



2013 SENATE BILL 415

December 3, 2013 – Introduced by Senators HANSEN, HARRIS, CARPENTER, T. CULLEN, LASSA, LEHMAN, RISSER and WIRCH, cosponsored by Representatives SINICKI, HEBL, GENRICH, SARGENT, PASCH, MASON, BERCEAU, RINGHAND, SHANKLAND, HESSELBEIN, BERNARD SCHABER, KOLSTE and WRIGHT. Referred to Committee on Judiciary and Labor.

1 **AN ACT to renumber and amend** 103.45; **to amend** 103.45 (title); and **to create**
2 103.45 (2) and 230.12 (13) of the statutes; **relating to:** payment of wages by
3 electronic fund transfer to a payroll card account.

Analysis by the Legislative Reference Bureau

Under current law, if an employer pays wages in a form other than cash, the wages must be payable at the employer's office, if within the state, at any bank within the state, or at a place of business within the county in which the work was performed.

This bill permits an employer, including the state, to pay an employee his or her wages, salary, or other compensation in the form of an electronic fund transfer to a payroll card account, but only if payment of that compensation in that form is authorized by a collective bargaining agreement or by an agreement that is arrived at before the work is performed, is entered into by the employee knowingly and voluntarily and not as a condition of employment, and is affirmed by a written or otherwise verifiable record maintained by the employer.

Under current regulations issued under the federal Electronic Fund Transfer Act, a payroll card account is defined as "an account that is directly or indirectly established through an employer and to which electronic fund transfers of the consumer's wages, salary, or other employee compensation (such as commissions) are made on a recurring basis, whether the account is operated or managed by the employer, a third-party payroll processor, a depository institution, or any other person."

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 103.45 (title) of the statutes is amended to read:

2 **103.45 (title) Time checks; payroll cards; penalty.**

3 **SECTION 2.** 103.45 of the statutes is renumbered 103.45 (1) and amended to
4 read:

5 103.45 (1) ~~All~~ Subject to sub. (2), all persons paying wages in time checks or
6 paper, other than legal money, shall make those time checks or that paper payable
7 in some designated place of business in the county in which the work was performed
8 or at the office of the person paying the wages if within this state, or at any bank
9 within this state.

10 **(3)** Any person failing to comply with this section shall be fined not less than
11 \$10 nor more than \$100.

12 **SECTION 3.** 103.45 (2) of the statutes is created to read:

13 103.45 (2) An employer may pay an employee his or her wages, salary, or other
14 compensation in the form of an electronic fund transfer to a payroll card account, as
15 defined in 12 CFR 205.2 (b) 2, but only if payment of that compensation in that form
16 is made in accordance with any of the following:

17 (a) The applicable provisions of a collective bargaining agreement between the
18 employer and a labor organization that has been certified or recognized as the
19 representative of the employee.

20 (b) In the case of an employee who is not represented by a labor organization
21 described in par. (a), an agreement between the employer and the employee arrived

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1 at before the performance of the work, entered into by the employee knowingly and
2 voluntarily and not as a condition of employment, and affirmed by a written or
3 otherwise verifiable record maintained by the employer in accordance with s. 104.09.

4 **SECTION 4.** 230.12 (13) of the statutes is created to read:

5 230.12 (13) PAYROLL CARDS. An appointing authority may pay an employee his
6 or her wages, salary, or other compensation in the form of an electronic fund transfer
7 to a payroll card account, as defined in 12 CFR 205.2 (b) 2., but only if payment of
8 that compensation in that form is made in accordance with any of the following:

9 (a) The applicable provisions of a collective bargaining agreement among the
10 state, the office of state employment relations, and a labor organization that has been
11 certified or recognized as the representative of the employee.

12 (b) In the case of an employee who is not represented by a labor organization
13 described in par. (a), an agreement between the employee and the agency in which
14 the employee is employed that is arrived at before the performance of the work, is
15 entered into by the employee knowingly and voluntarily and not as a condition of
16 employment, and is affirmed by a written or otherwise verifiable record maintained
17 by the agency in accordance with s. 104.09.

18 **SECTION 5. Initial applicability.**

19 (1) PAYROLL CARDS; COLLECTIVE BARGAINING AGREEMENTS. This act first applies to
20 wages paid on the effective date of this subsection, except that this act first applies
21 to wages paid to an employee who is affected by a collective bargaining agreement
22 that contains provisions inconsistent with this act on the day on which the collective
23 bargaining agreement expires or is extended, modified, or renewed.

24 **SECTION 6. Effective date.**

