

Written testimony pertaining to HB 5821, from Mike Clement, representing himself and speaking as a private citizen.

Mr. Chair and Members of the House Banking and Financial Services Committee:

I regret that prior commitments prevent me from attending today's scheduled meeting and testifying in person in opposition to HB 5821 as introduced. I respectfully request that you take my written remarks into consideration during the course of your deliberation.

Had the bill been limited to the language pertaining to allowing the employee to make at least one withdrawal or transfer from a payroll debit card without incurring a fee, I would not be writing today.

However, the language in subsection 6, allowing an employer to require an employee to receive pay either through direct deposit or payroll debit card is of deep concern to me.

I have been alarmed to see the State of Michigan and the U.S. government increasingly mandate the payment of wages and/or benefits by electronic means to an ever-growing segment of society.

From wages to State of Michigan employees, to unemployment benefits, to the announcement less than three weeks ago by U.S. Treasury Secretary Geithner regarding payment of all federal benefits, there have been laws and rules put in place that no longer allow payment by paper check.

Certainly, there are cost savings to employers who utilize electronic means of payment.

But at what cost to the recipient?

I believe workers are very capable to deciding which method of payment works best for them. For many, direct deposit is perfectly fine. For others, a payroll debit card is to be preferred.

Others, however, are far more comfortable with a paper check. Whether they consider it to be a safer instrument, easier to keep track of, or afford them greater ability to deposit into as many accounts as they wish, their views deserve to be honored and respected.

They should be allowed to continue to receive the paper check.

They should not face the possibility that an employer may require them to choose between direct deposit or a payroll debit card, as stipulated in the introduced version of HB 5821.

I encourage you, Mr. Chair, and committee members, to consider deleting subsection 6.

With gratitude,

Mike Clement
Adrian, Michigan.