
Commerce & Labor Committee

HB 2507

Brief Description: Providing for the recoupment of county and city employee salary and wage overpayments.

Sponsors: Representatives Conway, Bush, Morrell, Campbell, Chase and Moeller.

Brief Summary of Bill

- Authorizes counties and cities, as employers, to recover overpayments of salary or wages to employees.
- Establishes a process, including notice and an opportunity to be heard, for reviewing and recovering overpayments of salary or wages.

Hearing Date: 1/28/04

Staff: Jill Reinmuth (786-7134).

Background:

It is unlawful for an employer to withhold or divert any portion of an employee's wages except in three limited circumstances. These circumstances do not include the recovery of overpayments of wages. Consequently, with one exception, an employer must bring a civil action against an employee to collect such overpayments.

Legislation enacted in 2003 authorized the state, as an employer, to recover overpayments of wages to an employee either by making deductions from subsequent payments of wages to the employee or by a civil action. Deductions are limited to 5 percent of the employee's disposable earnings per pay period, except that they may be for the full amount still outstanding in the final pay period. Deductions may be made only in accordance with a specified process for reviewing and recovering overpayments of wages.

State employees may authorize deductions from their salaries or wages for certain purposes. Examples of deductions that employees may authorize include direct deposits to banks and credit unions, payments toward parking fees, U.S. savings bonds, employee organization dues, health insurance contributions, and Combined Fund Drive contributions. Municipal employees may authorize deductions for some of these purposes.

Summary of Bill:

Counties and cities, as employers, are authorized to recover overpayments of wages to an employee in the same manner as the state. County and city employees may authorize deductions from their salaries or wages for the same purposes as state employees.

Rules Authority: The bill does not contain provisions addressing the rule-making powers of an agency.

Appropriation: None.

Fiscal Note: Requested on January 20, 2004.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.