



Sen. Cristina Castro

**Filed: 5/1/2023**

10300SB0508sam001

LRB103 02960 SPS 61108 a

1 AMENDMENT TO SENATE BILL 508

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 508 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. No employer may designate a particular

1 financial institution, bank, savings bank, savings and loan,  
2 or currency exchange for the exclusive payment or deposit of ~~a~~  
3 ~~check for~~ wages. No financial institution, bank, savings bank,  
4 savings and loan, or currency exchange shall refuse to honor a  
5 check for wages that exclusively designates, in violation of  
6 this Section, a particular bank, savings bank, savings and  
7 loan, or currency exchange as the exclusive place of payment  
8 or deposit except to the extent the bank, savings bank,  
9 savings and loan, or currency exchange is otherwise excused  
10 from honoring the check under Section 3-111 of the Uniform  
11 Commercial Code because the bank, savings bank, savings and  
12 loan, or currency exchange is not the drawee or the maker of  
13 the check.

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

15 (820 ILCS 115/4.2 new)

16 Sec. 4.2. Promoting electronic wage payments.

17 (a) An employer may encourage an employee to receive wages  
18 either by direct deposit or by means of a payroll card that  
19 meets the requirements of Section 14.5, if the employer does  
20 all of the following:

21 (1) Provides the employee with a form that allows the  
22 employee to elect to receive wages by direct deposit. The  
23 form must include a statement notifying the employee that  
24 the employee's failure to return the form within 3 days  
25 will, by default, result in the employee receiving wages

1 by means of a payroll card.

2 (2) Provides the employee with an adequate way to  
3 obtain the employee's pay stub electronically or via a  
4 paper statement that can be printed on demand at no cost to  
5 the employee at the employer worksite if the employee  
6 elects to receive an electronic or paper statement by  
7 checking a box on the form described in this Section.

8 (3) Provides the employee a manner in which the  
9 employee may request payment by check, redeemable upon  
10 demand and without discount at a bank or other financial  
11 institution, readily available to the employee.

12 (b) The provisions of this Section shall not apply to  
13 employees covered by a valid collective bargaining agreement  
14 that provides for different arrangements for the payment of  
15 wages.

16 (820 ILCS 115/14.5)

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

20 (1) The employer shall not make receipt of wages by  
21 payroll card a condition of employment or a condition for  
22 the receipt of any benefit or other form of remuneration  
23 for any employee without the additional option of direct  
24 deposit, at the employee's election.

25 (2) The employer shall not initiate payment of wages

1 to the employee by electronic fund transfer to a payroll  
2 card account unless:

3 (A) the employer provides the employee with a  
4 clear and conspicuous written disclosure notifying the  
5 employee that payment by payroll card is voluntary,  
6 listing the other method or methods of payment offered  
7 by the employer in accordance with Section 4, and  
8 explaining the terms and conditions of the payroll  
9 card account option, including:

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

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

16 (iii) an explanation of how the employee may  
17 obtain, at no cost, the employee's net wages,  
18 check the account balance, and request to receive  
19 paper or electronic transaction histories, as  
20 provided in item (3);

21 (B) the employer also offers the employee another  
22 method or methods of payment in compliance with  
23 Section 4; and

24 (C) (blank). ~~the employer obtains the employee's~~  
25 ~~voluntary written or electronic consent to receive the~~  
26 ~~wages by payroll card.~~

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

3           (A) at least one method of withdrawing the  
4 employee's full net wages from the payroll card once  
5 per pay period, but not less than twice per month, at  
6 no cost to the employee, at a location readily  
7 available to the employee;

8           (B) at the employee's request, one transaction  
9 history, which the employee may request to receive in  
10 paper or electronic form, each month that includes all  
11 deposits, withdrawals, deductions, or charges by any  
12 entity from or to the employee's payroll card account  
13 at no cost to the employee; and

14           (C) unlimited telephone access in English and  
15 Spanish to obtain the payroll card account balance on  
16 the payroll card at any time without incurring a fee.

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

1 transactions within that particular month.

2 (5) The payroll card or payroll card account may not  
3 be linked to any form of credit including, but not limited  
4 to, overdraft fees or overdraft service fees, a loan  
5 against future pay, or a cash advance on future pay or work  
6 not yet performed, except that early payment of wages  
7 verified to have been already earned in the current pay  
8 period is permitted.

9 (6) An employee paid wages by payroll card may request  
10 to be paid wages by another method of payment provided by  
11 the employer in accordance with Sections ~~Section~~ 4 and  
12 4.2. Following the request, the employer shall, within 2  
13 pay periods, begin payment to the employee by the  
14 allowable method requested by the employee.

15 (7) A payroll card program offered by an employer  
16 shall provide the employee with protections from  
17 unauthorized use of the payroll card in accordance with  
18 State and federal law concerning electronic fund  
19 transfers.

20 (8) The employer's obligations under this Section  
21 shall cease 60 days after the employer-employee  
22 relationship has ended and the employee has been paid the  
23 employee's full and final wages.

24 (9) Within 30 days of the termination of the  
25 employer-employee relationship, the employer shall notify  
26 the employee that the terms and conditions of the account

1           may change if the employee chooses to continue a  
2           relationship with the payroll card issuer.  
3           (Source: P.A. 98-862, eff. 1-1-15.)"