

WRITTEN TESTIMONY PRESENTED TO THE
COMMITTEE ON COMMERCE
IN SUPPORT OF HB 2316

March 15, 2007

My name is Patrick Salmans, Vice President of Human Resources for Sunflower Bank, N.A. in Salina, Kansas.

As a representative of a provider of financial business solutions in a number of communities throughout the State of Kansas, I ask that HB 2316 be passed to address a payroll issue that can easily add several thousand dollars of unnecessary costs to companies on an annual basis. The issue of concern is regarding the inability of Kansas employers to designate or unilaterally select electronic payroll processing as a payment method, in which all employees would receive wages by direct deposit or payroll cards. The proposed amendments would not deny the option or choice for employers to continue with a paper payroll method.

To address this issue and provide Kansas employers with the flexibility they need to more efficiently manage payroll processes and payment methods, I am asking the legislature to consider amending K.S.A. 44-314.

There are many advantages for Kansas employers and employees with electronic methods of payroll payment.

For employers, choosing the option to pay all employees electronically would reduce the associated overhead expenses of producing and managing a paper payroll. Electronically payroll processing would also aid in fighting against the growing problems of paper check fraud and employee identity theft. Additionally, processing wages electronically would allow employers with employees located in different cities and/or states to pay all employees at the same time, thus eliminating unnecessary and unforeseen delays with delivery services associated with a paper check system.

For employees electronically payroll processing allows unbanked employees access to the financial system without requiring a traditional bank account. Electronically payroll processing allows employees to make purchases and access cash for a minimal transaction fee at some retail points of sale. Employees could perform a one-time withdrawal of all funds with a minimal charge or no charge at all, depending on the employer arrangement with the financial institution.

Please consider this important piece of legislation and thank you for giving me this opportunity to present information on this important topic. I would be happy to answer questions regarding the use of payroll cards.

Sincerely,



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