

HOUSE BILL REPORT

HB 1211

As Reported by House Committee On:
Labor

Title: An act relating to fees and costs related to methods of wage payment.

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 History:

Committee Activity:

Labor: 1/22/15, 2/9/15, 2/10/15 [DPS].

Brief Summary of Substitute Bill

- Requires an employer to offer a method of wage payment that allows an employee to obtain the employee's 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.

HOUSE COMMITTEE ON LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Sells, Chair; Gregerson, Vice Chair; Manweller, Ranking Minority Member; G. Hunt, Assistant Ranking Minority Member; McCabe, Moeller and Ormsby.

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.

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.

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 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 Substitute Bill:

An employer must offer a method of wage payment that allows an employee to obtain any part of, or 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.

Substitute Bill Compared to Original Bill:

The substitute bill requires that an employee be able to obtain any part of his or her wages (and not only "all" of the wages).

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) There are a number of examples of problems. A constituent was charged when trying to access wages from an automated teller machine (ATM) and transfer money to a checking account. If there was more than one transfer the constituent would get charged. People need access to the money they worked for. Another problem is not being able to get direct deposit processed in a timely manner. Temporary workers are being penalized for

trying to work; they may not be able to open a bank account or did not work for enough time to get direct deposit. This bill puts into law the Department's interpretation.

(Opposed) None.

Persons Testifying: (In support) Representative G. Hunt, prime sponsor.

(Opposed) None.

Persons Signed In To Testify But Not Testifying: None.