

SENATE BILL 484

L3

11r1632
CF HB 233

By: **Senators King, Forehand, Garagiola, Montgomery, Peters, and Robey**

Introduced and read first time: February 4, 2011

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of authorizing municipal corporations to pay wages of employees by
4 direct deposit; requiring municipal corporations that elect to pay wages by
5 direct deposit to deposit the wages in certain personal bank accounts; and
6 generally relating to the payment of wages by direct deposit by municipal
7 corporations.

8 BY repealing and reenacting, with amendments,
9 Article – Labor and Employment
10 Section 3–502
11 Annotated Code of Maryland
12 (2008 Replacement Volume and 2010 Supplement)

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

15 **Article – Labor and Employment**

16 3–502.

17 (a) (1) Each employer:

18 (i) shall set regular pay periods; and

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 (c) Each employer shall pay a wage:

4 (1) in United States currency; or

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

7 **(D) (1) A MUNICIPAL CORPORATION MAY PAY THE WAGE OF AN**
8 **EMPLOYEE BY DIRECT DEPOSIT AS PROVIDED IN PARAGRAPH (2) OF THIS**
9 **SUBSECTION.**

10 **(2) IF A MUNICIPAL CORPORATION ELECTS TO PAY THE WAGES**
11 **OF ITS EMPLOYEES BY DIRECT DEPOSIT, THE MUNICIPAL CORPORATION SHALL**
12 **DEPOSIT THE WAGE OF AN EMPLOYEE INTO A PERSONAL BANK ACCOUNT OF**
13 **THE EMPLOYEE THAT IS:**

14 **(I) SELECTED BY THE EMPLOYEE;**

15 **(II) PROVIDED BY THE EMPLOYER IN ACCORDANCE WITH AN**
16 **AUTHORIZATION OF THE EMPLOYEE; OR**

17 **(III) PROVIDED BY THE EMPLOYER IF THE EMPLOYEE FAILS**
18 **TO SELECT OR ACCEPT A PERSONAL BANK ACCOUNT UNDER ITEM (I) OR (II) OF**
19 **THIS PARAGRAPH.**

20 **[(d)] (E)** (1) In this subsection, “employer” includes a governmental unit.

21 (2) An employer may not print or cause to be printed an employee’s
22 Social Security number on the employee’s wage payment check, an attachment to an
23 employee’s wage payment check, a notice of direct deposit of an employee’s wage, or a
24 notice of credit of an employee’s wage to a debit card or card account.

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

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

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

31 (i) authorized by the employee; and

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

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