

By: Murphy, Cain

H.B. No. 2240

A BILL TO BE ENTITLED

AN ACT

relating to the payment of wages by an employer through a payroll card account.

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

SECTION 1. Section 61.001, Labor Code, is amended by adding Subdivision (6-a) to read as follows:

(6-a) "Payroll card account" means an account that is directly or indirectly established by an employer into which each participating employee's wages, salary, or other form of compensation is deposited on a recurring basis and for which the employee receives a payroll card to access the funds in the account.

SECTION 2. Section 61.016(a), Labor Code, is amended to read as follows:

(a) An employer shall pay wages to an employee:

(1) in United States currency;

(2) by a written instrument issued by the employer that is negotiable on demand at full face value for United States currency; or

(3) by the electronic transfer of funds to:

(A) a financial institution account designated by the employee; or

(B) a payroll card account established by the employer.

SECTION 3. Section 61.017, Labor Code, is amended by adding

1 Subsections (d) and (e) to read as follows:

2 (d) An employer may elect to pay wages to an employee
3 through a payroll card account plan that is linked to a federally
4 insured financial institution and uses electronic funds transfer to
5 deposit wages in the employee's payroll card account. An employer
6 who elects to pay wages through a payroll card account shall:

7 (1) not later than the 60th day before the date of the
8 first electronic funds transfer to the payroll card account of an
9 affected employee or, for an employee hired after the date the
10 employer adopts the plan, not later than the employee's first day of
11 work:

12 (A) notify the employee in writing regarding the
13 employer's adoption of a payroll card account plan; and

14 (B) provide to the employee:

15 (i) a complete list of all fees associated
16 with the employee's payroll card account in English, or, if the
17 employer offers a payroll card account to an employee in a language
18 other than English, in that other language; and

19 (ii) a form the employee may use to request
20 an alternate form of payment if the employee elects to opt out of
21 the payroll card account plan; and

22 (2) obtain from the employee any information required
23 by the payroll card account issuer that is necessary to implement
24 the electronic funds transfer.

25 (e) If an employee requests an alternate form of payment
26 under Subsection (d)(1)(B)(ii), the employer shall pay the
27 employee's wages in the alternate form as soon as practicable, but

1 not later than the first payday occurring after the 30th day after
2 the employee requests the alternate form of payment.

3 SECTION 4. This Act takes effect September 1, 2019.