



OFNHP

AFT LOCAL 5017

Support House Bill 906 -2

Problem

Many paystubs are formatted in such a way that they are unnecessarily confusing or lengthy, comprised of technical codes and shorthand. This can be especially confusing for individuals who have varying pay differentials depending on their shift status, rate of pay for the given hours or day worked, and those working piece rate or commission.

Employers and employees alike benefit when both parties understand what is portrayed on a paystub.

Currently, clear and concise tools to read a paystub are not available on hand or easily accessible for employees.

Need

Workers should be able to easily understand what is in their paycheck. A clear understanding and communication of what an employee is taking home can prevent confusion for the individual, and unnecessary conflict between employer and employee. An employee's ability to review and gain greater clarity on what is printed on their paystub is critical for managing their livelihood and demonstrates the good faith effort their employer is making to be fair, accessible, and working to do right by their employees.

Proposed Solution – Senate Bill 906 -2

Senate Bill 906 with the -2 amendment seeks to provide a clear a consistent explanation of earnings and deductions to employees. This will help in preventing erroneous over and under payments, grant employers further confidence that their books are accurate, and provide security to workers who are planning budgets and want to make certain they are properly compensated for the work they have performed.

The language in the -2 amendment requires employers to provide, in writing, in plain language, the earnings and deductions that could appear on a given paycheck. Employers would provide this document at the time of hire, and within 14 days of a request by the employee – or a reasonable timeline. Additionally, the -2 amendment allows employees to request a personalized explanation of earnings and deductions pertaining to their specific paystub to be provided within 14 days or as reasonable.

To ensure employers have a consistent understanding of plain language, the bill uses a definition similar to what the Department of Administrative Services uses. In the measure it states that plain language uses simple words that convey meanings clearly and directly; uses the present tense and active voice; uses short, simple sentences; and defines only those words that cannot be properly explained or qualified in the text, including acronyms and codes that are used to represent specific types of earnings and deductions.

Senate Bill 906 -2 would be enforced by the Bureau of Labor and Industry with a maximum penalty of \$1000 for any person who violates the provisions in Senate Bill 906.

**The OFNHP urges your support for Senate Bill 906
with the -2 amendment.**
