

# HOUSE BILL No. 1290

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 22-2; IC 34-11-2-1.

**Synopsis:** Wage matters. Updates or amends certain portions of the definition of "employee". Provides that an employer who knowingly sells merchandise or supplies to an employee for higher than the market price commits a Class C infraction. Provides that an employer must pay each employee at least semimonthly or biweekly the amount due the employee. (Current law gives the employee the choice.) Provides that a wage assignment: (1) is not required to have a revocation provision on or after July 1, 2026; and (2) may benefit the employer under certain circumstances. Specifies that an employee may bring an action under certain wage provisions if an employer makes an improper wage deduction. Reorganizes certain minimum wage and wage claim provisions. Changes the statute of limitations with respect to certain minimum wage and wage claim provisions. Makes technical and conforming changes.

**Effective:** July 1, 2026.

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January 6, 2026, read first time and referred to Committee on Employment, Labor and Pensions.

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Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

## HOUSE BILL No. 1290

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 22-2-2-3, AS AMENDED BY P.L.67-2025,  
2       SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JULY 1, 2026]: Sec. 3. As used in this chapter:

4       "Commissioner" means the commissioner of labor or the  
5       commissioner's authorized representative.

6       "Department" means the department of labor.

7       "Occupation" means an industry, trade, business, or class of work  
8       in which employees are gainfully employed.

9       "Employer" means any individual, partnership, association, limited  
10      liability company, corporation, business trust, the state, or other  
11      governmental agency or political subdivision during any work week in  
12      which they have two (2) or more employees. However, it shall not  
13      include any employer who is subject to the minimum wage provisions  
14      of the federal Fair Labor Standards Act of 1938, as amended (29 U.S.C.  
15      201-219).

16      "Employee" means any person employed or permitted to work or  
17      perform any service for remuneration or under any contract of hire,



1 written or oral, express or implied by an employer in any occupation **in**  
2 **this state**, but shall not include any of the following:

3 (a) Persons less than sixteen (16) years of age.

4 (b) Persons engaged in an independently established trade,  
5 occupation, profession, or business who, in performing the  
6 services in question, are free from control or direction both under  
7 a contract of service and in fact.

8 (c) Persons performing services not in the course of the  
9 employing unit's trade or business.

10 (d) Persons employed on a commission basis.

11 (e) Persons employed by their own parent, spouse, or child.

12 (f) Members of any religious order performing any service for that  
13 order, any ordained, commissioned, or licensed minister, priest,  
14 rabbi, sexton, or Christian Science reader, and volunteers  
15 performing services for any religious or charitable organization.

16 (g) Persons performing services as student nurses in the employ  
17 of a hospital or nurses training school while enrolled and  
18 regularly attending classes in a nurses training school chartered  
19 or approved under law, or students performing services in the  
20 employ of persons licensed as both funeral directors and  
21 embalmers as a part of their requirements for apprenticeship to  
22 secure an embalmer's license or a funeral director's license from  
23 the state, or during their attendance at any schools required by law  
24 for securing an embalmer's or funeral director's license.

25 (h) Persons who have completed a four (4) year course in a  
26 medical school approved by law when employed as interns or  
27 resident physicians by any accredited hospital.

28 (i) Students performing services for any school, college, or  
29 university in which they are enrolled and are regularly attending  
30 classes.

31 (j) Persons with physical or mental disabilities performing  
32 services for nonprofit organizations organized primarily for the  
33 purpose of providing employment for persons with disabilities or  
34 for assisting in their therapy and rehabilitation.

35 (k) Persons employed as insurance producers, insurance  
36 solicitors, and outside salesmen, if all their services are performed  
37 for remuneration solely by commission.

38 (l) Persons performing services for any camping, recreational, or  
39 guidance facilities operated by a charitable, religious, or  
40 educational nonprofit organization.

