

Legislative Analysis



EMPLOYERS CAN PAY WAGES ELECTRONICALLY WITHOUT EMPLOYEE APPROVAL

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House Bill 5599

Sponsor: Rep. Jacob Hoogendyk

Committee: Employment Relations, Training and Safety

Complete to 3-29-04

A SUMMARY OF HOUSE BILL 5599 AS INTRODUCED 2-26-04

The bill would amend Public Act 390 of 1978 to allow an employer to pay wages by direct deposit or electronic transfer without the written approval of the employee.

Currently, the act allows payment in U.S. currency or by negotiable check or draft. The act prohibits an employer from depositing an employee's wages in a financial institution without the full, free and written consent of the employee, obtained without intimidation, coercion or fear of discharge or reprisal for refusal to permit the deposit. House Bill 5599 would strike the prohibition and permit an employer to pay wages by direct deposit or electronic transfer to 1) the employee's account at a financial institution; or 2) if the employee does not have such an account, to an account maintained by the employer in the name of an owned by the employee and accessible to the employee by access device.

FISCAL IMPACT:

There would be no fiscal impact on the state or on local governmental units.

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