



Senate Fiscal Agency  
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BILL



ANALYSIS

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Senate Bill 1281 (as reported without amendment)  
Sponsor: Senator Darwin L. Booher  
Committee: Banking and Financial Institutions

### **CONTENT**

The bill would amend Public Act 390 of 1978 (which regulates the method of paying wages and fringe benefits) to revise the definition of "payroll debit card". The term currently means a stored-value card issued by a federally insured financial institution that provides an employee with immediate access for withdrawal or transfer of his or her wages through a network of automatic teller machines. The bill would refer to such a card issued "by or on behalf of" a federally insured financial institution.

(Under the Act, an employer may pay wages by giving an employee cash or a check, making a direct deposit or electronic transfer to an employee's account at a financial institution, or issuing a payroll debit card.

As a rule, an employer may not issue a payroll debit card to an employee without his or her written consent. An employer may require employees to receive wages only through direct deposit or a payroll debit card, however, if the employer gives the employees the opportunity to choose between those two methods of being paid, and provides written disclosure of certain information. In addition, a payroll debit card must have various characteristics specified in the Act.)

MCL 408.476

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 9-27-12

Fiscal Analyst: Josh Sefton