

WEST VIRGINIA LEGISLATURE

2018 REGULAR SESSION

ENROLLED

Committee Substitute

for

House Bill 2546

BY DELEGATES FOSTER, HIGGINBOTHAM, HOWELL,

WILSON, FAST, ZATEZALO, KELLY, HARSHBARGER,

MAYNARD AND WALTERS

[Passed February 14, 2018; in effect ninety days from passage.]

1 AN ACT to amend and reenact §21-5-4 of the Code of West Virginia, 1931, as amended, all
2 relating to the Wage Payment and Collection Act; relating to allowing actual cash value of
3 employer provided property to be deducted from an employee's final paycheck if the
4 property is not returned; setting forth conditions upon which an employer may withhold,
5 deduct or divert the actual cash value of employer provided property that has not been
6 timely returned; requiring written agreements before withholding or deductions for the
7 actual cash value of employer provided property may be made; specifying certain contents
8 of such written agreements; authorizing withholding, deduction or diversion of actual cash
9 value of employer provided property with consent of employee; requiring employer to
10 provide notice of intent to withhold, deduct or divert actual cash value of employer provided
11 property; specifying contents of that notice; requiring employer to relinquish withheld
12 wages if the employee provides the employer provided property by the deadline contained
13 in the notice; providing exceptions; providing option to employee to object to actual cash
14 value of employer provided property to be withheld, deducted or diverted; providing that
15 employer place contested amounts in interest bearing escrow account; requiring
16 employee to file civil action to recoup contested amounts within three months or contested
17 amount in escrow account reverts to employer; providing that new subsection does not
18 abolish or limit any other remedies available to employers under law; exempting collective
19 bargaining agreements; and defining terms.

Be it enacted by the Legislature of West Virginia:

ARTICLE 5. WAGE PAYMENT AND COLLECTION

§21-5-4. Cash orders; employees separated from payroll before paydays; employer provided property.

1 (a) In lieu of lawful money of the United States, any person, firm or corporation may
2 compensate employees for services by cash order which may include checks, direct deposits or
3 money orders on banks convenient to the place of employment where suitable arrangements

4 have been made for the cashing of the checks by employees or deposit of funds for employees
5 for the full amount of wages.

6 (b) Whenever a person, firm or corporation discharges an employee, or whenever an
7 employee quits or resigns from employment, the person, firm or corporation shall pay the
8 employee's wages due for work that the employee performed prior to the separation of
9 employment on or before the next regular payday on which the wages would otherwise be due
10 and payable: *Provided*, That fringe benefits, as defined in section one of this article, that are
11 provided an employee pursuant to an agreement between the employee and employer and that
12 are due, but pursuant to the terms of the agreement, are to be paid at a future date or upon
13 additional conditions which are ascertainable are not subject to this subsection and are not
14 payable on or before the next regular payday, but shall be paid according to the terms of the
15 agreement. For purposes of this section, "business day" means any day other than Saturday,
16 Sunday or any legal holiday as set forth in section one, article two, chapter two of this code.

17 (c) Payment under this section may be made in person in any manner permissible under
18 section three of this article, through the regular pay channels or, if requested by the employee, by
19 mail. If the employee requests that payment under this section be made by mail, that payment
20 shall be considered to have been made on the date the mailed payment is postmarked.

21 (d) When work of any employee is suspended as a result of a labor dispute, or when an
22 employee for any reason whatsoever is laid off, the person, firm or corporation shall pay in full to
23 the employee not later than the next regular payday, either through the regular pay channels or
24 by mail if requested by the employee, wages earned at the time of suspension or layoff.

25 (e) If a person, firm or corporation fails to pay an employee wages as required under this
26 section, the person, firm or corporation, in addition to the amount which was unpaid when due, is
27 liable to the employee for two times that unpaid amount as liquidated damages. This section
28 regulates the timing of wage payments upon separation from employment and not whether
29 overtime pay is due. Liquidated damages that can be awarded under this section are not available

30 to employees claiming they were misclassified as exempt from overtime under state and federal
31 wage and hour laws. Every employee shall have a lien and all other rights and remedies for the
32 protection and enforcement of his or her salary or wages, as he or she would have been entitled
33 to had he or she rendered service therefor in the manner as last employed; except that, for the
34 purpose of liquidated damages, the failure shall not be deemed to continue after the date of the
35 filing of a petition in bankruptcy with respect to the employer if he or she is adjudicated bankrupt
36 upon the petition.

