

House File 286 - Introduced

HOUSE FILE 286
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 23)

A BILL FOR

- 1 An Act relating to the direct deposit of employee wages.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 91A.3, subsection 3, paragraph a,
2 unnumbered paragraph 1, Code 2015, is amended to read as
3 follows:

4 The wages paid under subsection 1 shall be paid at the
5 employee's normal place of employment during normal employment
6 hours or at a place and hour mutually agreed upon by the
7 employer and employee, or the employee may elect to have the
8 wages sent for direct deposit, on or by the regular payday of
9 the employee, into a financial institution designated by the
10 employee. ~~Upon written request by the employee, wages due may~~
11 ~~be sent to the employee by mail. The employer shall maintain~~
12 ~~a copy of the request for as long as it is effective and for~~
13 ~~at least two years thereafter.~~ An employee hired on or after
14 July 1, 2005, may be required, as a condition of employment,
15 to participate in direct deposit of the employee's wages in a
16 financial institution of the employee's choice unless any of
17 the following conditions exist:

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 Current law permits an employer to require an employee hired
22 on or after July 1, 2005, as a condition of employment, to
23 participate in direct deposit of the employee's wages in a
24 financial institution of the employee's choice unless certain
25 exceptions apply. The exceptions are if the associated costs
26 would reduce the employee's wage below the minimum wage, if
27 the employee would incur fees as a result, or if an applicable
28 collective bargaining agreement prohibits requiring direct
29 deposit of wages.

30 This bill strikes the limitation to employees hired on or
31 after July 1, 2005, so that any employee may be required to
32 participate in direct deposit of the employee's wages unless
33 one of the exceptions applies.

34 The bill also strikes language permitting an employer to
35 send an employee wages due by mail upon written request by the

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1 employee.