41 (m) Persons engaged in agricultural labor. The term shall include  
42 only services performed:



- 1 (1) on a farm, in connection with cultivating the soil, or in
- 2 connection with raising or harvesting any agricultural or
- 3 horticultural commodity, including the raising, shearing,
- 4 feeding, caring for, training, and management of livestock,
- 5 bees, poultry, and furbearing animals and wildlife;
- 6 (2) in the employ of the owner or tenant or other operator of a
- 7 farm, in connection with the operation, management,
- 8 conservation, improvement, or maintenance of the farm and its
- 9 tools and equipment if the major part of the service is
- 10 performed on a farm;
- 11 (3) in connection with:
  - 12 (A) the production or harvesting of maple sugar or maple
  - 13 syrup or any commodity defined as an agricultural
  - 14 commodity in the Agricultural Marketing Act, as amended
  - 15 (12 U.S.C. 1141j);
  - 16 (B) the raising or harvesting of mushrooms;
  - 17 (C) the hatching of poultry; or
  - 18 (D) the operation or maintenance of ditches, canals,
  - 19 reservoirs, or waterways used exclusively for supplying and
  - 20 storing water for farming purposes; and
  - 21 (4) in handling, planting, drying, packing, packaging,
  - 22 processing, freezing, grading, storing, or delivering to storage,
  - 23 to market, or to a carrier for transportation to market, any
  - 24 agricultural or horticultural commodity, but only if service is
  - 25 performed as an incident to ordinary farming operation or, in
  - 26 the case of fruits and vegetables, as an incident to the
  - 27 preparation of fruits and vegetables for market. However, this
  - 28 exception shall not apply to services performed in connection
  - 29 with any agricultural or horticultural commodity after its
  - 30 delivery to a terminal market or processor for preparation or
  - 31 distribution for consumption.
- 32 As used in this subdivision, "farm" includes stock, dairy, poultry,
- 33 fruit, furbearing animals, and truck farms, nurseries, orchards, or
- 34 greenhouses or other similar structures used primarily for the
- 35 raising of agricultural or horticultural commodities.
- 36 (n) Those persons employed in executive, administrative, or
- 37 professional occupations who have the authority to employ or
- 38 discharge and who earn one hundred fifty dollars (\$150) or more
- 39 a week, and outside salesmen.
- 40 (o) Any person not employed for more than four (4) weeks in any
- 41 four (4) consecutive three (3) month periods.
- 42 (p) Any employee with respect to whom the ~~Interstate Commerce~~



~~Commission~~ **United States Secretary of Transportation** has power to establish qualifications and maximum hours of service under ~~the federal Motor Carrier Act of 1935 (49 U.S.C. 304(3))~~ **49 U.S.C. 31502** or any employee of a carrier subject to IC 8-2.1. (q) A person engaged in services as a direct seller. The term shall include only services performed:

(1) by a person that is in the trade or business of:

(A) selling, or soliciting the sale of, consumer products or services to any buyer on a buy-sell basis, deposit-commission basis, or similar basis, in any place other than in a permanent retail establishment; or

(B) selling, or soliciting the sale of, consumer products or services in any place other than in a permanent retail establishment;

(2) when substantially all the remuneration, whether or not paid in cash, for the performance of the services is directly related to sales or other output, including the performance of services, rather than the number of hours worked; and

(3) when the services performed by the person are performed pursuant to a written contract and the contract provides that the person who performs the services will not be treated as an employee for tax purposes under the contract.

(r) A person who:

(1) has entered into a contract to play baseball at the minor league level; and

(2) is compensated under the terms of a collective bargaining agreement that expressly provides for wages and working conditions.

SECTION 2. IC 22-2-2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9. **(a)** Any employer who violates the provisions of section 4 of this chapter **concerning the payment of minimum wages** shall be liable to the employee. ~~or employees affected in the amount of their unpaid minimum wages and in an equal additional amount as liquidated damages.~~

**(b)** An action to recover ~~such liability under this section may must~~ be maintained:

(1) within:

**(A)** three (3) years after the cause of action ~~therefor~~ arises **if the violation is willful; or**

**(B)** two (2) years after the cause of action arises **if clause (A) is inapplicable; and**

**(2)** in the circuit or superior court of the county in which the



services out of which the claim arises were performed or in which the defendant resides or transacts business.

