

IC 22-2-7

Chapter 7. Assignment of Wages

IC 22-2-7-1

Wage broker defined; employee direct deposit or commission payments by insurer; applicability of wage assignment provisions

Sec. 1. (a) Any person, company, corporation, limited liability company, or association loaning money directly or indirectly to any employee or wage earner, except the employer of the employee, upon the security of or in consideration of any assignment of the wages or salary of such employee or wage earner shall be defined and held to be a wage broker and subject to the provisions of this chapter.

(b) A direct deposit made by electronic funds transfer or other method to an employee's account in a financial institution as agreed to by the employer and the employee does not constitute an assignment of wages subject to this chapter.

(c) An assignment or pledge of, or a grant of a security interest in, a contractual right of a person to receive commissions payable directly or indirectly by an insurer (as defined in IC 27-1-2-3) does not constitute an assignment of wages subject to this chapter.

(Formerly: Acts 1909, c.34, s.1.) As amended by P.L.144-1986, SEC.11; P.L.143-1988, SEC.5; P.L.216-1989, SEC.3; P.L.8-1993, SEC.275; P.L.116-1994, SEC.1.

IC 22-2-7-2

Amount of assignment; post-dating

Sec. 2. No assignment of his or her wages or salary by any employee or wage earner to any wage broker or any other person for his benefit shall be valid or enforceable, nor shall any employer or debtor recognize or honor such assignment for any purpose whatever, unless it be for a fixed and definite part of the wages or salary earned or to be earned during a period not exceeding thirty (30) days immediately following the date of the assignment. Any assignment which shall be post-dated or dated on any other date than that of its actual execution shall be void and of no effect for any purpose whatever.

(Formerly: Acts 1909, c.34, s.2.)

IC 22-2-7-3

Interest; rates and charges

Sec. 3. No wage broker shall ask, demand or receive, either as compensation or interest, or in any other manner, directly or indirectly, any compensation or interest for the use of money advanced or loaned by him to any employee or wage earner in excess of the rate of eight per cent (8%) per year, and said compensation or rate of interest shall be computed upon the amount actually advanced to and received by the borrower, and no commission, compensation or charges in addition to the interest above named shall be asked,

demanded or received by said wage broker or any other person for making or securing said advancement or loan.

(Formerly: Acts 1909, c.34, s.3.)

IC 22-2-7-4

Married persons; consent; exemptions

Sec. 4. (a) No assignment of wages by a married person who is living with the person's spouse residing in Indiana to any wage broker shall be valid or enforceable without the consent of the spouse, evidenced by the spouse's signature to said assignment, executed and acknowledged before a notary public or other officer empowered to take acknowledgments of conveyances. No wage broker or person connected with the married person directly or indirectly shall be authorized to take any such acknowledgment.

(b) This chapter shall not apply to any deduction from the wages of any employee of such employer, which deduction is made for the purpose of applying the same to any account of such employee in any credit union or any nonprofit organization of employees of such employer organized under any law of this state or of the United States.

(Formerly: Acts 1909, c.34, s.4; Acts 1945, c.250, s.1; Acts 1955, c.278, s.1; Acts 1957, c.303, s.1; Acts 1975, P.L.111, SEC.2.) As amended by P.L.143-1988, SEC.6.

IC 22-2-7-5

Notice to employer

Sec. 5. No assignment of wages shall be valid or enforceable unless notice in writing of the same, accompanied by a copy of the assignment, shall be given to the employer or debtor within ten (10) days from the date of its execution.

(Formerly: Acts 1909, c.34, s.5.) As amended by P.L.143-1988, SEC.7.

IC 22-2-7-6

Amount of loan

Sec. 6. Every purchase of a wage broker of an assignment of the wages of any employee or wage earner shall be held and considered to be a loan in the sum and of the amount actually paid to and received by such employee or wage earner.

(Formerly: Acts 1909, c.34, s.6.) As amended by P.L.143-1988, SEC.8.

IC 22-2-7-7

Violations

Sec. 7. A person who recklessly violates this chapter commits a Class B misdemeanor.

(Formerly: Acts 1909, c.34, s.7.) As amended by Acts 1978, P.L.2, SEC.2206.

IC 22-2-7-8**Forfeitures**

Sec. 8. Any note, bill, or other evidence of indebtedness and any assignment of wages or salary given to or received by any wage broker or any other person in violation of any of the provisions of this chapter shall be null and void and of no effect; and upon conviction, any and all moneys advanced or loaned by said wage broker in violation of any of the provisions of this chapter and all interest thereon shall be forfeited.

(Formerly: Acts 1909, c.34, s.8.) As amended by P.L.144-1986, SEC.12.