

SENATE BILL 1808

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 26
and Title 50, relative to monies owed to an
employer by an employee.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 50, Chapter 2, Part 1, is amended by
adding the following new section thereto:

50-2-110.

(a) Except as provided in subsection (b), an employer may offset an
employee's wages due and owing for an amount the employee owes the
employer if:

(1) An employer enters into an agreement with an employee to
advance the employee wages prior to the date the wages are due and
owing, agrees to otherwise lend the employee money, or permits the
employee to charge personal items on the business or corporate credit
card issued to the employee;

(2) The employee signs a written agreement prior to any actions
occurring pursuant to subdivision (a)(1) allowing the employer to offset
the employee's wages for any amount the employee owes the employer,
and the employer has in its possession at the time of the offset a copy of
such signed agreement;

(3) The employer notifies the employee in writing fourteen (14)
days prior to the payment of wages due and owing that:

(A) There is an amount the employee owes the employer;

(B) The employee's wages may be offset if the amount owed is not paid prior to the payment of wages due and owing; and

(C) The employee may submit an affidavit as described in subsection (b); and

(4) The employee has not paid the amount owed the employer that was described in the notice sent pursuant to subdivision (a)(3).

(b) The employer shall not be entitled to offset an employee's wages due and owing if the employee sends a sworn affidavit to the employer, and a copy of such affidavit to the department of labor and workforce development, no later than seven (7) days after receiving notification pursuant to subdivision (a)(3), contesting the amount owed.

(c) For purposes of this section:

(1) "Amount the employee owes the employer" means any specific dollar amount the employer loaned or advanced the employee, including, but not limited to, any amount the employee charged for personal items to a business or corporate credit card issued to the employee; and

(2) "Wages" means any remuneration owed to an employee for services, including, but not limited to, commissions, bonuses, incentive program rewards and tips.

SECTION 2. This act shall take effect July 1, 2011, the public welfare requiring it.