

# HOUSE BILL 233

L3

11r1485  
CF SB 484

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By: **Delegates Barve, Gilchrist, and Simmons**

Introduced and read first time: January 28, 2011

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2011

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Counties and Municipal Corporations – Direct Deposit of Wages**

3 FOR the purpose of authorizing counties and municipal corporations to pay wages of  
4 employees by direct deposit; prohibiting a county or municipal corporation from  
5 requiring the payment of wages by direct deposit for an employee unless the  
6 employee was hired after a certain date, received certain notice, and has not  
7 requested an exemption from direct deposit; authorizing certain employees of  
8 certain counties and municipal corporations to elect to receive the payment of  
9 wages by direct deposit; requiring counties and municipal corporations that  
10 elect to pay wages by direct deposit to provide certain employees with a certain  
11 form, deposit the wages in a certain personal bank ~~accounts~~ account, and  
12 provide certain employees with a certain direct deposit statement at certain  
13 times; requiring certain employees to complete and submit to a county or  
14 municipal corporation a certain form; requiring certain employees to select a  
15 personal bank account for the direct deposit of the employee's wages that is at a  
16 financial institution that participates in a certain network; specifying that an  
17 employee may change a certain personal bank account number or financial  
18 institution by completing and submitting a certain form; and generally relating  
19 to the payment of wages by direct deposit by counties and municipal  
20 corporations.

21 BY repealing and reenacting, with amendments,

22 Article – Labor and Employment

23 Section 3–502

24 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(2008 Replacement Volume and 2010 Supplement)

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

**Article – Labor and Employment**

3–502.

(a) (1) Each employer:

(i) shall set regular pay periods; and

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

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

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

(c) Each employer shall pay a wage:

(1) in United States currency; or

(2) by a check that, on demand, is convertible at face value into United States currency.

**(D) (1) (I) ~~A~~ SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A COUNTY OR MUNICIPAL CORPORATION MAY PAY THE WAGE OF AN EMPLOYEE BY DIRECT DEPOSIT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION.**

**(II) A COUNTY OR MUNICIPAL CORPORATION MAY NOT REQUIRE THE PAYMENT OF WAGES BY DIRECT DEPOSIT FOR AN EMPLOYEE UNLESS THE EMPLOYEE:**

**1. WAS HIRED AFTER SEPTEMBER 30, 2011;**

**2. RECEIVED NOTICE OF THE EMPLOYEE’S RIGHT TO REQUEST AN EXEMPTION FROM THE PAYMENT OF WAGES BY DIRECT DEPOSIT; AND**

**3. HAS NOT REQUESTED AN EXEMPTION FROM THE PAYMENT OF WAGES BY DIRECT DEPOSIT.**

1           (III) IF A COUNTY OR MUNICIPAL CORPORATION ELECTS TO  
2 PAY WAGES BY DIRECT DEPOSIT, AN EMPLOYEE WHO IS NOT REQUIRED TO  
3 RECEIVE THE PAYMENT OF WAGES BY DIRECT DEPOSIT MAY ELECT TO RECEIVE  
4 THE PAYMENT OF WAGES BY DIRECT DEPOSIT IN ACCORDANCE WITH  
5 PARAGRAPH (3) OF THIS SUBSECTION.

6           (2) IF A COUNTY OR MUNICIPAL CORPORATION ELECTS TO PAY  
7 THE WAGES OF ITS EMPLOYEES BY DIRECT DEPOSIT, THE COUNTY OR  
8 MUNICIPAL CORPORATION SHALL:

9           (I) PROVIDE AN EMPLOYEE WHO IS REQUIRED OR ELECTS  
10 TO RECEIVE THE PAYMENT OF WAGES BY DIRECT DEPOSIT WITH AN  
11 ELECTRONIC FUND TRANSFER AUTHORIZATION FORM;

