

By: Capelo

H.B. No. 3308

A BILL TO BE ENTITLED

AN ACT

relating to the payment of wages through a direct deposit plan.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 61.017, Labor Code, is amended to read as follows:

Sec. 61.017. DELIVERY OF PAYMENT. (a) An employer shall pay wages through a means authorized by this section.

(b) An employer may pay wages by:

(1) delivering them to the employee at the employee's regular place of employment during regular employment hours;

(2) delivering them to the employee at a time and place agreed on by the employer and employee;

(3) sending them to the employee by registered mail, to be received by the employee not later than payday;

(4) delivering them in a manner similar to a manner specified by Subdivision (1), (2), or (3) to a person designated by the employee in writing; or

(5) delivering them to the employee by any reasonable means authorized by the employee in writing.

(c) An employer may elect to pay wages to an employee who maintains at a financial institution an account that qualifies for electronic funds transfer through a direct deposit plan that uses electronic funds transfer to deposit the wages in the employee's account. An employer who desires to pay wages through a direct

1 deposit plan shall:

2 (1) notify each affected employee in writing, at least
3 60 days before the date on which the direct deposit payroll system
4 is scheduled to begin, that the employer is adopting a direct
5 deposit payroll system; and

6 (2) obtain from the employee any information required
7 by the financial institution in which the employee maintains the
8 account that is necessary to implement the electronic funds
9 transfer.

10 SECTION 2. This Act takes effect immediately if it receives
11 a vote of two-thirds of all the members elected to each house, as
12 provided by Section 39, Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for immediate effect, this
14 Act takes effect September 1, 2003.