
SENATE BILL 5518

State of Washington

62nd Legislature

2011 Regular Session

By Senators Tom, Hill, and Kilmer

Read first time 01/28/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to direct deposit of salaries; and amending RCW
2 41.04.240 and 42.16.010.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 41.04.240 and 1977 ex.s. c 269 s 1 are each amended to
5 read as follows:

6 Any official of the state or of any political subdivision,
7 municipal corporation, or quasi municipal corporation authorized to
8 disburse funds in payment of salaries and wages of employees (~~is~~
9 ~~authorized upon written request of at least twenty five employees to~~)
10 shall pay all (~~or part of~~) such salaries or wages to any financial
11 institution for either: (1) Credit to the employees' accounts in such
12 financial institution; or (2) immediate transfer therefrom to the
13 employees' accounts in any other financial institutions(~~(:—PROVIDED,~~
14 ~~That nothing in this section shall be construed as authorizing any~~
15 ~~employer to require the employees to have an account in any particular~~
16 ~~financial institution or type of financial institution)). All
17 employees shall designate a financial institution to receive the
18 payment of salaries and wages. A single warrant may be drawn in favor
19 of such financial institution, for the total amount due the employees~~

1 involved, and written directions provided to such financial institution
2 of the amount to be credited to the account of an employee or to be
3 transferred to an account in another financial institution for such
4 employee. The issuance and delivery by the disbursing officer of a
5 warrant in accordance with the procedure set forth herein and proper
6 indorsement thereof by the financial institution shall have the same
7 legal effect as payment directly to the employee.

8 For the purposes of this section "financial institution" means any
9 bank or trust company established in this state pursuant to chapter 2,
10 Title 12, United States Code, or Title 30 RCW, and any credit union
11 established in this state pursuant to chapter 14, Title 12, United
12 States Code, or chapter 31.12 RCW, and any mutual savings bank
13 established in this state pursuant to Title 32 RCW, and any savings and
14 loan association established in this state pursuant to chapter 12,
15 Title 12, United States Code, or Title 33 RCW.

16 **Sec. 2.** RCW 42.16.010 and 2008 c 186 s 1 are each amended to read
17 as follows:

18 (1) Except as provided otherwise in subsections (2) and (3) of this
19 section, all state officers and employees shall be paid for services
20 rendered from the first day of the month through the fifteenth day of
21 the month and for services rendered from the sixteenth day of the month
22 through the last calendar day of the month. Paydates for these two pay
23 periods shall be established by the director of financial management
24 through the administrative hearing process and the official paydates
25 shall be established six months prior to the beginning of each
26 subsequent calendar year. Under no circumstance shall the paydate be
27 established more than ten days after the pay period in which the wages
28 are earned except when the designated paydate falls on Sunday, in which
29 case the paydate shall not be later than the following Monday. Payment
30 shall be deemed to have been made by the established paydates if(~~(+~~
31 ~~(a) The salary warrant is available at the geographic work location at~~
32 ~~which the warrant is normally available to the employee; or (b))~~) the
33 salary has been electronically transferred into the employee's account
34 at the employee's designated financial institution(~~(; or (c) the salary~~
35 ~~warrants are mailed at least two days before the established paydate~~
36 ~~for those employees engaged in work in remote or varying locations from~~

1 ~~the geographic location at which the payroll is prepared, provided that~~
2 ~~the employee has requested payment by mail))~~ as provided in RCW
3 41.04.240.

4 The office of financial management shall develop the necessary
5 policies and operating procedures to assure that all remuneration for
6 services rendered including basic salary, shift differential, standby
7 pay, overtime, penalty pay, salary due based on contractual agreements,
8 and special pay provisions, as provided for by law, Washington
9 personnel resources board rules, agency policy or rule, or contract,
10 shall be available to the employee on the designated paydate.
11 Overtime, penalty pay, and special pay provisions may be paid by the
12 next following paydate if the postponement of payment is attributable
13 to: The employee's not making a timely or accurate report of the facts
14 which are the basis for the payment, or the employer's lack of
15 reasonable opportunity to verify the claim.

16 Compensable benefits payable because of separation from state
17 service shall be paid with the earnings for the final period worked
18 unless the employee separating has not provided the agency with the
19 proper notification of intent to terminate.

20 One-half of the employee's basic monthly salary shall be paid in
21 each pay period. Employees paid on an hourly basis or employees who
22 work less than a full pay period shall be paid for actual salary
23 earned.

24 (2) Subsection (1) of this section shall not apply in instances
25 where it would conflict with contractual rights or, with the approval
26 of the office of financial management, to short-term, intermittent,
27 noncareer state employees, to student employees of institutions of
28 higher education, to national or state guard members participating in
29 state active duty, and to liquor control agency managers who are paid
30 a percentage of monthly liquor sales.

31 (3) When a national or state guard member is called to participate
32 in state active duty, the paydate shall be no more than seven days
33 following completion of duty or the end of the pay period, whichever is
34 first. When the seventh day falls on Sunday, the paydate shall not be
35 later than the following Monday. This subsection shall apply only to
36 the pay a national or state guard member receives from the military
37 department for state active duty.

1 (4) Notwithstanding subsections (1) and (2) of this section, a
2 bargained contract at an institution of higher education may include a
3 provision for paying part-time academic employees on a pay schedule
4 that coincides with all the paydays used for full-time academic
5 employees.

--- END ---