

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

As Engrossed: S4/8/21

A Bill

SENATE BILL 539

5 By: Senator B. Davis
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For An Act To Be Entitled

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

14 TO AMEND THE LAW REGARDING THE PAYMENT OF
15 WAGES; AND TO ESTABLISH PARAMETERS
16 REGARDING THE RECOUPMENT OF OVERPAYMENTS
17 BY EMPLOYERS.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code Title 11, Chapter 4, Subchapter 4, is amended
24 to add an additional section to read as follows:

25 11-4-406. Recoupment of overpayment of wages.

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

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

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

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

34 (1) Amount of overpayment to be recouped;

35 (2) Method used to calculate the overpayment; and

36 (3) Cause of the overpayment.



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(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