



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB4571

by Rep. Mary E. Flowers

SYNOPSIS AS INTRODUCED:

820 ILCS 115/4

from Ch. 48, par. 39m-4

Amends the Illinois Wage Payment and Collection Act. Provides that wages and final compensation may be deposited, with the authorization of the employee, in a payroll debit card account, to be paid with a payroll debit card. Provides that an employee may be paid via payroll debit card account only if the employee (i) provides to the employer voluntary, written authorization; (ii) is fully informed of the terms of the account at the time of authorization; and (iii) has access, for purpose of withdrawal, to the employee's full net wages at least once per pay period. Provides that an employer must disclose and inform the employee of the features and uses of the payroll debit card and furnish the employee with a statement of deductions for each pay period. Provides that an employer may not intimidate or threaten an employee with any adverse employment action, such as discharge, for refusal to accept a payroll debit card, nor may an employer make a payroll debit card a condition of hire or continued employment. Defines "payroll debit card account".

LRB098 13601 HEP 53669 b

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Wage Payment and Collection Act is
5 amended by changing Section 4 as follows:

6 (820 ILCS 115/4) (from Ch. 48, par. 39m-4)

7 Sec. 4. All wages earned by any employee during a
8 semi-monthly or bi-weekly pay period shall be paid to such
9 employee not later than 13 days after the end of the pay period
10 in which such wages were earned. All wages earned by any
11 employee during a weekly pay period shall be paid not later
12 than 7 days after the end of the weekly pay period in which the
13 wages were earned. All wages paid on a daily basis shall be
14 paid insofar as possible on the same day as the wages were
15 earned, or not later in any event than 24 hours after the day
16 on which the wages were earned. Wages of executive,
17 administrative and professional employees, as defined in the
18 Federal Fair Labor Standards Act of 1938, may be paid on or
19 before 21 calendar days after the period during which they are
20 earned.

21 The terms of this Section shall not apply, if there exists
22 a valid collective bargaining agreement which provides for a
23 different date or for different arrangements for the payment of

1 wages.

2 Employers shall pay to workers on strike or layoff, no
3 later than the next regular payday, all wages earned up to the
4 time of such strike or layoff.

5 Any employee who is absent at the time fixed for payment,
6 or who for any other reason is not paid at that time, shall be
7 paid upon demand at any time within a period of 5 days after
8 the time fixed for payment; and after the expiration of the 5
9 day period, payment shall be made upon 5 days demand. Payment
10 to the absent employee shall be made by mail if the employee so
11 requests in writing.

12 All wages and final compensation shall be paid in lawful
13 money of the United States, by check, redeemable upon demand
14 and without discount at a bank or other financial institution
15 readily available to the employee, ~~or~~ by deposit of funds in an
16 account in a bank or other financial institution designated by
17 the employee, or by deposit of funds, with the authorization
18 from the employee, in a payroll debit card account, to be paid
19 with a payroll debit card. An employee may be paid via payroll
20 debit card account only if the employee (i) provides to the
21 employer voluntary, written authorization; (ii) is fully
22 informed of the terms of the account at the time of
23 authorization; and (iii) has access, for purpose of withdrawal,
24 to the employee's full net wages at least once per pay period.
25 An employer must disclose and inform the employee of the
26 features and uses of the payroll debit card and furnish the

1 employee with a statement of deductions for each pay period. No
2 employer may designate a particular financial institution,
3 bank, savings bank, savings and loan, or currency exchange for
4 the exclusive payment or deposit of a check for wages. An
5 employer may not intimidate or threaten an employee with any
6 adverse employment action, such as discharge, for refusal to
7 accept a payroll debit card, nor may an employer make a payroll
8 debit card a condition of hire or continued employment. No
9 financial institution, bank, savings bank, savings and loan, or
10 currency exchange shall refuse to honor a check for wages that
11 exclusively designates, in violation of this Section, a
12 particular bank, savings bank, savings and loan, or currency
13 exchange as the exclusive place of payment or deposit except to
14 the extent the bank, savings bank, savings and loan, or
15 currency exchange is otherwise excused from honoring the check
16 under Section 3-111 of the Uniform Commercial Code because the
17 bank, savings bank, savings and loan, or currency exchange is
18 not the drawee or the maker of the check.

19 As used in this Section, "payroll debit card account" means
20 an account that is directly or indirectly established through
21 an employer and to which the electronic fund transfers or the
22 employee's wages, salary, or other employee compensation (such
23 as commissions), are made on a recurring basis, whether the
24 account is operated or managed by the employer, a third-party
25 payroll processor, a depository institution, or any other
26 person. The payroll card simply represents another choice of

1 financial institution into which employees' net pay may be
2 deposited.

3 (Source: P.A. 89-364, eff. 8-18-95.)