

FEB 8 2006
COMMERCE, REGULATION & LABOR

HOUSE FILE 2315
BY WHITAKER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act concerning direct deposit of employee pay by employers.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2315

1 Section 1. Section 91A.3, subsection 3, Code Supplement
2 2005, is amended to read as follows:

3 3. The wages paid under subsection 1 shall be sent to the
4 employee by mail or be paid at the employee's normal place of
5 employment during normal employment hours or at a place and
6 hour mutually agreed upon by the employer and employee, or the
7 employee may elect to have the wages sent for direct deposit,
8 on or by the regular payday of the employee, into a financial
9 institution designated by the employee. An employer shall not
10 require a current employee to participate in direct deposit.

11 ~~The employer may require, as a condition of hire, a new~~
12 ~~employee to sign up for direct deposit of the employee's wages~~
13 ~~in a financial institution of the employee's choice unless any~~
14 ~~of the following conditions exist:~~

15 ~~a.--The costs to the employee of establishing and~~
16 ~~maintaining an account for purposes of the direct deposit~~
17 ~~would effectively reduce the employee's wages to a level below~~
18 ~~the minimum wage provided under section 91D.1.~~

19 ~~b.--The employee would incur fees charged to the employee's~~
20 ~~account as a result of the direct deposit.~~

21 ~~c.--The provisions of a collective bargaining agreement~~
22 ~~mutually agreed upon by the employer and the employee~~
23 ~~organization prohibit the employer from requiring an employee~~
24 ~~to sign up for direct deposit as a condition of hire.~~

25 EXPLANATION

26 This bill eliminates the ability of an employer to require
27 a new employee to sign up for direct deposit of the employee's
28 wages.

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