(c) ~~An Such~~ action **under this section** may be brought by ~~any one~~ (1) or more employees for and on behalf of ~~himself the employee or themselves the employee~~ and all other employees of the same employer who are similarly situated. No employee shall be a party plaintiff to any ~~such~~ action **under this section** unless ~~he the employee~~ gives ~~his the employee's~~ consent in writing to become such a party and ~~such the~~ consent is filed in the court in which such action is brought.

(d) ~~The court in such action shall, in addition to any judgment awarded to the plaintiffs, allow recovery of~~ **An employee may recover the following in an action under this section:**

(1) Any unpaid minimum wages.

(2) Liquidated damages equal to the amount described in subdivision (1).

(3) A reasonable attorney's fee. ~~and~~

(4) The costs of the action.

(e) ~~No contract or agreement between the employee and the employer nor any acceptance of a lesser wage by the employee shall be a defense to the action. It is not a defense in an action under this chapter that:~~

(1) a contract or agreement between the employee and the employer provided for or allowed the violation; or

(2) the employee accepted a lesser wage.

SECTION 3. IC 22-2-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. It is a Class C infraction for a person to knowingly sell to ~~his the person's~~ employee any merchandise or supplies at a higher price than the ~~merchandise or supplies are sold to others for cash.~~ **market price.**

SECTION 4. IC 22-2-5-1, AS AMENDED BY P.L.51-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) Every person, firm, corporation, limited liability company, or association, their trustees, lessees, or receivers appointed by any court, doing business in Indiana, shall pay each employee at least semimonthly or biweekly ~~if requested,~~ the amount due the employee. The payment shall be made in lawful money of the United States, by negotiable check, draft, or money order, or by electronic transfer to the financial institution designated by the employee. Any contract in violation of this subsection is void.

(b) Payment shall be made for all wages earned to a date not more than ten (10) business days prior to the date of payment. However, this subsection does not prevent payments being made at shorter intervals



than specified in this subsection, nor repeal any law providing for payments at shorter intervals. However, if an employee voluntarily leaves employment, either permanently or temporarily, the employer shall not be required to pay the employee an amount due the employee until the next usual and regular day for payment of wages, as established by the employer. If an employee leaves employment voluntarily, and without the employee's whereabouts or address being known to the employer, the employer is not subject to section 2 of this chapter until:

- (1) ten (10) business days have elapsed after the employee has made a demand for the wages due the employee; or
- (2) the employee has furnished the employer with the employee's address where the wages may be sent or forwarded.

SECTION 5. IC 22-2-5-2, AS AMENDED BY P.L.193-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. ~~(a) Every such~~ A person, firm, corporation, limited liability company, or association who ~~shall fail~~ **fails** to make payment of wages to ~~any such an~~ employee as provided in section 1 of this chapter shall be liable to the employee. ~~for the amount of unpaid wages;~~

~~(b) and the amount may be recovered~~ **An action to recover under this section may be filed** in any court having jurisdiction ~~of a suit to recover with respect to~~ the amount due to the employee. ~~The court shall order as costs in the case a reasonable fee for the plaintiff's attorney and court costs. In addition, if the court in any such suit determines that the person, firm, corporation, limited liability company, or association that failed to pay the employee as provided in section 1 of this chapter was not acting in good faith, the court shall order, as liquidated damages for the failure to pay wages, that the employee be paid an amount equal to two (2) times the amount of wages due the employee.~~

~~(c) An action to recover under this section must be maintained within:~~

- ~~(1) three (3) years after the cause of action arises if the violation is willful; or~~
- ~~(2) two (2) years after the cause of action arises if subdivision (1) is inapplicable.~~

~~(d) An employee may recover the following in an action under this section:~~

- ~~(1) Any unpaid minimum wages.~~
- ~~(2) Liquidated damages equal to two (2) times the unpaid wages, if the court finds that the failure to pay the employee~~



1           **was the result of bad faith.**

2           **(3) A reasonable attorney's fee.**

3           **(4) The court costs.**

4           SECTION 6. IC 22-2-6-2, AS AMENDED BY P.L.147-2019,  
5           SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6           JULY 1, 2026]: Sec. 2. (a) Any assignment of the wages of an  
7           employee is valid only if all of the following conditions are satisfied:

8           (1) The assignment is:

9           (A) in writing;

10           (B) signed by the employee personally;

11           (C) **for assignments executed before July 1, 2026**, by its  
12           terms revocable at any time by the employee upon written  
13           notice to the employer; and

14           (D) agreed to in writing by the employer.

