

# Legislative Analysis

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## ELECTRONIC PAYMENT OF WAGES

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**Senate Bill 851 as passed by the Senate**  
**Sponsor: Sen. Jason E. Allen**

**Senate Committee: Local, Urban and State Affairs**  
**House Committee: Government Operations**  
**Complete to 8-3-04**

### A SUMMARY OF SENATE BILL 851 AS PASSED BY THE SENATE 6-30-04

The bill would amend Public Act 390 of 1978 to strike the prohibition on paying wages by direct deposit or electronic transfer without the written permission of the employee. The bill would permit employers to pay wages to employees by direct deposit or electronic transfer, or by payroll debit card.

If the employer elects to pay wages through direct deposit or electronic transfer, or payroll debit card, the following conditions would apply:

- The employer would have to provide employees with notice of a decision to pay wages through these methods. In the case of wages paid through direct deposit or electronic transfer, the notice would have to be provided at least six weeks in advance, so as to provide employees with time to establish an account at a financial institution to accept wages.
- The employer could not pay wages via direct deposit or electronic transfer or payroll debit card if the employee provides the employer with a written objection.
- The employer would be prohibited from requiring employees to pay any fees or costs incurred by the employers to pay wages via direct deposit or electronic transfer or payroll debit card.
- The employer would be required to provide employees with a written statement of earnings, if so requested by the employee.

### FISCAL IMPACT:

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

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.