

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass with Amendments to the A-Engrossed Measure. (Printed B-Engrossed)

Vote: 5 - 0 - 0

Yeas: Baertschiger, George, Monnes Anderson, Prozanski, Shields

Nays: 0

Exc.: 0

Prepared By: Channa Newell, Administrator

Meeting Dates: 5/1, 5/3, 5/22

WHAT THE MEASURE DOES: Allows employer to pay wages through direct deposit to employee's account in financial institution without employee's agreement. Requires employer to pay wages due employee by check upon written or verbal request of employee. Clarifies that measure is not intended to limit rights of employees covered by collective bargaining agreement.

ISSUES DISCUSSED:

- Parallel payroll systems create inefficiencies
- Costs and complications with replacing lost paper checks
- Employer's cost difference in paper check versus direct deposit of employee wages
- Ability of employees to request and receive paper check

EFFECT OF COMMITTEE AMENDMENT: Requires employer to pay wages due employee by check upon written or verbal request of employee. Clarifies that measure is not intended to limit rights of employees covered by collective bargaining agreement.

BACKGROUND: Currently, employers in Oregon may ask employees to agree to direct deposit of the employee's wages. Proponents assert that changing the current practice of employees opting-in to direct deposit to employees opting-out of direct deposit will be more efficient and save money for employers. House Bill 2683-B allows an employer to direct deposit an employee's wages without the agreement of the employee, unless the employee makes a verbal or written request for a paper check.