

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

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 11, 2011

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of authorizing municipal corporations to pay wages of employees by
4 direct deposit and to require an employee to receive the payment of wages by
5 direct deposit as a condition of employment; prohibiting a county or municipal
6 corporation from requiring the payment of wages by direct deposit for an
7 employee who was hired before a certain date, whose employment is not
8 conditioned on the employee receiving the payment of wages by direct deposit,
9 or who does not have a certain bank account and opts-out of direct deposit in a
10 certain manner; authorizing certain employees of certain counties and
11 municipal corporations to elect to receive the payment of wages by direct
12 deposit; requiring municipal corporations that elect to pay wages by direct
13 deposit to provide certain employees with a certain form, deposit the wages in a
14 certain personal bank ~~accounts~~ account, and provide certain employees with a
15 certain direct deposit statement at certain times; requiring certain employees to
16 complete and submit to a county or municipal corporation a certain form;
17 requiring certain employees to select a personal bank account for the direct
18 deposit of the employee's wages that is at a financial institution that
19 participates in a certain network; specifying that an employee may change a
20 certain personal bank account number or financial institution by completing
21 and submitting a certain form; and generally relating to the payment of wages
22 by direct deposit by counties and municipal corporations.

23 BY repealing and reenacting, with amendments,

24 Article – Labor and Employment

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.



Section 3-502
Annotated Code of Maryland
(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:**

**1. PAY THE WAGE OF AN EMPLOYEE BY DIRECT
DEPOSIT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION; AND**

**2. REQUIRE AN EMPLOYEE TO RECEIVE THE
PAYMENT OF WAGES BY DIRECT DEPOSIT AS A CONDITION OF EMPLOYMENT.**

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

1. WHO WAS HIRED BEFORE OCTOBER 1, 2011;

1 2. WHOSE EMPLOYMENT IS NOT CONDITIONED ON
2 THE EMPLOYEE RECEIVING THE PAYMENT OF WAGES BY DIRECT DEPOSIT; OR

3 3. WHO:

4 A. DOES NOT HAVE A PERSONAL BANK ACCOUNT;
5 AND

6 B. INFORMS THE EMPLOYEE'S EMPLOYER THAT THE
7 EMPLOYEE WISHES TO OPT-OUT OF DIRECT DEPOSIT.

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

13 (2) IF A COUNTY OR MUNICIPAL CORPORATION ELECTS TO PAY
14 THE WAGES OF ITS EMPLOYEES BY DIRECT DEPOSIT, THE COUNTY OR
15 MUNICIPAL CORPORATION SHALL:

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

19 (II) DEPOSIT THE WAGE OF AN EMPLOYEE INTO A PERSONAL
20 BANK ACCOUNT OF THE EMPLOYEE THAT IS:

21 ~~(H)~~ SELECTED BY THE EMPLOYEE ON THE ELECTRONIC
22 FUND TRANSFER AUTHORIZATION FORM; AND

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

26 1. THE TOTAL AMOUNT OF THE WAGE;

27 2. ANY AMOUNT DEDUCTED FROM THE WAGE; AND

28 3. THE AMOUNT OF THE WAGE DIRECTLY DEPOSITED
29 INTO THE PERSONAL BANK ACCOUNT OF THE EMPLOYEE.

30 ~~(H) PROVIDED BY THE EMPLOYER IN ACCORDANCE WITH AN~~
31 ~~AUTHORIZATION OF THE EMPLOYEE; OR~~

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

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

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

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

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

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

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

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

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

(i) authorized by the employee; and

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.