



Sen. Cristina Castro

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10200SB0840sam001

LRB102 04638 SPS 36743 a

1 AMENDMENT TO SENATE BILL 840

2 AMENDMENT NO. _____. Amend Senate Bill 840 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Wage Payment and Collection Act
5 is amended by changing Sections 4 and 14.5 and by adding
6 Section 4.2 as follows:

7 (820 ILCS 115/4) (from Ch. 48, par. 39m-4)

8 Sec. 4. All wages earned by any employee during a
9 semi-monthly or bi-weekly pay period shall be paid to such
10 employee not later than 13 days after the end of the pay period
11 in which such wages were earned. All wages earned by any
12 employee during a weekly pay period shall be paid not later
13 than 7 days after the end of the weekly pay period in which the
14 wages were earned. All wages paid on a daily basis shall be
15 paid insofar as possible on the same day as the wages were
16 earned, or not later in any event than 24 hours after the day

1 on which the wages were earned. Wages of executive,
2 administrative and professional employees, as defined in the
3 Federal Fair Labor Standards Act of 1938, may be paid on or
4 before 21 calendar days after the period during which they are
5 earned.

6 The terms of this Section shall not apply, if there exists
7 a valid collective bargaining agreement which provides for a
8 different date or for different arrangements for the payment
9 of wages.

10 Employers shall pay to workers on strike or layoff, no
11 later than the next regular payday, all wages earned up to the
12 time of such strike or layoff.

13 Any employee who is absent at the time fixed for payment,
14 or who for any other reason is not paid at that time, shall be
15 paid upon demand at any time within a period of 5 days after
16 the time fixed for payment; and after the expiration of the 5
17 day period, payment shall be made upon 5 days demand. Payment
18 to the absent employee shall be made by mail if the employee so
19 requests in writing.

20 All wages and final compensation shall be paid in lawful
21 money of the United States, ~~by check, redeemable upon demand~~
22 ~~and without discount at a bank or other financial institution~~
23 ~~readily available to the employee,~~ by deposit of funds in an
24 account in a bank or other financial institution designated by
25 the employee, or by a payroll card that meets the requirements
26 of Section 14.5. An employer may, but is not required to, offer

1 the additional option of wage payment by check, redeemable
2 upon demand and without discount at a bank or other financial
3 institution readily available to the employee. No employer may
4 designate a particular financial institution, bank, savings
5 bank, savings and loan, or currency exchange for the exclusive
6 payment or deposit of ~~a check for~~ wages. No financial
7 institution, bank, savings bank, savings and loan, or currency
8 exchange shall refuse to honor a check for wages that
9 exclusively designates, in violation of this Section, a
10 particular bank, savings bank, savings and loan, or currency
11 exchange as the exclusive place of payment or deposit except
12 to the extent the bank, savings bank, savings and loan, or
13 currency exchange is otherwise excused from honoring the check
14 under Section 3-111 of the Uniform Commercial Code because the
15 bank, savings bank, savings and loan, or currency exchange is
16 not the drawee or the maker of the check.

17 (Source: P.A. 98-862, eff. 1-1-15.)

18 (820 ILCS 115/4.2 new)

19 Sec. 4.2. Requiring direct deposit or payroll card.
20 Employers may require employees to receive wages by either
21 direct deposit or by a payroll card that meets the
22 requirements of Section 14.5 if the employer has done all of
23 the following:

24 (1) provide the employee a form that allows the
25 employee the option to receive wages by direct deposit or

1 payroll card and includes a statement on the form
2 indicating that failure to return the form within 3 days
3 will default to receiving their wages through payroll
4 card; and

5 (2) provide employees with an adequate way to obtain
6 their pay stub electronically or via paper statement that
7 can be printed at the employer worksite if they opt in
8 through the form described in this Section.

9 (820 ILCS 115/14.5)

10 Sec. 14.5. Payroll cards. An employer using a payroll card
11 to pay an employee's wages shall meet the following
12 requirements:

13 (1) The employer shall not make receipt of wages by
14 payroll card a condition of employment or a condition for
15 the receipt of any benefit or other form of remuneration
16 for any employee without the additional option of direct
17 deposit, at the employee's election.

18 (2) The employer shall not initiate payment of wages
19 to the employee by electronic fund transfer to a payroll
20 card account unless:

21 (A) the employer provides the employee with a
22 clear and conspicuous written disclosure notifying the
23 employee that payment by payroll card is voluntary,
24 listing the other method or methods of payment offered
25 by the employer in accordance with Section 4, and

1 explaining the terms and conditions of the payroll
2 card account option, including:

3 (i) an itemized list of all fees that may be
4 deducted from the employee's payroll card account
5 by the employer or payroll card issuer;

6 (ii) a notice that third parties may assess
7 transaction fees in addition to the fees assessed
8 by the employee's payroll card issuer; and

9 (iii) an explanation of how the employee may
10 obtain, at no cost, the employee's net wages,
11 check the account balance, and request to receive
12 paper or electronic transaction histories, as
13 provided in item (3);

14 (B) the employer also offers the employee another
15 method or methods of payment in compliance with
16 Section 4; and

17 (C) (blank). ~~the employer obtains the employee's~~
18 ~~voluntary written or electronic consent to receive the~~
19 ~~wages by payroll card.~~

20 (3) A payroll card program offered by the employer
21 shall provide the employee with:

22 (A) at least one method of withdrawing the
23 employee's full net wages from the payroll card once
24 per pay period, but not less than twice per month, at
25 no cost to the employee, at a location readily
26 available to the employee;

1 (B) at the employee's request, one transaction
2 history, which the employee may request to receive in
3 paper or electronic form, each month that includes all
4 deposits, withdrawals, deductions, or charges by any
5 entity from or to the employee's payroll card account
6 at no cost to the employee; and

7 (C) unlimited telephone access to obtain the
8 payroll card account balance on the payroll card at
9 any time without incurring a fee.

10 (4) An employer may not use a payroll card program
11 that charges fees for point of sale transactions, the
12 application, initiation, loading of wages by the employer,
13 or participation in the payroll card program. Fees for
14 account inactivity may be assessed following one year of
15 inactivity. The payroll card program must offer the
16 employee a declined transaction, at no cost to the
17 employee, twice per month. Commercially reasonable fees,
18 limited to cover the costs to process declined
19 transactions, may be assessed on subsequent declined
20 transactions within that particular month.

21 (5) The payroll card or payroll card account may not
22 be linked to any form of credit including, but not limited
23 to, overdraft fees or overdraft service fees, a loan
24 against future pay, or a cash advance on future pay or work
25 not yet performed, except that early payment of wages
26 verified to have been already earned in the current pay

1 period is permitted.

2 (6) An employee paid wages by payroll card may request
3 to be paid wages by another method of payment provided by
4 the employer in accordance with Sections ~~Section~~ 4 and
5 4.2. Following the request, the employer shall, within 2
6 pay periods, begin payment to the employee by the
7 allowable method requested by the employee.

8 (7) A payroll card program offered by an employer
9 shall provide the employee with protections from
10 unauthorized use of the payroll card in accordance with
11 State and federal law concerning electronic fund
12 transfers.

13 (8) The employer's obligations under this Section
14 shall cease 60 days after the employer-employee
15 relationship has ended and the employee has been paid the
16 employee's full and final wages.

17 (9) Within 30 days of the termination of the
18 employer-employee relationship, the employer shall notify
19 the employee that the terms and conditions of the account
20 may change if the employee chooses to continue a
21 relationship with the payroll card issuer.

22 (Source: P.A. 98-862, eff. 1-1-15.)".