

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 851

A bill to amend 1978 PA 390, entitled

"An act to regulate the time and manner of payment of wages and fringe benefits to employees; to prescribe rights and responsibilities of employers and employees, and the powers and duties of the department of labor; to require keeping of records; to provide for settlement of disputes regarding wages and fringe benefits; to prohibit certain practices by employers; to prescribe penalties and remedies; and to repeal certain acts and parts of acts,"

by amending section 6 (MCL 408.476).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) ~~The payment of wages shall be paid~~ An
2 **employer or agent of an employer may pay wages to an employee by**
3 **any of the following methods:**
4 **(a) Payment** in United States currency. ~~or~~
5 **(b) Payment** by a negotiable check or draft payable on
6 presentation at a ~~bank~~ **financial institution** or **other**
7 established place of business without discount in United States
8 currency.

1 (c) Direct deposit or electronic transfer to the employee's
2 account at a financial institution.

3 (d) Issuance of a payroll debit card to the employee. As
4 used in this section, "payroll debit card" means a stored-value
5 debit card that provides an employee access to his or her wages,
6 for withdrawal or transfer by the employee, through a network of
7 automatic teller machines. The term includes cards commonly
8 known as payroll debit cards, payroll cards, and paycards.

9 (2) ~~An~~ Except as provided in section 283a of the management
10 and budget act, 1984 PA 431, MCL 18.1283a, an employer or agent
11 of an employer shall not deposit an employee's wages in a bank,
12 credit union, or savings and loan association without the full,
13 free, and written consent of the employee, ~~or prospective~~
14 ~~employee,~~ obtained without intimidation, coercion, or fear of
15 discharge or reprisal for refusal to permit the deposit.

16 (3) An employer or agent of an employer shall not issue a
17 payroll debit card to an employee under subsection (1)(d) without
18 the full, free, and written consent of the employee, obtained
19 without intimidation, coercion, or fear of discharge or reprisal
20 for refusal to accept the payroll debit card. However, an
21 employer paying wages by payroll debit card to 1 or more of its
22 employees as of January 1, 2005 may pay wages to any of its
23 employees by payroll debit card without obtaining the consent
24 described in this subsection.

25 (4) An employer shall not require an employee to pay any fees
26 or costs incurred by the employer in connection with paying wages
27 or establishing a process for paying wages under subsection

1 (1)(c) or (d).

2 Enacting section 1. This amendatory act does not take
3 effect unless Senate Bill No. 850 of the 92nd Legislature is
4 enacted into law.