12           (II) DEPOSIT THE WAGE OF AN EMPLOYEE INTO A PERSONAL  
13 BANK ACCOUNT ~~OF THE EMPLOYEE THAT IS:~~

14           ~~(I)~~ SELECTED BY THE EMPLOYEE; ON THE ELECTRONIC  
15 FUND TRANSFER AUTHORIZATION FORM; AND

16           (III) EACH TIME A COUNTY OR MUNICIPAL CORPORATION  
17 PAYS THE WAGE OF AN EMPLOYEE BY DIRECT DEPOSIT, PROVIDE THE  
18 EMPLOYEE WITH A DIRECT DEPOSIT STATEMENT THAT INCLUDES:

- 19                   1. THE TOTAL AMOUNT OF THE WAGE;  
20                   2. ANY AMOUNT DEDUCTED FROM THE WAGE; AND  
21                   3. THE AMOUNT OF THE WAGE DIRECTLY DEPOSITED  
22 INTO THE PERSONAL BANK ACCOUNT OF THE EMPLOYEE.

23           ~~(II) PROVIDED BY THE EMPLOYER IN ACCORDANCE WITH AN~~  
24 ~~AUTHORIZATION OF THE EMPLOYEE; OR~~

25           ~~(III) PROVIDED BY THE EMPLOYER IF THE EMPLOYEE FAILS~~  
26 ~~TO SELECT OR ACCEPT A PERSONAL BANK ACCOUNT UNDER ITEM (I) OR (II) OF~~  
27 ~~THIS PARAGRAPH.~~

28           (3) (I) AN EMPLOYEE WHO IS REQUIRED OR ELECTS TO  
29 RECEIVE THE PAYMENT OF WAGES BY DIRECT DEPOSIT SHALL COMPLETE AND  
30 SUBMIT TO THE COUNTY OR MUNICIPAL CORPORATION THE ELECTRONIC FUND  
31 TRANSFER AUTHORIZATION FORM PROVIDED TO THE EMPLOYEE UNDER  
32 PARAGRAPH (2) OF THIS SUBSECTION.

1                   **(II) AN EMPLOYEE WHO IS REQUIRED OR ELECTS TO**  
2 **RECEIVE THE PAYMENT OF WAGES BY DIRECT DEPOSIT SHALL SELECT A**  
3 **PERSONAL BANK ACCOUNT FOR THE DIRECT DEPOSIT OF THE EMPLOYEE'S**  
4 **WAGES THAT IS AT A FINANCIAL INSTITUTION THAT PARTICIPATES IN THE**  
5 **AUTOMATIC CLEARINGHOUSE NETWORK.**

6                   **(III) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**  
7 **AN EMPLOYEE MAY CHANGE THE PERSONAL BANK ACCOUNT NUMBER OR THE**  
8 **FINANCIAL INSTITUTION DESIGNATED ON AN ELECTRONIC FUND TRANSFER**  
9 **AUTHORIZATION FORM BY COMPLETING AND SUBMITTING A NEW ELECTRONIC**  
10 **FUND TRANSFER AUTHORIZATION FORM TO THE COUNTY OR MUNICIPAL**  
11 **CORPORATION.**

12           **[(d)] (E)**     (1)     In this subsection, "employer" includes a governmental unit.

13                   (2)     An employer may not print or cause to be printed an employee's  
14 Social Security number on the employee's wage payment check, an attachment to an  
15 employee's wage payment check, a notice of direct deposit of an employee's wage, or a  
16 notice of credit of an employee's wage to a debit card or card account.

17           **[(e)] (F)**     This section does not prohibit the:

18                   (1)     direct deposit of the wage of an employee into a personal bank  
19 account of the employee in accordance with an authorization of the employee; or

20                   (2)     credit of the wage of an employee to a debit card or card account  
21 from which the employee is able to access the funds through withdrawal, purchase, or  
22 transfer if:

23                           (i)     authorized by the employee; and

24                           (ii)    any fees applicable to the debit card or card account are  
25 disclosed to the employee in writing in at least 12 point font.

26           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 October 1, 2011.