

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2022

As Recommended by House Committee on
Commerce, Labor and Economic Development

Brief*

HB 2022 would revise the Wage Payment Act. An employer would have the discretion, contingent upon a signed written agreement between the employer and the employee, to withhold a portion of an employee's wages for the following purposes:

- Repayment of a loan or an advance which the employer made to the employee during the course and scope of employment;
- Recovery of overpayment; and
- Replacement cost or the unpaid balance of the employer's merchandise or uniforms purchased by the employee.

When a person leaves employment, the employer also would have the discretion, contingent upon written notice and explanation to the employee, to deduct any portion of the employee's final wages for the following purposes:

- Recovery of the employer's property provided to the employee in the course of the employer's business until the property is returned to the employer. Upon return of the employer's property, the withheld wages would be paid to the employee;

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- Repayment of a loan or advance which the employer made to the employee during the course of and within the scope of employment;
- Recovery of payroll overpayment; or
- Replacement cost of the employer's merchandise, uniforms, or equipment purchased by the employee.

The employer could not withhold amounts that would cause the wages paid to the employee to be less than the federal or state minimum wage, whichever would be applicable.

Under current law, an employee may authorize wage deductions for charitable donations, dues paid to labor organizations, or for service fees. An employer may withhold or deduct any portion of an employee's wages provided:

- It is allowed by law;
- The deduction is for healthcare;
- The employer has signed authorization by the employee for a lawful purpose accruing to the employee's benefit; or
- The deduction is to be deposited in a retirement plan.

Background

Representatives of the Kansas Chamber, the Kansas Society for Human Resource Management, and the National Federation of Independent Businesses spoke as proponents to the bill, stating it would provide employers with flexibility and guidance when there is a need to collect money from employees.

The Kansas AFL-CIO provided neutral testimony, observing that an employer's discretion to unilaterally make deductions to an employee's final paycheck could be abused.

There was no opponent testimony.

According to the fiscal note prepared by the Division of the Budget, the bill would not have an effect on the processing of state payroll. According to the Department of Administration, policies and procedures are in place to obtain reimbursement to the State. According to the Department of Labor, which is responsible for administering the Wage Payment Act, the bill could generate an increase in wage claims and contested hearings through the Office of Administrative Hearings. Current staffing should be able to absorb increased case loads.