

ASSEMBLY, No. 4047

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 7, 2020

Sponsored by:

Assemblyman PARKER SPACE

District 24 (Morris, Sussex and Warren)

Co-Sponsored by:

Assemblyman Wirths

SYNOPSIS

Concerns alternate methods of wage payment.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning alternate methods of wage payment and
2 amending P.L.1975, c.143.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Section 1 of P.L.1975, c.143 (C.34:11-4.2a) is amended to
8 read as follows:

9 1. a. In lieu of paying wages directly to employees as
10 provided by section 2 of P.L.1965, c. 173 [, s. 2] (C. 34:11-4.2), an
11 employer may, with the prior written consent of **[some or all his]**
12 any employees [, arrange]:

13 (1) Arrange with a financial institution or financial institutions
14 to pay the wages of each consenting employee [so consenting] by
15 causing the amount of [such] the employee's wages to be deposited
16 in an account maintained in any [such] financial institution in the
17 name of [such] the employee, subject to withdrawal and other
18 disposition by [such] the employee to the same extent and in the
19 same manner as if [such] the deposit were made directly by [such]
20 the employee [. Any such], so long as any employee who has
21 consented to that deposit may, [on] upon timely notice to the
22 employer, elect **[not]** to no longer have his wages deposited as
23 provided **[herein]** in this paragraph, and to be paid **[such]** those
24 wages directly in [the] a manner otherwise provided by law [.
25 Financial institution as used herein]; or

26 (2) Arrange with one or more financial institutions to pay the
27 wages of each consenting employee by causing the amount of the
28 employee's wages to be deposited in a payroll debit card maintained
29 by a financial institution in the name of the employee, subject to
30 withdrawal and other disposition by the employee to the same
31 extent and in the same manner as if the deposit were made directly
32 by the employee, so long as any employee who has consented to
33 that deposit may, upon timely notice to the employer, elect to no
34 longer have his wages deposited as provided in this paragraph, and
35 to be paid those wages directly in a manner otherwise provided by
36 law.

37 b. Any employee whose wages are deposited in an account or
38 payroll debit card pursuant to subsection a. of this section shall be
39 furnished by the employer with a statement for each pay period of
40 the total wages paid and the amount of each deduction made from
41 those wages. An employer requesting consent from an employee for
42 wage payment by deposit in an account or by payroll debit card
43 pursuant to any arrangement permitted by subsection a. of this
44 section:

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 (1) Shall not use any form of intimidation, coercion, or fear of
2 discharge or reprisal for refusal to accept the arrangement;

3 (2) Shall not make the acceptance of the arrangement a
4 condition for hiring or continued employment; and

5 (3) Shall, in the case of a payroll debit card, provide in advance
6 to the employee written disclosure of features of the payroll debit
7 card, such as any point-of-sale use or withdrawal at automated teller
8 machines, including any fees which may be charged to the payroll
9 debit card holder for the use of those features. The written
10 disclosure required by this paragraph shall also include an
11 explanation of the specific means by which the employee may, on at
12 least one occasion per pay period, use the payroll debit card to
13 withdraw his or her wages in full, in lawful money of the United
14 States, without any fee to the employee and without difficulty.

15 c. As used in this section:

16 “Financial institution” means any State-chartered or Federally-
17 chartered institution authorized to accept deposits in New Jersey;

18 “Payroll debit card” means a card issued by a financial
19 institution to provide an employee with the means of obtaining the
20 full amount of all wages earned in a pay period in a form that is
21 equivalent to payment in lawful money of the United States,
22 payment by check or payment by direct deposit.

23 (cf: P.L.1975, c.143, s.1)

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25 2. This act shall take effect immediately.

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STATEMENT

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30 This bill amends the current wage payment law to permit an
31 employer to arrange for the payment of wages by deposit in a
32 payroll debit card account. Currently, payment of wages by payroll
33 debit card is allowed by regulations promulgated by the Department
34 of Labor and Workforce Development. This bill codifies those
35 regulations in the wage payment law and imposes the following
36 standards on the payment of wages both by payroll debit card, as
37 provided in current regulations, and by direct deposit into an
38 employee account, which is permitted by current statutory
39 language:

40 1. The employer is required to obtain prior written consent
41 from the employee without any form of intimidation, coercion, or
42 fear of discharge or reprisal, and is prohibited from making the
43 acceptance of the arrangement a condition for hiring or continued
44 employment;

45 2. The employer is required, when seeking consent for use of a
46 payroll debit card, to disclose in writing features of the card, such
47 as any point-of-sale use or withdrawal at automated teller machines,

1 including any fees which may be charged to the payroll debit card
2 holder for the use of those features;

3 3. The employer is required to provide written disclosure
4 explaining the specific means by which the employee may, on at
5 least one occasion per pay period, use the payroll debit card to
6 withdraw his or her wages in full, in lawful money of the United
7 States, without any fee to the employee and without difficulty;

8 4. The employer is required to furnish to the employee a
9 statement for each pay period of the total wages paid and the
10 amount of each deduction made from those wages; and

11 5. The employee may, upon timely notice to the employer,
12 elect to stop having his wages paid through payroll debit card, in
13 the same manner that current law permits the employee to elect to
14 stop direct deposit of his wages, and choose another method of
15 wage payment established by law.

16 An employee may file a wage complaint with the Department of
17 Labor and Workforce Development if the employee believes their
18 employer has improperly paid wages. An employer who violates the
19 wage payment law is subject to an administrative penalty not more
20 than \$250 for the first violation, and not more than \$500 for a
21 second or any subsequent violation. Also, an employer that willfully
22 and knowingly violates the wage payment law is guilty of a
23 disorderly persons offense punishable by a fine of not less than
24 \$100 and not more than \$1,000.