

**House Study Bill 23 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON JUDICIARY BILL BY  
CHAIRPERSON BALTIMORE)

**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, as  
22 a condition of employment, to participate in direct deposit  
23 of the employee's wages in a financial institution of the  
24 employee's choice unless the associated costs would reduce the  
25 employee's wage below the minimum wage, the employee would  
26 incur fees as a result, or an applicable collective bargaining  
27 agreement prohibits requiring direct deposit of wages. The  
28 direct deposit requirement only applies to employees hired on  
29 or after July 1, 2005.

30 This bill strikes the limitation to employees hired on or  
31 after July 1, 2005, so that the permission will apply to all  
32 employees.