

# HOUSE BILL No. 5821

February 16, 2010, Introduced by Reps. Scripps, Robert Jones, Lahti, Neumann, Roy Schmidt, Kowall, Byrum, Valentine, Kandrevas, Calley, Geiss, Mayes, Warren, Rogers, Marleau and Nathan and referred to the Committee on Banking and Financial Services.

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), as amended by 2004 PA 534.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           Sec. 6. (1) An employer or agent of an employer may pay wages  
2 to an employee by any of the following methods:

3           (a) Payment in United States currency.

4           (b) Payment by a negotiable check or draft payable on  
5 presentation at a financial institution or other established place  
6 of business without discount in United States currency.

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

3 (d) ~~Issuance of~~ **ISSUING** a payroll debit card to the employee  
4 **THAT ALLOWS THE EMPLOYEE TO MAKE AT LEAST 1 WITHDRAWAL OR TRANSFER**  
5 **PER PAY PERIOD WITHOUT CHARGE FOR ANY AMOUNT THE EMPLOYEE ELECTS UP**  
6 **TO THE BALANCE ACCESSIBLE THROUGH THE CARD.** As used in this  
7 section, "payroll debit card" means a stored-value debit card that  
8 provides an employee access to his or her wages, for withdrawal or  
9 transfer by the employee, through a network of automatic teller  
10 machines. The term includes cards commonly known as payroll debit  
11 cards, payroll cards, and paycards.

12 (2) Except as provided in section 283a of the management and  
13 budget act, 1984 PA 431, MCL 18.1283a, **OR IN SUBSECTION (4)**, an  
14 employer or agent of an employer shall not deposit an employee's  
15 wages in a bank, credit union, or savings and loan association  
16 without the full, free, and written consent of the employee,  
17 obtained without intimidation, coercion, or fear of discharge or  
18 reprisal for refusal to permit the deposit.

19 (3) ~~An~~ **EXCEPT AS PROVIDED IN SUBSECTION (4)**, **AN** employer or  
20 agent of an employer shall not issue a payroll debit card to an  
21 employee under subsection (1)(d) without the full, free, and  
22 written consent of the employee, obtained without intimidation,  
23 coercion, or fear of discharge or reprisal for refusal to accept  
24 the payroll debit card. However, an employer paying wages by  
25 payroll debit card to 1 or more of its employees as of January 1,  
26 2005 may pay wages to any of its employees by payroll debit card  
27 without obtaining the consent described in this subsection.

1           (4) AN EMPLOYER OR AGENT OF AN EMPLOYER MAY REQUIRE EMPLOYEES  
2 TO RECEIVE WAGES BY EITHER DIRECT DEPOSIT OR A PAYROLL DEBIT CARD  
3 IF THE EMPLOYER HAS DONE ALL OF THE FOLLOWING:

4           (A) GIVEN THE EMPLOYEE A WRITTEN FORM THAT ALLOWS THE EMPLOYEE  
5 THE OPTION TO RECEIVE WAGES EITHER BY DIRECT DEPOSIT TO THE  
6 EMPLOYEE'S ACCOUNT AT A FINANCIAL INSTITUTION OR THROUGH A PAYROLL  
7 DEBIT CARD.

8           (B) INCLUDED A STATEMENT ON THE WRITTEN FORM INDICATING THAT  
9 FAILURE TO RETURN THE FORM WITHIN 3 DAYS WITH THE ACCOUNT  
10 INFORMATION NECESSARY TO IMPLEMENT DIRECT DEPOSIT WILL BE PRESUMED  
11 TO INDICATE CONSENT TO RECEIVING WAGES THROUGH A PAYROLL DEBIT  
12 CARD.

13           (5) ~~(4)~~—An employer shall not require an employee to pay any  
14 fees or costs incurred by the employer in connection with paying  
15 wages or establishing a process for paying wages ~~under~~—BY A METHOD  
16 DESCRIBED IN subsection (1)(c) or (d).