

House Bill 2502

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes employer to pay wages due employee through direct deposit into employee's account or by other means of electronic transfer.

A BILL FOR AN ACT

1
2 Relating to method of payment of wages; amending ORS 652.110.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 652.110 is amended to read:

5 652.110. (1) A person engaged in any business or enterprise of any kind in this state may not
6 issue, in payment of or as evidence of indebtedness for wages due an employee, any order, check,
7 memorandum or other instrument of indebtedness unless the instrument is negotiable and payable
8 without discount in cash on demand at some bank or other established place of business in the
9 county where the employee lives or works and where a sufficient amount of funds have been pro-
10 vided and are or will be available for the payment of the instrument when due. The person shall,
11 upon presentation and demand, pay the instrument in lawful money of the United States.

12 (2) This section does not in any way limit or interfere with the right of any employee to accept
13 from any person, as an evidence or acknowledgment of indebtedness for wages due the employee, a
14 negotiable instrument, payable at some future date with interest.

15 (3) [*An employer and an employee may agree to authorize the employer to deposit without discount*
16 *wages due the employee in the employee's account in a financial institution, as defined in ORS 706.008,*
17 *in this state.*] **An employer may pay wages without discount through direct deposit of wages**
18 **due to an employee into the employee's account in a financial institution, as defined in ORS**
19 **706.008, in this state or by automated teller machine card, payroll card or other means of**
20 **electronic transfer if the employee may make an initial withdrawal of the entire amount of**
21 **net pay without cost to the employee.**

22 [(4) *An employer and an employee may agree that the employer may pay wages through a direct*
23 *deposit system, automated teller machine card, payroll card or other means of electronic transfer if the*
24 *employee may:*]

25 [(a) *Make an initial withdrawal of the entire amount of net pay without cost to the employee; or]*

26 [(b) *Choose to use another means of payment of wages that involves no cost to the employee.*]

27 [(5) *An agreement described in subsection (4) of this section must be made in the language that the*
28 *employer principally uses to communicate with the employee.*]

29 [(6)(a) *Except as provided in paragraph (b) of this subsection, to revoke an agreement described in*
30 *subsection (4) of this section, an employee shall give the employer a written notice of revocation of the*
31 *agreement. Unless the employer and employee agree otherwise, the agreement is revoked 30 days after*

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 *the date the notice is received by the employer.]*

2 *[(b) To revoke an agreement described in subsection (4) of this section, an employee who works for*
3 *an employer as a seasonal farmworker as defined in ORS 652.145 or an employee who is employed in*
4 *packing, canning, freezing or drying any variety of agricultural crops shall give the employer notice*
5 *of revocation of the agreement either orally or in writing. Unless the employer and the employee agree*
6 *otherwise, the agreement is revoked 10 days after the date the notice is received by the employer.]*

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