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**By: Delegate Rawlings**

Introduced and read first time: February 17, 1997

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment - Direct Deposit of Wages**

3 FOR the purpose of authorizing employers to require the payment of wages to employees  
4 through direct deposit into certain personal bank accounts of employees that are  
5 selected by the employees or provided by the employers under certain  
6 circumstances; and generally relating to the payment of wages by employers.

7 BY repealing and reenacting, with amendments,  
8 Article - Labor and Employment  
9 Section 3-502  
10 Annotated Code of Maryland  
11 (1991 Volume and 1996 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Labor and Employment**

15 3-502.

16 (a) (1) Each employer:

17 (i) shall set regular pay periods; and

18 (ii) except as provided in paragraph (2) of this subsection, shall pay  
19 each employee at least once in every 2 weeks or twice in each month.

20 (2) An employer may pay an administrative, executive, or professional  
21 employee less frequently than required under paragraph (1)(ii) of this subsection.

22 (b) If the regular payday of an employee is a nonwork day, an employer shall pay  
23 the employee on the preceding workday.

24 (c) Each employer shall pay a wage:

25 (1) in United States currency; [or]

26 (2) by a check that, on demand, is convertible at face value into United  
27 States currency; OR

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1                   (3) BY A DIRECT DEPOSIT OF THE WAGE OF AN EMPLOYEE INTO A  
2 PERSONAL BANK ACCOUNT OF THE EMPLOYEE THAT IS:

3                   (I) SELECTED BY THE EMPLOYEE;

4                   (II) PROVIDED BY THE EMPLOYER IN ACCORDANCE WITH AN  
5 AUTHORIZATION OF THE EMPLOYEE; OR

6                   (III) PROVIDED BY THE EMPLOYER IF THE EMPLOYEE FAILS TO  
7 SELECT OR ACCEPT A PERSONAL BANK ACCOUNT UNDER SUBITEMS (I) OR (II) OF  
8 THIS ITEM.

9                   [(d) This section does not prohibit the direct deposit of the wage of an employee  
10 into a personal bank account of the employee in accordance with an authorization of the  
11 employee.]

12                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 October 1, 1997.