

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 0 - 0
Yeas:	Berger, Edwards C., Esquivel, Holvey, Rosenbaum, Smith P., Schaufler
Nays:	0
Exc.:	0
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	2/7, 3/19

WHAT THE MEASURE DOES: Authorizes the use of electronic payment devices for paying wages if the employer and employee both agree. Establishes criteria and guidelines for allowing the use of pay cards. Allows an employee to revoke the agreement with a 30-day written notice to the employer. Allows the Bureau of Labor and Industries to assess a civil penalty to employers who violate statute relating to how an employee is paid.

ISSUES DISCUSSED:

- Clarity provided for employers who wish to pay employees through other means than a check or direct deposit
- Difference between electronic deposit and electronic payment devices
- Need for modernizing payment of wages
- Number of employers in Oregon who are interested in, or who are currently using, pay cards
- Advantages of using pay cards to issue an employee's wages

EFFECT OF COMMITTEE AMENDMENT: Clarifies that the "electronic payment device" must be accessible to employees at the county where they live or work. Establishes that an employer can agree to pay wages through an electronic system (i.e., a pay card) if the employee can obtain an initial withdrawal of his or her entire net wages without cost, or choose to use another means of payment of wages without cost.

BACKGROUND: Oregon law currently does not recognize the usage of paying workers via electronic tools such as debit cards. HB 2256-A gives employers the means to provide alternative methods of paying an employee's wages if both agree to the arrangement. The bill prohibits a fee being assessed on the card the employee can withdraw their full amount of wages or chooses to use another means of receiving their wages without a cost to the employee.

The Federal Reserve Board recently estimated that more than 2.2 million workers nationwide have chosen to receive their wages via a pay card, more than doubling the number of pay cards in circulation since 2003. A handful of states have chosen to allow the usage of pay cards, either through regulatory or legislative actions.