

House File 2463 - Introduced

HOUSE FILE _____
BY COMMITTEE ON LABOR

(SUCCESSOR TO HSB 603)

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

A BILL FOR

1 An Act relating to the payment of wages.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
3 TLSB 5438HV 82
4 ak/nh/8

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1 1 Section 1. Section 91A.3, subsection 3, paragraph a,
1 2 unnumbered paragraph 1, Code Supplement 2007, is amended to
1 3 read as follows:
1 4 The wages paid under subsection 1 shall be ~~sent to the~~
1 5 ~~employee by mail or be~~ paid at the employee's normal place of
1 6 employment during normal employment hours or at a place and
1 7 hour mutually agreed upon by the employer and employee, or the
1 8 employee may elect to have the wages sent for direct deposit,
1 9 on or by the regular payday of the employee, into a financial
1 10 institution designated by the employee. Upon written request
1 11 by the employee, wages due may be sent to the employee by
1 12 mail. The employer shall maintain a copy of the request for
1 13 as long as it is effective and for at least two years
1 14 thereafter. An employee hired on or after July 1, 2005, may
1 15 be required, as a condition of employment, to participate in
1 16 direct deposit of the employee's wages in a financial
1 17 institution of the employee's choice unless any of the
1 18 following conditions exist:
1 19 Sec. 2. Section 91A.3, subsection 3, paragraph b, Code
1 20 Supplement 2007, is amended to read as follows:
1 21 b. If the employer fails to ~~send pay~~ an employee's wages
1 22 ~~for direct deposit~~ on or by the regular payday in accordance
1 23 with this subsection, the employer is liable for the amount of
1 24 any overdraft charge if the overdraft is created on the
1 25 employee's account because of the employer's failure to ~~send~~
1 26 ~~pay~~ the wages on or by the regular payday. The overdraft
1 27 charges may be the basis for a claim under section 91A.10 and
1 28 for damages under section 91A.8.

EXPLANATION

1 30 This bill expands the circumstances under which an
1 31 employee's overdraft charges that were caused by an employer's
1 32 failure to pay wages timely would be the basis for a wage
1 33 claim under Code chapter 91A to all failures to timely pay
1 34 wages rather than only failures to send wages for direct
1 35 deposit.
2 1 The bill also provides that upon written request an
2 2 employee may receive wages by mail. An employer must keep the
2 3 request for as long as it is effective and for at least two
2 4 years after.
2 5 LSB 5438HV 82
2 6 ak/nh/8