
Labor Committee

HB 1211

Brief Description: Addressing fees and costs related to methods of wage payment.

Sponsors: Representatives G. Hunt, Reykdal, Sawyer, Manweller, Vick, S. Hunt and Buys.

Brief Summary of Bill

- Requires an employer to offer a method of wage payment that allows an employee to obtain wages without fees or costs.
- Excludes check cashing fees and certain other fees and costs not imposed by the employer or an entity engaged by the employer.

Hearing Date: 1/22/15

Staff: Joan Elgee (786-7106).

Background:

Under the Wage Payment Act, an employer may not deduct any portion of an employee's wages, unless the deduction is required by state or federal law, the employee agrees to the deduction, or the deduction is for medical care or service. Deductions may also be made to satisfy a court order or other legal requirement including child support.

An employee who is not paid his or her wages may file a complaint with the Department of Labor and Industries (Department). The Department must investigate, and if a violation is found, may order the employer to pay all wages owed, including interest. If the violation was willful, the Department may also assess a civil penalty. An employee also may alternatively pursue a private right of action. Willfully and intentionally depriving an employee of the employee's wages is a misdemeanor under a separate law.

The Department interprets the wage laws to allow a business to require employees to sign up for direct deposit if there is no cost to the employee. An employer may also pay by debit or payroll

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

card, but if there is a fee for using the card, the employer must provide an alternative method that allows employees to obtain their wages without any fees or costs.

The federal Consumer Financial Protection Bureau has interpreted the federal Electronic Fund Transfer Act to require employers to offer their employees an alternative to payroll cards.

Summary of Bill:

An employer must offer a method of wage payment that allows an employee to obtain all of his or her wages without any fees or costs for the transaction. Prohibited fees and costs do not include a check-cashing fee that is not imposed by the employer, or a fee or cost that is not imposed by the employer or a person or entity engaged by the employer for purposes of direct deposit at the employee's request and at the employee's choice of institution.

Appropriation: None.

Fiscal Note: Requested on January, 16, 2015.

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