1	H.645
2	Introduced by Representatives Stevens of Waterbury, Birong of Vergennes,
3	Gamache of Swanton, Hango of Berkshire, Howard of Rutland
4	City, Killacky of South Burlington, and Walz of Barre City
5	Referred to Committee on
6	Date:
7	Subject: Labor; employment practices; wages
8	Statement of purpose of bill as introduced: This bill proposes to make
9	technical changes to Vermont's wage and hour laws in order to modernize the
10	statutory language and to repeal or amend obsolete provisions.
11	An act relating to modernizing Vermont's wage and hour laws
12	It is hereby enacted by the General Assembly of the State of Vermont:
13	Sec. 1. 21 V.S.A. § 341 is amended to read:
14	§ 341. DEFINITIONS
15	As used in this subchapter:
16	* * *
17	(2) "Employer" means any person having employees in his or her
18	service that employs one or more employees.
19	(3) "Commissioner" means the Commissioner of Labor or designee.
20	* * *

1	Sec. 2. 21 V.S.A. § 342 is amended to read:
2	§ 342. WEEKLY PAYMENT OF WAGES
3	(a)(1) Any employer having one or more employees that is doing and
4	transacting business within the State shall pay each week, in lawful money or
5	checks, the wages earned by each employee to a day not more than six days
6	prior to the date of such payment.
7	(2) After giving written notice to the employee or employees
8	Notwithstanding subdivision (1) of this subsection, any employer having an
9	employee or one or more employees that is doing and transacting business
10	within the State may, notwithstanding subdivision (1) of this subsection either:
11	(A) after giving notice to each employee, pay biweekly or
12	semimonthly in lawful money or checks each employee the wages earned by
13	the employee to a day not more than six days prior to the date of the payment.
14	If a; or
15	(B) pursuant to the terms of a collective bargaining agreement so
16	provides, the payment may be made pay any employee who is subject to that
17	agreement the wages earned by the employee to a day not more than 13 days
18	prior to the date of payment.
19	(3)(A) A school district employee may elect in writing to have a set

amount or set percentage of his or her after-tax wages withheld by the school

1	district in a district-held bank account each pay period. The percentage or
2	amount withheld shall be determined by the employee.
3	(B) At the option of the employee, the school district shall disburse
4	the funds to the employee in either a single payment at the time the employee
5	receives his or her final paycheck of the school year, or in equal weekly or
6	biweekly sums beginning at the end of the school year.
7	(C)(i) The school district shall disburse funds from the account in any
8	sum as requested by the employee and, at the end of the school year or at the
9	employee's option over the course of the period between the current and next
10	school year, or upon separation from employment, shall remit to the employee
11	any remaining funds, including interest earnings, held in the account.
12	(ii) For employees within a bargaining unit organized pursuant to
13	either chapter 22 of this title or 16 V.S.A. chapter 57, the school district shall
14	implement this election in a manner consistent with the provisions of this
15	subdivision and as determined through negotiations under those chapters.
16	(iii) For employees not within a bargaining unit, the school district
17	shall, in a manner consistent with this subdivision, determine the manner in
18	which to implement the provisions of this subdivision.
19	(b) An employee who:
20	(1) voluntarily leaves employment shall be paid on the last regular pay

day, or if there is no regular pay day, on the following Friday;

1	(2) is discharged from employment shall be paid within 72 hours of
2	discharge;
3	(3) is absent from his or her regular place of employment on the
4	employer's regular scheduled date of wages or salary payment shall be entitled
5	to payment upon demand.
6	(c) With the written authorization of an employee, an employer may pay
7	wages due the employee by any of the following methods:
8	(1) Deposit through electronic funds transfer or other direct deposit
9	systems to a checking, savings, or other deposit account maintained by or for
10	the employee in any financial institution within or without outside the State.
11	(2) Credit to a payroll card account, other than a checking, savings, or
12	other deposit account described in subdivision (1) of this subsection, that is
13	directly or indirectly established by an employer in a federally insured
14	depository institution to which electronic fund transfers of the employee's
15	wages, salary, or other employee compensation is made on a recurring basis,
16	other than a checking, savings, or other deposit account described in
17	subdivision (1) of this subsection, provided all the following:
18	(A) The employer provides the employee written disclosure in plain
19	language, in at least 10-point type of both the following:
20	(i) All the employee's wage payment options.

