

Dear Employer's Council of Iowa Members:

This morning, after I sent out the e-mail notice regarding the law change for pay checks; a question was raised that proved to be a point that prompted some discussion with the wage and hour folks. The clarification below is from Barb Tapscott, IWD attorney whom, I may add, said the employers in our area are always ahead of the curve!

(1) Payment via Direct deposit: the new law does not change this. You can still require direct deposit of those employees hired on or after July 1, 2005. For those hired before July 1, 2005, they can sign up for direct deposit (or not) and if they do, always have the ability to opt out. Go to this link below and click on the "Direct Deposit" information in the left hand column and you will see this information. This mailing law does NOT affect direct deposit. You are not required to get employees' permission before mailing them a mere pay stub.

<http://www.iowaworkforce.org/labor/wage.htm>

(2) Payment via Mailed Paycheck: For those employees who get their paychecks via mail, because of this new law, you need to get their written permission before you mail out a paycheck. Now you ask -- what if they refuse to sign the form directing you to mail their paycheck. Your obligation under the law is to make their paycheck available to them on the regularly scheduled pay day. You can do that via: (a) direct deposit (which you can force if they started on or after July 1, 2005); (b) mail it to them if they sign the form; or (3) make their check available for them to pick up at employer's central or main office on what is considered the official payday, making it available for them to pick up at a time set by the employer. The employer does NOT have to allow them to use work time to drive and go get the check.

Lori Wirtz
Regional Manager
Iowa Workforce Development
619 North Carroll Street
Carroll, IA 51401
(P)712.792.2685, ext 17

(F) 712.792.6605

(C) 712.830.5250
Lori.Wirtz@iwd.iowa.gov
www.iowaworkforce.org

www.westerniowaadvantage.com

An Equal Opportunity Employer/Program
Auxiliary aids and services are available upon request for individuals with disabilities.