

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1026

PRINTER NO. 1592

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

January 5, 2024

PRIME SPONSOR

Senator Miller

DESCRIPTION

Senate Bill 1026 amends Act 173 of 1975 to make changes necessary to modernize payroll methods and allow employers to require payment by an electronic payment method.

This legislation allows employers to pay all wages, salaries and commissions to an account in a financial institution and to eliminate wages by cash or check if the following conditions are met:

- The employer must notify the employee they will no longer have the option to receive cash or check payment at least 45 days prior to the payday when they will no longer have the option;
- The notification must:
 - Inform the employee they can designate an account to receive payment;
 - Provide the option of direct deposit or payroll card;
 - Provide the date that a cash or check payment option ends;
 - Inform the employee that if an account is not designated at least seven days before the payday, the employer may make the payment using a payroll card at an insitution of the employer’s choosing; and
 - Provide an account designating instructions.

This bill requires an employer to offer an employee the opportunity to designate an account before enrolling the employee in a payroll card account. The legislation also adds that an employer-chosen payroll card account cannot charge overdraft fees and requires that employees may make certain withdrawls without charge. Nothing in this bill shall effect, modify or amend an existing collective bargaining agreement.

FISCAL IMPACT:

Senate Bill 1026 will have no fiscal impact on Commonwealth funds.