1	(ii) The terms and conditions of the payroll card account option,
2	including a complete list of all known fees that may be deducted from the
3	employee's payroll card account by the employer or the card issuer and
4	whether third parties may assess fees in addition to the fees assessed by the
5	employer or issuer.
6	(B) Copies of the written disclosures required by subdivisions (A)
7	and (F) of this subdivision (c)(2) and by subsection (d) of this section shall be
8	provided to the employee in the employee's primary language or in a language
9	the employee understands.
10	(C) The employee voluntarily consents in writing to payment of
11	wages by payroll card account after receiving the disclosures described in
12	subdivision (A) of this subdivision (c)(2), and this his or her consent is not a
13	condition of hire or continued employment.
14	(D)(C) The employer ensures that the payroll card account provides
15	that during each pay period, the employee has at least three free withdrawals
16	from the payroll card, one of which permits withdrawal of the full amount of
17	the balance at a federally insured depository institution or other location
18	convenient to the place of employment.
19	(E)(D) None of the employer's costs associated with the payroll card
20	account are passed on to the employee, and the employer shall does not receive

any financial remuneration for using the pay card at the employee's expense.

1	(F)(E)(i) At least 21 days before any change takes effect, the
2	employer provides the employee with written notice in plain language, in at
3	least 10 point type, of the following:
4	(I) any change to any of the terms and conditions of the payroll
5	card account, including any changes in the itemized list of fees;
6	(II) the employee's right to discontinue receipt of wages by a
7	payroll card account at any time and without penalty.
8	(ii) The employer may not charge the employee any additional
9	fees until the employer has notified the employee in writing of the changes.
10	(G)(F) The employer provides the employee the option to discontinue
11	receipt of wages by a payroll card account at any time and without penalty to
12	the employee.
13	(H)(G) The payroll card issued to the employee shall be a branded-
14	type payroll card that complies with both the following:
15	(i) Can be used at a PIN-based or a signature-based outlet.
16	(ii) The payroll card agreement prevents withdrawals in excess of
17	the account balance and to the extent possible protects against the account
18	being overdrawn.
19	(I)(H) The employer ensures that the payroll card account provides
20	one free replacement payroll card per year at no cost to the employee before
21	the card's expiration date. A replacement card need not be provided if the card

1	has been inactive for a period of at least 12 months or the employee is no
2	longer employed by the employer.
3	(J)(I) A nonbranded payroll card may be issued for temporary
4	purposes and shall be valid for no more than 60 days.
5	(K)(J) The payroll card account shall not be linked to any form of
6	credit, including a loan against future pay or a cash advance on future pay.
7	(L)(K) The employer shall not charge the employee an initiation,
8	loading, or other participatory fee to receive wages payable in an electronic
9	fund transfer to a payroll card account, with the exception of the cost required
10	to replace a lost, stolen, or damaged payroll card.
11	(M)(L) The employer shall ensure that the payroll card account
12	provides to the employee, upon the employee's written or oral request, one free
13	written transaction history each month which includes all deposits,
14	withdrawals, deductions, or charges by any entity from or to the employee's
15	payroll card account for the preceding 60 days. The employer shall also ensure
16	that the account allows the employee to elect to receive the monthly
17	transaction history by regular mail, electronic mail, or in another digital
18	format.
19	(d)(1) If a payroll card account is established with a financial institution as
20	an account that is individually owned by the employee, the employer's
21	obligations and the protections afforded under subsection (c) of this section