15           (2) An executed copy of the assignment is delivered to the  
16           employer within ten (10) days after its execution.

17           (3) The assignment is made for a purpose described in subsection  
18           (b).

19           (b) A wage assignment under this section may be made for the  
20           purpose of paying any of the following:

21           (1) Premium on a policy of insurance obtained for the employee  
22           by the employer.

23           (2) Pledge or contribution of the employee to a charitable or  
24           nonprofit organization.

25           (3) Purchase price of bonds or securities, issued or guaranteed by  
26           the United States.

27           (4) Purchase price of shares of stock, or fractional interests in  
28           shares of stock, of the employing company, or of a company  
29           owning the majority of the issued and outstanding stock of the  
30           employing company, whether purchased from such company, in  
31           the open market or otherwise. However, if such shares are to be  
32           purchased on installments pursuant to a written purchase  
33           agreement, the employee has the right under the purchase  
34           agreement at any time before completing purchase of such shares  
35           to cancel said agreement and to have repaid promptly the amount  
36           of all installment payments which theretofore have been made.

37           (5) Dues to become owing by the employee to a labor  
38           organization of which the employee is a member.

39           (6) Purchase price of merchandise, goods, or food offered by the  
40           employer and sold to the employee, for the employee's benefit,  
41           use, or consumption, at the written request of the employee. **A**  
42           **valid assignment under this subdivision may also benefit the**





**employer.**

(7) Amount of a loan made to the employee by the employer and evidenced by a written instrument executed by the employee subject to the amount limits set forth in section 4(c) of this chapter.

(8) Contributions, assessments, or dues of the employee to a hospital service or a surgical or medical expense plan or to an employees' association, trust, or plan existing for the purpose of paying pensions or other benefits to said employee or to others designated by the employee.

(9) Payment to any credit union, nonprofit organizations, or associations of employees of such employer organized under any law of this state or of the United States.

(10) Payment to any person or organization regulated under the Uniform Consumer Credit Code (IC 24-4.5) for deposit or credit to the employee's account by electronic transfer or as otherwise designated by the employee.

(11) Premiums on policies of insurance and annuities purchased by the employee on the employee's life.

(12) The purchase price of shares or fractional interest in shares in one (1) or more mutual funds.

(13) A judgment owed by the employee if the payment:

(A) is made in accordance with an agreement between the employee and the creditor; and

(B) is not a garnishment under IC 34-25-3.

(14) The purchase, rental, or use of uniforms, shirts, pants, or other ~~job-related~~ **job related** clothing at an amount not to exceed the direct cost paid by an employer to an external vendor for those items.

(15) The purchase of equipment or tools necessary to fulfill the duties of employment at an amount not to exceed the direct cost paid by an employer to an external vendor for those items.

(16) Reimbursement for education or employee skills training. However, a wage assignment may not be made if the education or employee skills training benefits were provided, in whole or in part, through an economic development incentive from any federal, state, or local program.

(17) An advance for:

(A) payroll; or

(B) vacation;

pay.

(18) The employee's drug education and addiction treatment



services under IC 12-23-23.

(c) The interest rate charged on amounts loaned or advanced to an employee and repaid under subsection (b) may not exceed the bank prime loan interest rate as reported by the Board of Governors of the Federal Reserve System or any successor rate, plus four percent (4%).

