

A bill for an act
relating to employment; regulating the deduction from wages of unreimbursed
expenses; amending Minnesota Statutes 2008, section 177.24, subdivisions 4, 5.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2008, section 177.24, subdivision 4, is amended to read:

Subd. 4. **Unreimbursed expenses deducted.** Deductions, direct or indirect, from
wages or gratuities not authorized by this subdivision may only be taken as authorized
by sections 177.28, subdivision 3, 181.06, and 181.79. Deductions, direct or indirect, for
up to the full cost of the uniform or equipment as listed below, may not exceed \$50 or,
if a motor vehicle dealer licensed under section 168.27 furnishes uniforms or clothing
described in clause (1) on an ongoing basis, may not exceed the lesser of 50 percent
of the dealer's reasonable expense or \$25 per month, including nonhome maintenance.

No deductions, direct or indirect, may be made for the items listed below which when
subtracted from wages would reduce the wages below the minimum wage:

(1) purchased or rented uniforms or specially designed clothing required by the
employer, by the nature of the employment, or by statute as a condition of employment,
which is not generally appropriate for use except in that employment;

(2) purchased or rented equipment used in employment, except tools of a trade, a
motor vehicle, or any other equipment which may be used outside the employment;

(3) consumable supplies required in the course of that employment;

(4) travel expenses in the course of employment except those incurred in traveling to
and from the employee's residence and place of employment.

Sec. 2. Minnesota Statutes 2008, section 177.24, subdivision 5, is amended to read:

2.1 Subd. 5. **Expense reimbursement.** An employer, at the termination of an
2.2 employee's employment, must reimburse the full amount deducted, directly or indirectly,
2.3 for any of the items listed in subdivision 4, except for a motor vehicle dealer's rental
2.4 and maintenance deduction for uniforms or clothing. When reimbursement is made,
2.5 the employer may require the employee to surrender any existing items for which the
2.6 employer provided reimbursement.