1	shall cease 30 days after the employer-employee relationship ends and the
2	employee has been paid his or her final wages.
3	(2) Upon the termination of the relationship between the employer and
4	the employee who owns the individual payroll card account:
5	(A) the employer shall notify the financial institution of any changes
6	in the relationship between the employer and employee; and
7	(B) the financial institution holding the individually owned payroll
8	card account shall provide the employee with a written statement in plain
9	language describing a full list of the fees and obligations the employee might
10	incur by continuing a relationship with the financial institution.
11	(e) The Department of Financial Regulation may adopt rules to implement
12	subsection (c) of this section.
13	(f) The employer shall provide copies of the written disclosures required by
14	subdivisions (A) and (F) of subdivision (c)(2) and by subsection (d) of this
15	section to the employee in the employee's primary language or in a language
16	the employee understands.
17	Sec. 3. 21 V.S.A. § 342a is amended to read:
18	§ 342a. INVESTIGATION OF COMPLAINTS OF UNPAID WAGES
19	* * *
20	(c) If after the investigation wages are found to be due, the Commissioner

shall attempt to settle the matter between the employer and employee. If the

attempt fails, the Commissioner shall issue a written determination and order for collection, which shall specify the facts and the conclusions upon which the determination is based. The Department shall collect from the employer the amounts due and remit them to the employee. Notice of the determination and the order for collection to the employer shall be provided to the prevailing party by regular mail and to the other party by certified mail or service, or if wages are due in an amount that is less than the amount claimed notice shall be provided to all interested parties by certified mail or service.

* * *

(e) Within 30 days after the date of the collection order determination, the employer or employee may file an appeal from the determination to a departmental administrative law judge. The appeal shall, after notice to the employer and employee, be heard by the administrative law judge within a reasonable time. The administrative law judge shall review the complaint de novo, and after a hearing, the determination and, if applicable, order for collection shall be sustained, modified, or reversed by the administrative law judge. Prompt notice in writing of the decision of the administrative law judge and the reasons for it shall be given to all interested parties.

19 ***

1	Sec. 4. 21 V.S.A. § 343 is amended to read:
2	§ 343. FORM OF PAYMENT
3	An employer shall not pay employees with any form of evidence of
4	indebtedness, including all scrip, vouchers, due bills, or store orders, unless the
5	employer is in compliance with one or both of the following:
6	(1) The employer is a cooperative corporation in which the employee is
7	a stockholder, in which case, the cooperative corporation shall, upon request of
8	any shareholding the employee, pay the shareholding employee him or her as
9	provided in section 342 of this title.
10	(2) Payment is made by check as defined in Title 9A or by an electronic
11	fund transfer as provided in section 342 of this title.
12	Sec. 5. 21 V.S.A. § 344 is amended to read:
13	§ 344. ASSIGNMENT OF FUTURE WAGES
14	(a) An assignment of future wages payable under the provisions of
15	pursuant to section 342 of this title subchapter shall not be valid; if it is made
16	or procured to be made to:
17	(1) the employer from whom such the wages are to become due; or
18	(2) to anyone any person in behalf of such the employer, or if made or
19	procured to be made to anyone for the purpose of relieving such the employer
20	from the obligation to pay under the provisions of section 342 of this
21	subchapter.

1	(b) Such An employer shall not require an agreement from an employee to
2	agree, as a condition of employment, to accept wages at any other period as a
3	condition of employment than as permitted pursuant to section 342 of this
4	subchapter.
5	Sec. 6. 21 V.S.A. § 345 is amended to read:
6	§ 345. NONPAYMENT OF WAGES AND BENEFITS
7	(a) Each An employer who violates section 342, 343, 482, or 483 of this
8	title shall be fined not more than \$5,000.00. Where If the employer is a
9	corporation, the president or other officers who have control of the payment
10	operations of the corporation shall be considered employers and liable to the
11	employee for actual wages due when the officer has willfully and without good
12	eause participated in knowing violations of this ehapter subchapter.
13	(b) In addition to any other penalty or punishment otherwise prescribed by
14	law, any employer who, pursuant to an oral or written employment agreement,
15	is required to provide benefits to an employee shall be liable to the employee
16	for actual damages caused by the failure to pay for the benefits, and where the
17	failure to pay is knowing and willful and continues for 30 days after the
18	payments are due shall be assessed a civil an administrative penalty by the
19	Commissioner of not more than \$5,000.00.
20	(c) The Commissioner may enforce collection of the fines assessed under

this section in the Civil Division of the Superior Court.

