



Testimony in Support of HB2022

Mr. Daniel Murray: Kansas State Director, National Federation of Independent Business
House Commerce Committee
Tuesday, January 22, 2013

Good afternoon Chairman Kleeb and members of the Committee. I am pleased to be here on behalf of the National Federation of Independent Business (NFIB). The NFIB is the state's leading small business advocacy organization representing nearly 4,000 small business owners across Kansas.

NFIB supports HB2022, which would amend current law regarding withholding of wages by an employer. The bill would authorize an employer to withhold, deduct or divert any portion of an employee's wages for the below reasons IF the employer has a signed written agreement with the employee:

1. To allow the employee to repay a loan or advance made by the employer to the employee within the scope of employment;
2. To allow for recovery of payroll overpayment;
3. To compensate the employer for the value of the employer's merchandise or uniforms purchased by the employee.

Further, the bill would allow an employer to withhold, deduct or divert final wages, with written notice and explanation for the following reasons:

1. To recover the employers property provided to the employee in the course of the employers business (see list in the bill). If the employee returns the employer property, the employer shall relinquish final wages;
2. To allow the employee to repay a loan or advance made by the employer to the employee within the scope of employment;
3. To allow for recovery of payroll overpayment;
4. To compensate the employer for the value of the employer's merchandise or uniforms intentionally purchased by the employee.

An employees' wages cannot be reduced below the federal or state minimum wage by the amount(s) withheld in accordance with this bill.

This bill provides small employers a reasonable recourse to recover lost equipment, etc. from employees. This issue is particularly important when employees are terminated or leave the small business and fail to return equipment, uniforms, or other business merchandise. In these cases, the employer has no simple way in which to recover the business' items. This bill allows the employer AND employee to avoid a costly legal battle.

Small businesses often operate on thin margins. This bill helps them recoup loss in a timely and efficient manner.

Again, NFIB supports HB2022 and urge its passage.