

REVENUE: No revenue impact  
FISCAL: Fiscal statement issued

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<b>Action:</b>	Do Pass with Amendments to the A-Engrossed Measure. (Printed B-Engrossed)
<b>Vote:</b>	5 - 0 - 0
<b>Yeas:</b>	Baertschiger, George, Monnes Anderson, Prozanski, Shields
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Channa Newell, Administrator
<b>Meeting Dates:</b>	5/17, 5/22

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**WHAT THE MEASURE DOES:** Requires employees or officers paid under state payroll receive payment of wages through direct electronic deposit. Allows Department of Administrative Services to provide employees with electronic copy of payroll statement. Requires consent of employee to credit wages to bank-issued payroll card if employee does not specify financial institution to receive deposit. Allows Department of Administrative Services to issue paper check if it determines electronic deposit is not practicable or efficient. Allows employee to request issuance of check rather than direct electronic deposit. Becomes operative January 1, 2014. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Use of direct deposit in state payroll system
- Potential savings in providing electronic pay stubs
- Development of secure system for accessing paystubs
- Ability to choose to receive paper statement
- Pilot program on digital pay stubs in effect in certain agencies

**EFFECT OF COMMITTEE AMENDMENT:** Removes requirement that Department of Administrative Services credit wages to bank-issued payroll card in event employee does not specify account for direct deposit. Requires consent of employee prior to Department crediting bank-issued payroll card when Department determines electronic payment of wages is not practicable or efficient. Resolves conflicts. Adds emergency clause.

**BACKGROUND:** The Department of Administrative Services (DAS) is responsible for administering statewide payroll services to state employees. Over 80 percent of state employees chose to have their wages directly deposited into a bank account rather than to receive a paper check. Proponents assert that providing digital payroll stubs and requiring direct deposit of wages will save money by reducing printing costs and by reducing staff time spent processing lost, stolen, or forged checks.

House Bill 2207-B requires electronic delivery of wage statements, unless a paper statement is requested. Additionally, the measure requires electronic deposit of wages for state employees unless DAS has determined that it is inefficient or impracticable to do so, or if an employee requests a paper check.