Testimony before Senate Commerce and Economic Development House Bill- 2627 Wage Withholding Presented by Eric Stafford, Senior Director of Government Affairs



Tuesday, March 13, 2012

Madam Chairman and members of the committee:

The Kansas Chamber is pleased to support House Bill 2627 which amends statute to allow employers to withhold wages where money is owed from an employee to the employer in specific, limited circumstances.

Kansas' laws regarding wage withholding are overly restrictive. House Bill 2627 offers employers the flexibility to withhold wages in cases where employees owe the repayment of loans or advances, payroll overpayment, compensation for uniforms or compensation for breakage or loss of merchandise which the employee was responsible for.

Allowing these few exceptions would relieve employers of administrative burdens associated with collection of money rightfully owed to employers by eliminating the step of receiving a written agreement for these withholdings from an employee. This can be difficult to near impossible in cases where the employee no longer works for the employer.

In its original form, HB 2627 while the intent was good, we felt there were several changes necessary to where language was unclear. The House modified the bill to add that the employer and employee must have a written agreement in place for any of these provisions to apply.

The language regarding compensation for breakage or loss of merchandise in subsection (b)(4) was too broad. The House removed that section and we support that change. There does appear to be duplication between sections (b)(3) and (c)(4). I would recommend deleting section (b)(3).

In closing, we feel the changes made under House Bill 2627 would go a long way in simplifying administrative operations for employers in our state and we would ask for your support.

The Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to do business. The Chamber represents small, medium and large employers all across Kansas.

> Senate Commerce Committee kansasct.

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