

HOUSE BILL NO. 325  
INTRODUCED BY E. DUTTON

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT AN EMPLOYER MAY REQUIRE AN EMPLOYEE TO CHOOSE TO BE PAID BY ELECTRONIC FUNDS TRANSFER OR SIMILAR MEANS OF DIRECT DEPOSIT OR BY A COMPENSATION CARD; AND AMENDING SECTION 39-3-204, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 39-3-204, MCA, is amended to read:

**"39-3-204. Payment of wages generally.** (1) Except as provided in subsections (2) and (3), every employer of labor in the state of Montana shall pay to each employee the wages earned by the employee in lawful money of the United States or checks on banks convertible into cash on demand at the full face value of the checks, and a person for whom labor has been performed may not withhold from any employee any wages earned or unpaid for a longer period than 10 business days after the wages are due and payable. However, reasonable deductions may be made for board, room, and other incidentals supplied by the employer, whenever the deductions are a part of the conditions of employment, or other deductions provided for by law.

(2) ~~Wages may be paid to the employee by electronic funds transfer or similar means of direct deposit if the employee has consented in writing or electronically, if a record is retained, to be paid in this manner. However, an employee may not be required to use electronic funds transfer or similar means of direct deposit as a method for payment of wages.~~ An employer may require all employees to choose to be paid by one of the following two methods:

(a) electronic funds transfer or similar means of direct deposit; or  
(b) a compensation card that is similar to a debit card, is accepted where major credit cards are accepted, can be used in an automated teller machine, and provides access to balances by a toll-free telephone number and through the internet.

(3) If an employee submits a timesheet after the employer's established deadline for processing employee timesheets for a particular time period and the employer does not pay the employee within the 10-day period provided for in subsection (1), the employer may pay the employee the wages due in the ensuing pay period. An employer may not withhold payment of the employee's wages beyond the next ensuing pay period. If there is not an established time period or time when wages are due and payable, the pay period is presumed

to be semimonthly in length."

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