37 (f)(1) Notwithstanding any provision in this section to the contrary, if at the time of
38 discharge or resignation, an employee fails to return employer provided property, as set forth by
39 the parties under paragraph (C) of this subsection, the employer may withhold, deduct or divert
40 an employee's final wages, in an amount not to exceed the replacement cost of the employer
41 provided property that was not returned as set forth under paragraph (C) of this subsection, to
42 recover the replacement cost of the employer provided property, subject to the following:

43 (A) The employer provided property had been provided to the employee in the course of,
44 and for use in, the employer's business;

45 (B) The employer provided property has a value in excess of \$100;

46 (C) The employee had signed a written agreement with the employer contemporaneous
47 with the obtaining of the employer provided property, or signed and ratified an agreement if
48 property had been provided prior to the effective date of this provision; and such agreement
49 contained, at a minimum, the following information:

50 (i) Specific itemization of the employer provided property, with a specified replacement
51 cost;

52 (ii) Clear statement that such items are to be returned immediately upon discharge or
53 resignation; and

54 (iii) Clear statement, coupled with the employee's acknowledgement and agreement, that
55 should the employee fail to timely return the specified items, the replacement cost of such items
56 may be recovered by the employer from the employee's final wages;

57 (D) The employer shall notify the employee in writing at the time of discharge or resignation
58 by personal service, or as soon thereafter as practicable by personal service or via certified mail
59 with return receipt requested, as to the replacement cost of the items and make a demand for
60 return of such employer provided property within a certain date, not to exceed ten business days
61 of the notification; and

62 (E) The employer shall relinquish the withheld, deducted or diverted wages to the
63 employee if the employee returns the employer's property, equipment, supplies and uniforms in
64 a condition suitable for the age and usage of the items within the deadline specified in paragraph
65 (D) of this subsection: *Provided*, That uniforms returned to the employer within three years of their
66 issuance shall be deemed acceptable in their current condition at the time of separation from
67 employment for purposes of this section: *Provided further*, replacement tools are deemed to be
68 the property of the employee and are not subject to the provisions of this section.

69 (2) Nothing herein precludes an employee from voluntarily consenting in writing to an
70 employer's withholding, deduction or diversion of a certain amount from the employee's final
71 wages in satisfaction of subsection (1) of this section.

72 (3) If an employee objects to the replacement cost amount to be deducted by an employer,
73 and provides such written objection within the deadline specified in paragraph (D), subsection (1)
74 of this subsection, then the employer shall place the controverted amount in an interest bearing
75 escrow account: *Provided*, That if a civil action or equitable relief is not brought by the employee
76 for the claimed amount within three months, the employee shall forfeit the amount in escrow and
77 such money shall revert to the employer.

78 (4) Nothing in this subsection is intended, nor shall it be construed, to abolish or limit any
79 other remedies available to an employer to recover employer provided property, damages related
80 to employer provided property or any other damages or relief, equitable or otherwise, available
81 under any applicable law.

82 (5) Notwithstanding any provision in this section to the contrary, this provision shall not
83 apply to employer-employee business relationships that are subject to, and governed by,
84 collective bargaining agreements.

85 (6) For purposes of this section the following terms mean:

86 (A) The term “employer provided property” means all property provided by an employer to
87 an employee for use in the employer’s business, including but not limited to, equipment, phone,
88 computer, supplies or uniforms.

89 (B) The term “replacement cost” means actual cost paid by an employer for employer
90 provided property, or for the same or similar property, if the original employer provided property
91 no longer exists. In calculating the “replacement cost”, the cost shall include any vendor discounts
92 provided to the employer for such property.

93 (C) The term “replacement tools” means equipment, other than uniforms, provided by the
94 employer to the employee for use in the course of the employer’s business and to replace
95 equipment provided by the employee that is lost.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

.....
Chairman, House Committee

.....
Chairman, Senate Committee

Originating in the House.

In effect ninety days from passage.

.....
Clerk of the House of Delegates

.....
Clerk of the Senate

.....
Speaker of the House of Delegates

.....
President of the Senate

The within this the.....
day of, 2018.

.....
Governor