



Digest Correction
February 21, 2014

ENGROSSED HOUSE BILL No. 1126

DIGEST OF HB 1126 (Updated February 21, 2014 1:30 pm - DI 102)

Citations Affected: IC 22-2.

Synopsis: Wage payment and wage assignment. Provides that an employer who fails to make timely payment of wages to an employee and was not acting in good faith shall, in addition to the wages due,
(Continued next page)

Effective: July 1, 2014.

Ober, Price, Morris

(SENATE SPONSORS — YODER, SCHNEIDER)

January 9, 2014, read first time and referred to Committee on Employment, Labor and Pensions.

January 14, 2014, reported — Do Pass.

January 21, 2014, read second time, amended, ordered engrossed.

January 22, 2014, engrossed.

January 23, 2014, read third time, passed. Yeas 91, nays 3.

SENATE ACTION

February 4, 2014, read first time and referred to Committee on Pensions and Labor.

February 20, 2014, amended, reported favorably — Do Pass.

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Digest Continued

pay: (1) liquidated damages not to exceed 10% of the unpaid wages for each day that the amount due the employee remains unpaid, with the total amount awarded not to exceed double the amount of wages due; and (2) a reasonable fee for the employee's attorney. Provides that an employee may assign wages for: (1) the purchase of uniforms or equipment necessary to fulfill the duties of employment, subject to the restriction that the total amount of the wages assigned may not exceed the lesser of: (A) \$2,500 per year; or (B) the maximum deduction allowed for a wage overpayment under IC 22-2-6-4; (2) reimbursement for education or employee skills training, subject to the restriction that an employer may not require, as a condition of employment, that an employee pay or reimburse the employer for training that is specific to the employee's job with the employer; and (3) an advance for payroll or vacation pay. Provides that the interest rate charged on amounts loaned or advanced to an employee and repaid using a wage assignment may not exceed the bank prime loan interest rate as reported by the Board of Governors of the Federal Reserve System or any successor rate, plus 4%.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1126

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 22-2-5-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2014]: Sec. 2. Every such person, firm,
3 corporation, limited liability company, or association who shall fail to
4 make payment of wages to any such employee as provided in section
5 1 of this chapter shall as ~~liquidated damages for such failure, pay be~~
6 **liable to such the** employee for ~~each day that~~ the amount ~~due to him~~
7 **remains unpaid ten percent (10%) of the amount due to him in addition**
8 ~~thereto, not exceeding double the amount of unpaid wages, due, and~~
9 ~~said damages the amount~~ may be recovered in any court having
10 jurisdiction of a suit to recover the amount due to ~~such the~~ employee.
11 ~~and In addition, if the court in any such suit so brought to recover~~
12 ~~said wages or the determines that the person, firm, corporation,~~
13 **limited liability company, or association that failed to pay the**
14 **employee as provided in section 1 of this chapter was not acting in**
15 **good faith, the court shall:**
16 (1) ~~order, as liquidated damages for nonpayment thereof, or both,~~

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1 ~~the court shall the failure, that the employee be paid an amount~~
 2 ~~not to exceed ten percent (10%) of the amount due to the~~
 3 ~~employee for each day that the amount due to the employee~~
 4 ~~remains unpaid, with the total amount awarded under this~~
 5 ~~subdivision not to exceed double the amount of wages due to~~
 6 ~~the employee; and~~

7 (2) tax and assess as costs in ~~said the~~ case a reasonable fee for the
 8 plaintiff's attorney. ~~or attorneys;~~

9 SECTION 2. IC 22-2-6-2 IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) Any assignment of the wages
 11 of an employee is valid only if all of the following conditions are
 12 satisfied:

13 (1) The assignment is:

14 (A) in writing;

15 (B) signed by the employee personally;

16 (C) by its terms revocable at any time by the employee upon
 17 written notice to the employer; and

18 (D) agreed to in writing by the employer.

19 (2) An executed copy of the assignment is delivered to the
 20 employer within ten (10) days after its execution.

21 (3) The assignment is made for a purpose described in subsection
 22 (b).

23 (b) A wage assignment under this section may be made for the
 24 purpose of paying any of the following:

25 (1) Premium on a policy of insurance obtained for the employee
 26 by the employer.

27 (2) Pledge or contribution of the employee to a charitable or
 28 nonprofit organization.

29 (3) Purchase price of bonds or securities, issued or guaranteed by
 30 the United States.

31 (4) Purchase price of shares of stock, or fractional interests
 32 therein, of the employing company, or of a company owning the
 33 majority of the issued and outstanding stock of the employing
 34 company, whether purchased from such company, in the open
 35 market or otherwise. However, if such shares are to be purchased
 36 on installments pursuant to a written purchase agreement, the
 37 employee has the right under the purchase agreement at any time
 38 before completing purchase of such shares to cancel said
 39 agreement and to have repaid promptly the amount of all
 40 installment payments which theretofore have been made.

