

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 906A

Senate Bill 906A seeks to provide a clear, consistent and comprehensive explanation of earnings and deductions to employees. This will help in preventing erroneous over and under payments and will help eliminate confusion for all parties.

The language in SB 906A amendment requires employers to provide, in writing, all types of rates of pay that employees may be eligible for, including hourly pay, salary pay, shift differentials, piece-rate pay and commission-based pay. Employers can provide this information such as a weblink, a document posted in a central location, shared electronic file or e-mail.

The OFNHP urges your support for Senate Bill 906A