1	Sec. 7. 21 V.S.A. § 382 is amended to read:
2	§ 382. COVERAGE
3	Employers employing two employees or more are covered by this
4	subchapter. [Repealed.]
5	Sec. 8. 21 V.S.A. § 383 is amended to read:
6	§ 383. DEFINITIONS
7	Terms used in this subchapter have the following meanings, unless a
8	different meaning is clearly apparent from the language or context As used in
9	this subchapter:
10	(1) "Commissioner," means the Commissioner of Labor or designee;
11	(2) "Employee," means any individual employed or permitted to work
12	by an employer except:
13	(A) any individual employed in agriculture;
14	(B) any individual employed in domestic service in or about a private
15	home;
16	(C) any individual employed by the United States;
17	(D) any individual employed in the activities of a public supported
18	nonprofit organization, except laundry employees, nurses' aides, or practical
19	nurses;
20	(E) any individual employed in a bona fide executive, administrative,
21	or professional capacity;

1	(F) any individual making home deliveries of newspapers or
2	advertising;
3	(G) taxi cab taxicab drivers;
4	(H) outside salespersons; and
5	(I) secondary school students working during all or any part of the
6	school year or regular vacation periods. As used in this subdivision (2)(I),
7	"regular vacation periods" does not include the period between two successive
8	academic years.
9	(3) "Employer" means any person that employs two or more employees.
10	$(3)(4)$ "Occupation;" means an industry, trade, Θ business, or branch
11	thereof, or a class of work in which workers are gainfully employed.
12	(4) [Repealed.]
13	Sec. 9. 21 V.S.A. § 384 is amended to read:
14	§ 384. EMPLOYMENT; WAGES
15	(a)(1) An employer shall not employ any employee at a rate of less than
16	\$9.15. Beginning on January 1, 2016, an employer shall not employ any
17	employee at a rate of less than \$9.60. Beginning on January 1, 2017, an
18	employer shall not employ any employee at a rate of less than \$10.00.
19	Beginning on January 1, 2018, an employer shall not employ any employee at
20	a rate of less than \$10.50, and beginning on January 1, 2019 and on each
21	subsequent January 1, the minimum wage rate shall be increased by

1	five percent or the percentage increase of the Consumer Price Index, CPI-U,
2	U.S. city average, not seasonally adjusted, or successor index, as calculated by
3	the U.S. Department of Labor or successor agency for the 12 months preceding
4	the previous September 1, whichever is smaller, but in. In no event shall the
5	minimum wage be decreased. The minimum wage shall be rounded off to the
6	nearest \$0.01.
7	(2) An employer in the hotel, motel, tourist place, and restaurant
8	industry shall not employ a service or tipped employee at a basic wage rate less
9	than one-half the minimum wage. As used in this subsection subdivision, "a
10	service or tipped employee" means an employee of a hotel, motel, tourist
11	place, or restaurant who customarily and regularly receives more than \$120.00
12	per month in tips for direct and personal customer service.
13	(3) If the minimum wage rate established by the U.S. government is
14	greater than the rate established for Vermont pursuant to subdivision (1) of this
15	subsection for any year, the minimum wage rate for that year shall be the rate
16	established by the U.S. government.
17	(b) Notwithstanding subsection (a) of this section, an employer shall not
18	pay an employee less than one and one-half times the regular wage rate for any
19	work done by the employee in excess of 40 hours during a workweek.