41 (5) Dues to become owing by the employee to a labor
 42 organization of which the employee is a member.



- 1 (6) Purchase price of merchandise sold by the employer to the
 2 employee, at the written request of the employee.
- 3 (7) Amount of a loan made to the employee by the employer and
 4 evidenced by a written instrument executed by the employee
 5 subject to the amount limits set forth in section 4(c) of this
 6 chapter.
- 7 (8) Contributions, assessments, or dues of the employee to a
 8 hospital service or a surgical or medical expense plan or to an
 9 employees' association, trust, or plan existing for the purpose of
 10 paying pensions or other benefits to said employee or to others
 11 designated by the employee.
- 12 (9) Payment to any credit union, nonprofit organizations, or
 13 associations of employees of such employer organized under any
 14 law of this state or of the United States.
- 15 (10) Payment to any person or organization regulated under the
 16 Uniform Consumer Credit Code (IC 24-4.5) for deposit or credit
 17 to the employee's account by electronic transfer or as otherwise
 18 designated by the employee.
- 19 (11) Premiums on policies of insurance and annuities purchased
 20 by the employee on the employee's life.
- 21 (12) The purchase price of shares or fractional interest in shares
 22 in one (1) or more mutual funds.
- 23 (13) A judgment owed by the employee if the payment:
 24 (A) is made in accordance with an agreement between the
 25 employee and the creditor; and
 26 (B) is not a garnishment under IC 34-25-3.
- 27 **(14) The purchase of uniforms or equipment necessary to**
 28 **fulfill the duties of employment. The total amount of the**
 29 **wages assigned may not exceed the lesser of:**
 30 **(A) two thousand five hundred dollars (\$2,500) per year;**
 31 **or**
 32 **(B) the amount limits set forth in section 4(c) of this**
 33 **chapter.**
- 34 **(15) Reimbursement for education or employee skills training.**
 35 **However, an employer may not require, as a condition of**
 36 **employment, that an employee pay or reimburse the employer**
 37 **for training that is specific to the employee's job with the**
 38 **employer.**
- 39 **(16) An advance for:**
 40 **(A) payroll; or**
 41 **(B) vacation;**
 42 **pay.**



1 **(c) The interest rate charged on amounts loaned or advanced to**
2 **an employee and repaid under subsection (b) may not exceed the**
3 **bank prime loan interest rate as reported by the Board of**
4 **Governors of the Federal Reserve System or any successor rate,**
5 **plus four percent (4%).**



COMMITTEE REPORT

MR. SPEAKER:

Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1126, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1126 as introduced.)

Committee Vote: Yeas 9, Nays 4

Representative Gutwein

 HOUSE MOTION

Mr. Speaker: I move that House Bill 1126 be amended to read as follows:

Page 3, line 32, after "purchase;" insert "**or**".

Page 3, delete line 33.

Page 3, line 34, delete "(C)" and insert "(B)".

Page 3, line 36, after "employment." insert "**The total amount of the wages assigned may not exceed two thousand five hundred dollars (\$2,500) per year.**".

(Reference is to HB 1126 as printed January 14, 2014.)

OBER

 COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1126, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 12, delete "failure" and insert "**person, firm, corporation, limited liability company, or association that failed**".

Page 1, line 13, delete "in bad faith," and insert "**not acting in good faith,**".

Page 1, line 14, delete "may:" and insert "**shall:**".

Page 2, line 3, after "unpaid" delete ";" and insert "**, with the total amount awarded under this subdivision not to exceed double the**

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amount of wages due to the employee;"

Page 2, line 5, after "attorney" delete ";" and insert ".".

Page 2, delete lines 6 through 12.

Page 3, line 31, delete ":".

Page 3, line 32, delete "(A)".

Page 3, line 32, after "purchase" delete "; or".

Page 3, delete line 33.

Page 3, run in lines 32 through 34.

Page 3, line 36, after "exceed" insert **"the lesser of:**

(A)".

Page 3, line 36, after "year" delete "." and insert **"; or**

(B) the amount limits set forth in section 4(c) of this chapter."

Page 3, line 37, after "training." insert **"However, an employer may not require, as a condition of employment, that an employee pay or reimburse the employer for training that is specific to the employee's job with the employer."**

Page 3, after line 41, begin a new paragraph and insert:

"(c) The interest rate charged on amounts loaned or advanced to an employee and repaid under subsection (b) may not exceed the bank prime loan interest rate as reported by the Board of Governors of the Federal Reserve System or any successor rate, plus four percent (4%)."

and when so amended that said bill do pass.

(Reference is to HB1126 as reprinted January 22, 2014.)

BOOTS, Chairperson

Committee Vote: Yeas 6, Nays 3.

