

Honolulu, Hawaii

April 24, 2014

RE: H.B. No. 1814
H.D. 2
S.D. 2
C.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1814, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PAYMENT OF WAGES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to modernize the laws relating to the payment of wages and other compensation by:

- (1) Authorizing employers to pay wages to an employee using a pay card if certain conditions are met;
- (2) Reflecting direct deposit as a current practice in the payment of wages under certain conditions; and
- (3) Holding an employer responsible for any fees incurred due to insufficient funds in the employer's bank account for an electronic transfer of the employee's wages.



Your Committee on Conference has amended this measure by:

- (1) Deleting findings about the groups of employees served by pay cards;
- (2) Specifying that an employer shall not pay wages due to its employees by use of a pay card unless:
 - (A) The employee is given the option of receiving wages by direct deposit, paper check, or pay card before the employee chooses a method of payment;
 - (B) The employer is responsible for fees that have been assessed outside the pay card fee schedule;
 - (C) The pay card allows the employee to make at least three free withdrawals, at least one of which permits withdrawal of the full amount of the employee's net wages on the card during each pay period;
 - (D) The pay card provides the employee with means to access the balance or other account information by telephone free of charge;
 - (E) The pay card provides the employee with a free of charge, readily accessible electronic history of the employee's account transactions covering at least 60 days preceding the date the employee electronically accesses the account;
 - (F) Upon oral or written request or via electronic signature by the employee, the pay card provides the employee with a written history of the account transactions covering at least 60 days prior to the employee's request; and
 - (G) The pay card does not assess an overdraft fee or charge against an employee or the employee's account;
- (3) Specifying that pay card transactions and direct deposits shall be conducted through a federally insured depository institution;
- (4) Allowing an employer to pay wages to an employee by direct deposit to an employee's account; provided that the



employee has voluntarily authorized the direct deposit of wages in writing or via electronic signature;

- (5) Changing its effective date to July 1, 2014; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1814, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1814, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

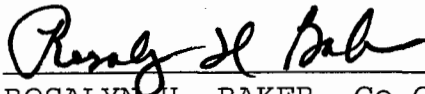
ON THE PART OF THE HOUSE




CLAYTON HEE, Chair



MARK M. NAKASHIMA, Co-Chair



ROSALYN H. BAKER, Co-Chair



ANGUS L.K. MCKELVEY, Co-Chair



