by
18 an employer to which electronic fund transfers of the employee's wages,
19 salary, or other employee compensation is made on a recurring basis, other
20 than a checking, savings, or other deposit account described in subdivision (1)
21 of this subsection, provided:

1 (A) the employer provides the employee written disclosure in plain
2 language, in at least 10-point type, of all the employee's wage payment
3 options;

4 (B) the employer provides the employee written disclosure in plain
5 language, in at least 10-point type, of the terms and conditions of the payroll
6 card account option, including a complete list of all known fees that may be
7 deducted from the employee's payroll card account by the employer or the
8 card issuer and whether third parties may assess fees in addition to the fees
9 assessed by the employer or issuer;

10 (C) the employee voluntarily consents in writing to receipt of
11 payment by payroll card account after receiving the disclosures described in
12 subdivisions (A) and (B) of this subdivision (2);

13 (D) consent to payment of wages by electronic fund transfer to a
14 payroll card account shall not be a condition of hire or a condition of continued
15 employment;

16 (E) the employer shall provide the employee at least one free means
17 to withdraw the full amount of the employee's balance on the employee's
18 payroll card during each pay period at a financial institution, credit union, or
19 other location convenient to the place of employment; additionally, the
20 employer shall provide the employee with one free ATM transaction each pay

1 period to access funds from the payroll card account without incurring any
2 fees;

3 (F) none of the employer's costs associated with the payroll card
4 account shall be passed on to the employee;

5 (G) the employer provides prior written notice in plain language, in at
6 least 10 point type, of any change to any of the terms and conditions of the
7 payroll card account, including any change in the itemized list of fees, and
8 obtains voluntary written consent from the employee to continue receiving
9 wages on the payroll card account subject to the changes. The employer shall
10 be responsible for any increase in fees charged to the employee before the
11 employer provides written notice of such changes to the employee;

12 (H) in no event, shall the employer provide payment to a payroll card
13 that has an expiration date, unless the employer agrees to provide a
14 replacement payroll card at no cost to the employee before the expiration date;

15 (I) the employer provides the employee the option to discontinue
16 receipt of wages by a payroll card account at any time, without penalty to the
17 employee;

18 (J) the payroll card issued to the employee is a branded type payroll
19 card that can be used at PIN-based and signature-based outlets;

20 (K) the payroll card account shall be set up so that the account cannot
21 be overdrawn;

1 ~~(L)~~ the payroll card issuer has filed a notice with the commissioner of
2 the department of labor containing the entity's true name, any other names
3 under which the entity conducts business, the entity's address, which address
4 cannot be a post office box, and the entity's telephone number.

5 § 343. FORM OF PAYMENT

6 ~~Such~~ An employer shall not pay ~~its~~ employees with any form of evidence of
7 indebtedness, including, ~~without limitation,~~ all scrip, vouchers, due bills, or
8 store orders, unless:

9 (1) the employer is a cooperative corporation in which the employee is a
10 stockholder. However, ~~such~~ a cooperative corporation shall, upon request of
11 any ~~such~~ shareholding employee, pay ~~him~~ the shareholding employee as
12 provided in section 342 of this title; or

13 (2) payment is made by check as defined in Title 9A or by electronic
14 fund transfer as provided in section 342 of this title.

15 Sec. 2. 8 V.S.A. § 2707(6) is added to read:

16 (6) A payroll card account issued pursuant to and in full compliance
17 with 21 V.S.A. § 342(c).

18 Sec. 3. EFFECTIVE DATE

19 This act shall take effect upon passage.