

INTERIM STUDY PROPOSAL 2021-036

State of Arkansas

As Engrossed: S4/8/21 S4/14/21

93rd General Assembly

A Bill

Regular Session, 2021

SENATE BILL 539

By: Senator B. Davis

By: Representative Pilkington

Filed with: Senate Committee on Judiciary
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO AMEND THE LAW REGARDING THE PAYMENT OF
WAGES; TO ESTABLISH PARAMETERS REGARDING THE
RECOUPMENT OF OVERPAYMENTS BY EMPLOYERS; AND FOR
OTHER PURPOSES.

Subtitle

TO AMEND THE LAW REGARDING THE PAYMENT OF
WAGES; AND TO ESTABLISH PARAMETERS
REGARDING THE RECOUPMENT OF OVERPAYMENTS
BY EMPLOYERS.

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

SECTION 1. Arkansas Code Title 11, Chapter 4, Subchapter 4, is amended
to add an additional section to read as follows:

11-4-406. Recoupment of overpayment of wages.

(a) In order to recoup an overpayment of wages paid to an employee, an
employer shall:

(1) Provide written notice to an employee at least twenty-one
(21) days in advance before first deducting from the employee's wages; and

(2) Deduct no more than twenty percent (20%) of the employee's
gross wages per pay period to recoup the overpayment.

(b) The advance written notice required under subdivision (a)(1) of
this section shall specify the:

- (1) Amount of overpayment to be recouped;
- (2) Method used to calculate the overpayment; and
- (3) Cause of the overpayment.

(c) An employer that violates this section shall:

- (1) Return to the employee any deductions made from the employee's paychecks; and
- (2) Pay the employee an additional amount equal to the improper deductions taken from the employee's wages as liquidated damages.

(d) Subsections (a)-(c) of this section do not apply to the recoupment of an overpayment of wages by an employer when the overpayment of wages:

- (1) Is discovered after only one (1) pay period; or
- (2) Has been paid to an employee who is employed in a grant-funded position.

/s/B. Davis

Referred requested by the Arkansas Senate
Prepared by: MBM/KFW