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Labor and Employment Compliance Bulletin



New Mexico considers bill to allow mandating electronic pay

A bill has passed the New Mexico House of Representatives that would allow employers to mandate electronic pay. The bill, HB 212, would allow employers to pay employees by paycard so long as they offer a direct deposit option.

Under HB 212, the paycard would have to allow at least one free withdrawal each pay period or at least one free withdrawal per week if wages are paid more frequently than weekly. The paycard would have to allow the free withdrawal of the complete amount of pay.

The bill passed the New Mexico House with strong support: 68 for and only one opposed. It is now under review by the Senate Public Affairs Committee prior to a vote there.

New Mexico would join Michigan as the second state to allow mandating electronic pay this year. Twenty-three states now permit employers to eliminate paper checks completely by offering a choice of direct deposit or paycard. Three other states permit eliminating paper checks for employees hired after a certain date.

Bottom line

Many states are enacting paycard-friendly laws, opening up opportunities for employers to move towards a 100% paperless pay environment. Combining a paperless paystub with direct deposit and a paycard option allows you to completely eliminate costly printing and distribution of both paper checks and paper pay stubs. The paperless pay environment is also employee-friendly, offering improved security and reliability.

For a copy of the New Mexico bill, or to learn more about how you can combine paycards with a paperless pay solution from TALX, please contact Melinda Hanson at (314) 214-7143 or email her at mhanson@talx.com with "paycards and New Mexico" in the subject line.

Department of Labor steps up affirmative action audits for federal contractors

The U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) is conducting more thorough audits of federal contractors for compliance with affirmative action and equal employment opportunity laws.

OFCCP said in Directive 295, which took effect Jan. 1, 2011, it would conduct, at a minimum, a "full desk audit" of all federal contractors randomly selected for audit. Every 25th contractor selected for full desk audit will undergo a full compliance review – twice the previous rate.

Bottom line

Employers should make sure their onboarding process presents and records employee sign-off on equal opportunity policy statements, as well as affirmative action policy statements, where appropriate. Electronic onboarding helps enforce procedures such as employee sign-off and allows more efficient internal audits and external audit responses.

For a copy of Directive 295, or for more information about TALX onboarding services, please contact Melinda Hanson at (314) 214-7143 or email her at mhanson@talx.com with "affirmative action audits" in the subject line.