

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.

~~(2) An employer or agent of an employer shall not deposit an employee's wages in a bank, credit union or savings and loan association without the full, free and written consent of the employee or prospective employee, obtained without intimidation, coercion or fear of discharge or reprisal for refusal to permit the deposit.~~

(c) Direct deposit or electronic transfer to the employee's account at a financial institution. All of the following apply if an employer pays wages under this subdivision:

(i) An employer that elects to pay wages under this subdivision shall provide its current employees with notice of that election and a period of at least 6 weeks for its current employees to establish an account at a financial institution to accept the deposit or transfer of wages.

(ii) An employer may not pay wages to an employee under this subdivision if the employee provides the employer a written objection to payment by direct deposit or electronic transfer.

(iii) An employer shall not require an employee to pay any fees or costs incurred by the employer in connection with establishing a direct deposit or electronic transfer process or paying wages under this subdivision.

(iv) An employer that pays wages to an employee under this subdivision shall provide the statement required under section 9(2) in writing if requested by the employee.

(d) Issuance of a payroll debit card to the employee. As used in this subdivision, "payroll debit card" means a stored-value debit card that provides an employee access to his

1 or her wages, for withdrawal or transfer by the employee, and
2 accessible through a network of automatic teller machines, and
3 includes cards commonly known as payroll debit cards, payroll
4 cards, and paycards. All of the following apply if an employer
5 pays wages under this subdivision:

6 (i) An employer that elects to pay wages under this
7 subdivision shall provide its current employees with notice of
8 that election.

9 (ii) An employer may not pay wages to an employee under this
10 subdivision if the employee provides the employer a written
11 objection to payment by issuance of a payroll debit card.

12 (iii) An employer shall not require an employee to pay any
13 fees or costs incurred by the employer in connection with
14 establishing a payroll debit card process or paying wages under
15 this subdivision.

16 (iv) An employer that pays wages to an employee under this
17 subdivision shall provide the statement required under section
18 9(2) in writing if requested by the employee.