

44-314. Pay periods; payment methods. (a) Every employer shall pay all wages due to the employees of the employer at least once during each calendar month, on regular paydays designated in advance by the employer.

(b) The employer may designate the method by which employees receive wages, provided all wages shall be paid by one or more of the following methods:

- (1) In lawful money of the United States;
- (2) by check or draft which is negotiable in the community wherein the place of employment is located;
- (3) by electronic fund transfer or deposit to an automated clearinghouse member financial institution account designated by the employee; or
- (4) by payroll card.

(c) Any employer that elects to pay wages only by a method authorized in subsection (b)(3) shall offer an alternative payment method as a default option for employees that fail to designate a financial institution account for electronic fund transfer or deposit.

(d) Any employer that elects to pay wages using a payroll card as authorized in subsection (b)(4) shall allow employees at least one means of fund access withdrawal per pay period at no cost to the employee for an amount up to and including the total amount of the employee's net wages, as stated on the employee's earnings statement.

(e) Not less than 30 days prior to implementing a payroll program using only the methods authorized in subsection (b)(3) or (b)(4), an employer shall either:

- (1) Conduct one or more employee forums to educate employees regarding the use of a direct deposit or payroll card program offered by the employer; or
- (2) distribute educational information to employees about direct deposits or payroll cards as they may be used under the payroll card program offered by the employer.

(f) (1) Employers shall retain no interest in wages paid by electronic funds transferred to an employee's payroll card account, other than the right to correct inadvertent overpayments in accordance with the rules governing direct deposit.

(2) An employer may not charge an employee initiation, loading or other participation fees to receive wages payable in an electronic fund transfer to a payroll card account, with the exception of the cost required to replace a lost, stolen or damaged payroll card.

(g) As used in this section:

(1) "Payroll card" means a card, issued to an employee by an employer, a bank or other entity on behalf of an employer, onto which an employee's net wages are loaded on regular paydays from a payroll card account and made accessible to an employee.

(2) "Payroll card issuer" means an employer, a bank or other entity that issues a payroll card to an employee under an employer payroll card program.

(3) "Payroll card account" means an account into which an employer deposits each participating employee's net wages on regular paydays through an electronic fund transfer.

(h) The end of the pay period for which payment is made on a regular payday shall be not more than 15 days before such regular payday unless a variance in such requirement is authorized by state or federal law.

History: L. 1973, ch. 204, § 2; L. 1976, ch. 370, § 5; L. 1996, ch. 143, § 2; L. 1999, ch. 69, § 2; L. 2007, ch. 132, § 1; L. 2015, ch. 38, § 149; July 1.