However, this subsection shall not apply to:

1	(1) Employees of any retail or service establishment. A "retail or
2	service establishment" means an establishment 75 percent of whose annual
3	volume of sales of goods or services, or of both, is not for resale and is
4	recognized as retail sales or services in the particular industry.
5	(2) Employees of an establishment which is an amusement or
6	recreational establishment, if:
7	(A) it does not operate for more than seven months in any calendar
8	year; or
9	(B) during the preceding calendar year its average receipts for any six
10	months of that year were not more than one-third of its average receipts for the
11	other six months of the year.
12	(3) Employees of an establishment which is a hotel, motel, or restaurant.
13	(4) Employees of hospitals, public health centers, nursing homes,
14	maternity homes, therapeutic community residences, and residential care
15	homes as those terms are defined in Title 18, provided:
16	(A) the employer pays the employee on a biweekly basis; and
17	(B) the employer files an election to be governed by this section with
18	the Commissioner; and
19	(C) the employee receives not less than one and one-half times the
20	regular wage rate for any work done by the employee:
21	(i) in excess of eight hours for any workday; or

1	(ii) in excess of 80 hours for any biweekly period.
2	(5) Those employees of a business engaged in the transportation of
3	persons or property to whom the overtime provisions of the federal Fair Labor
4	Standards Act do not apply, but. However, this subsection shall apply to all
5	other employees of such businesses.
6	(6) Those employees of a political subdivision of this State.
7	(7) State employees who are covered by the federal Fair Labor
8	Standards Act.
9	(c) However, an An employer may deduct from the rates required in
10	subsections (a) and (b) of this section:
11	(1) the amounts for board, lodging, apparel, rent, or utilities paid or
12	furnished to an employee; or
13	(2) other items or services or such other conditions or circumstances as
14	may be usual in a particular employer-employee relationship, including
15	gratuities as determined by the wage order made under this subchapter.
16	(d) For the purposes of earned sick time, an employer shall comply with the
17	provisions required under subchapter 4B of this chapter.
18	Sec. 10. 21 V.S.A. § 385 is amended to read:
19	§ 385. ADMINISTRATION
20	The Commissioner and the Commissioner's authorized representatives have
21	full power and authority for all the following:

(4) To recommend and determine the amount of deductions for board,
lodging, or other items or services supplied by the employer or any other
conditions or circumstances as may be usual in a particular employer-
employee relationship, including gratuities; provided, however, that in no case
shall the total remuneration received by an employee, including wages,
gratuities, board, lodging, or other items or services supplied by the employer,
including gratuities, be less than the minimum wage rate set forth in
established pursuant to section 384 of this title. No deduction may be made for
the care, cleaning, or maintenance of required apparel. No deduction for
required apparel shall be made without the employee's express written
authorization and the deduction shall not:

- (A) reduce the total remuneration received by an employee below the hourly minimum wage established pursuant to section 384 of this title;
 - (B) include any administrative fees or charges; or
- (C) amend, nullify, or violate the terms and conditions of any collective bargaining agreement.
- (5) To recommend a suitable scale of rates for learners, apprentices, and persons with disabilities, which may be less than the regular minimum wage rate for experienced workers without disabilities.

1	Sec. 11. 21 V.S.A. § 386 is amended to read:
2	§ 386. INVESTIGATIONS
3	The Commissioner may, and on a petition of 50 or more residents of the
4	State shall, make an investigation of investigate any industry, business,
5	occupation, or employment as set forth in, pursuant to the provisions of section
6	385 of this title, to ascertain whether any violations of this subchapter have
7	occurred.
8	Sec. 12. 21 V.S.A. § 391 is amended to read:
9	§ 391. MODIFICATION OF WAGE ORDERS
10	The Commissioner with the approval of the Governor may from time to
11	time propose modifications of or additions to any regulations included in any
12	minimum wage order which the Commissioner deems appropriate. [Repealed.]
13	Sec. 13. 21 V.S.A. § 392 is amended to read:
14	§ 392. COURT PROCEEDINGS
15	If any employer covered by a wage order has failed to comply with the
16	wage order within 14 days after receiving notification of the violation, the
17	Commissioner shall take court action to enforce the order. [Repealed.]
18	Sec. 14. 21 V.S.A. § 393 is amended to read:
19	§ 393. EMPLOYERS' RECORDS; NOTICE
20	(a) Every employer, subject to the provisions of this subchapter or of any
21	regulation or order issued thereunder, shall keep a true and accurate record of

pursuant to this subchapter.

