

Sixty-first  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1097

Introduced by

Industry, Business and Labor Committee

(At the request of the Labor Commissioner)

1 A BILL for an Act to amend and reenact section 34-14-04.1 of the North Dakota Century Code,  
2 relating to limitations of withholdings of an employer from compensation due employees.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 34-14-04.1 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **34-14-04.1. Limitations on withholdings.**

7 1. Every employer shall withhold from the compensation due employees those  
8 amounts which are required by state or federal law to be withheld and may deduct  
9 advances paid to employees, other than undocumented cash, and other individual  
10 items authorized in writing by the employees.

11 2. An authorization for deduction shall include:

12 a. The specific time period the authorization covers unless the authorization  
13 clearly indicates that the period is in perpetuity or until revoked in writing or  
14 upon separation of employment;

15 b. The amount to be deducted from the employee's compensation for each pay  
16 period;

17 c. The employee's signature; and

18 d. The date the authorization was signed.

19 3. An employer may not make any deduction from the compensation due employees  
20 for monetary damages resulting from a criminal act by the employee unless:

21 a. The employee voluntarily authorizes the employer in writing to make the  
22 deduction as described in subsection 2; or

23 b. The employer discharges the employee by reason of the allegation of a crime  
24 resulting in monetary damages to the employer which is connected to the

- 1                   employee's work and the employer files a report with local law enforcement  
2                   for the alleged crime within seven days of the separation of employment or  
3                   the next regularly scheduled payday, whichever occurs later, subject to the  
4                   following conditions:
- 5                   (1)   If no charges are filed in a court of competent jurisdiction against the  
6                   employee for the alleged crime within fifteen days of the filing of the  
7                   report with a local law enforcement agency, wages are due and  
8                   payable upon the expiration of the fifteen-day period.
- 9                   (2)   If charges are filed against the employee for the alleged crime, the  
10                  court may order the withheld wages to be offset by an amount to be  
11                  determined by the court. If the employee is found not guilty or if the  
12                  employer withholds an amount in excess of the loss incurred by the  
13                  employer due to the crime, the court may order the employer to pay the  
14                  employee the withheld amount plus interest, at the rate established by  
15                  section 47-14-09.
- 16                  4.   This section may not be construed as prohibiting the withholding of amounts  
17                  authorized in writing by the employee to be contributed by the employee to  
18                  charitable organizations, to employer-sponsored retirement accounts, or qualified  
19                  plans sponsored by the employer, nor may this section prohibit deductions  
20                  authorized under a collective bargaining agreement, including dues or service fees  
21                  not otherwise prohibited by law.