

**SENATE BILL NO. 2110**

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.~~ Employers may also deduct  
11 contributions under an automatic contribution plan as provided in the Pension  
12 Protection Act of 2006 [Pub. L. 1009-280, 2006 H. R. 4].
- 13 2. An employer may not make a deduction from compensation due employees for lost  
14 or stolen property, damage to property, or to recover any other claimed  
15 indebtedness running from the employee to the employer, unless the employee,  
16 after the loss has occurred or the claimed indebtedness has arisen, voluntarily  
17 authorizes the employer in writing to make the deduction. An authorization for a  
18 deduction must set forth the amount to be deducted from the employee's  
19 compensation during each pay period. A deduction may not be in excess of the  
20 amount established by law as subject to garnishment or execution on wages. An  
21 agreement entered into between an employer and an employee contrary to this  
22 section is void. This section does not apply:
- 23 a. If a contrary provision exists in a collective bargaining agreement; or

- 1            b. If an employee, before making a purchase or loan from an employer,
- 2            voluntarily authorizes in writing that the cost of the purchase or loan be
- 3            deducted from the employee's compensation at regular intervals or upon
- 4            termination of employment.