1	the nours worked by each employee and of the wages paid to him or her and
2	shall furnish to the Commissioner upon demand a sworn statement of the same.
3	Such The records shall be open to inspection by the Commissioner, his or her
4	deputy, or any authorized agent of the Department at any reasonable time.
5	(b) Every employer subject to the provisions of this subchapter or of any
6	regulation or order issued under the provisions thereof shall keep a copy of
7	them posted post notice of the provisions of this subchapter in a form provided
8	by the Commissioner in a conspicuous place in the area where employees are
9	employed. The Commissioner shall furnish copies of such orders and
10	regulations to employers without charge.
11	Sec. 15. 21 V.S.A. § 394 is amended to read:
12	§ 394. PENALTIES
13	(a) Any employer, that is subject to this subchapter or any regulations or
14	orders issued thereunder, or any of the employer's agents or the officer or
15	agent of any corporation an employer, who pays of, permits to be paid, or
16	agrees to pay to any employee engaged in any industry or occupation less than
17	the applicable rate to which the employee is entitled under pursuant to this
18	subchapter, shall be fined assessed an administrative penalty of not more than
19	\$100.00 for each day the employee is paid less than the rate required under

1	(b) Any An employer, or any of the employer's agents or the an officer or
2	agent of any corporation who fails to keep the records required under this
3	subchapter or refuses to permit the Commissioner to enter the place of busines
4	or who fails to furnish the records to the Commissioner upon demand an
5	employer, shall be fined assessed an administrative penalty of not more than
6	\$100.00 for any of the following:
7	(1) failing to keep the records required pursuant to this subchapter;
8	(2) refusing to permit the Commissioner to enter the place of business;
9	<u>or</u>
10	(3) failing to furnish records to the Commissioner upon demand.
11	Sec. 15. 21 V.S.A. § 395 is amended to read:
12	§ 395. CIVIL ACTIONS
13	If any An employee who is paid by an employer less than the applicable
14	wage rate to which the employee is entitled under pursuant to this subchapter,
15	the employee shall recover, in a civil action, twice the amount of the minimum
16	wage established pursuant to section 384 of this subchapter less any amount
17	actually paid by the employer, together with costs and reasonable attorney's
18	fees, and any. An agreement between an employer and an employee to work
19	for less than the wage rates is no established pursuant to section 384 of this
20	subchapter shall not be a defense to the action.

1 Sec. 16. 21 V.S.A. § 396 is amended to read:

2 § 396. APPEALS FROM COMMISSIONER'S DECISIONS

- (a) Appeals to Superior Court wherein a civil action between the parties would be triable. Any person aggrieved by any a decision of the Commissioner may appeal to the Superior Court.
- (b) Procedure. The Commissioner shall forward to the Court the record of the decision on appeal. The court shall direct the record in the matter appealed from to be laid before it, hear the evidence, and make such order approving in whole or in part or setting aside in whole or in part the decision appealed from as justice may require consider the record and any evidence presented, may approve or set aside the Commissioner's decision in whole or in part, and may refer any matter or issue arising in the proceedings to the Commissioner for further consideration. However, in In no case shall such an appeal operate as a supersedeas or stay unless the Commissioner or the court to which such the appeal is taken shall so order orders.
- (c) Certifying record. An order of court to send up The Commissioner may provide to the court the record may be complied with by filing either the original papers or duly certified copies thereof of them, or of such portions thereof as the order may specify, together with a certified statement of such any other facts as that show the grounds of the action appealed from.

1	(d) Hearing. The court may take evidence or may appoint a referee to take
2	such evidence as it may direct and to report the same with findings of fact. A
3	referee that is appointed shall submit a report to the court of all evidence taken
4	together with findings of fact.
5	(e) Costs. In any proceedings under this subchapter, the court may make
6	such award of any costs as may seem it determines to be equitable and just.
7	(f) Appeal, Supreme Court. Appeal from the <u>The</u> decision of the Superior
8	Court may be had appealed to the Supreme Court.
9	Sec. 17. EFFECTIVE DATE
10	This act shall take effect on July 1, 2020.