(d) The total amount of wages subject to assignment under subsection (b)(14) and (b)(15) may not exceed the lesser of:

(1) two thousand five hundred dollars (\$2,500) per year; or

(2) five percent (5%) of the employee's weekly disposable earnings (as defined in IC 24-4.5-5-105(1)(a)).

(e) Except as provided under 29 CFR Parts 1910, 1915, 1917, 1918, and 1926, an employee shall not be charged or subject to a wage assignment under subsection (b)(14) or (b)(15) for protective equipment including personal protective equipment identified under 29 CFR Parts 1910, 1915, 1917, 1918, and 1926.

SECTION 7. IC 22-2-6-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 5. An employee may bring an action under IC 22-2-2, IC 22-2-5, or IC 22-2-9, as applicable, if an employer deducts an improper amount of wages under this chapter.**

SECTION 8. IC 22-2-9-0.1, AS ADDED BY P.L.220-2011, SECTION 361, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 0.1. **(a)** The amendments made to section 5 of this chapter by P.L.165-2007 apply to wage claims filed with the commissioner of labor after June 30, 2007.

**(b) If an employer separates an employee from the payroll, all claims that would otherwise arise under IC 22-2-5 must be brought in accordance with this chapter.**

SECTION 9. IC 22-2-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) Whenever any employer separates any employee from the ~~pay-roll~~, **payroll**, the unpaid wages or compensation of ~~such~~ the employee, **including all wages or compensation that may have been due at any time during the employment relationship**, shall become due and payable at the regular pay day for the pay period in which separation occurred. ~~Provided, However, that~~ this provision shall not apply to railroads in the payment by them to their employees.

(b) In the event of the suspension of work, as the result of an industrial dispute, the wages and compensation earned and unpaid at the time of such suspension shall become due and payable at the next regular pay day, including, without abatement or reduction, all amounts due all persons whose work has been suspended as a result of such



1 industrial dispute.

2 SECTION 10. IC 22-2-9-4 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) It shall be the  
4 duty of the commissioner of labor to enforce and to insure compliance  
5 with the provisions of this chapter; to investigate any violations of any  
6 of the provisions of this chapter; and to institute or cause to be  
7 instituted actions for penalties and forfeitures provided under this  
8 chapter. The commissioner of labor may hold hearings to satisfy  
9 himself as to the justice of any claim; and he shall cooperate with any  
10 employee in the enforcement of any claim against his employer in any  
11 case whenever, in his opinion, the claim is just and valid.

12 (b) The commissioner of labor may refer claims for wages under  
13 this chapter to the attorney general; and the attorney general may  
14 initiate civil actions on behalf of the claimant or may refer the claim to  
15 any attorney admitted to the practice of law in Indiana. The provisions  
16 of IC 22-2-5-2 apply to civil actions initiated under this subsection by  
17 the attorney general or his designee.

18 (a) The commissioner of labor has the following duties under  
19 this chapter:

- 20 (1) To enforce and to ensure compliance with the provisions
- 21 of this chapter.
- 22 (2) To investigate any violations of any of the provisions of
- 23 this chapter.
- 24 (3) To institute or cause to be instituted actions for penalties
- 25 and forfeitures provided under this chapter.

26 (b) In discharging the duties described in subsection (a), the  
27 commissioner of labor:

- 28 (1) may hold hearings to evaluate the merits of a claim; and
- 29 (2) shall cooperate with any employee in the enforcement of
- 30 a claim against an employer.

31 (c) A person may file a civil action to recover wages due under  
32 section 2 of this chapter only if:

- 33 (1) the person:
  - 34 (A) files a litigation notice with the department of labor;
  - 35 and
  - 36 (B) serves the litigation notice to the employer alleged to be
  - 37 in violation of this chapter by certified mail;
- 38 (2) the department:
  - 39 (A) authorizes the person to proceed with a civil action; or
  - 40 (B) fails to respond to the litigation notice within sixty (60)
  - 41 days; and
- 42 (3) no action has been initiated pursuant to section 5 of this



chapter with respect to the wages.

(d) A litigation notice described in subsection (c) must include the following:

(1) The identity of the employer alleged to be in violation of this chapter.

(2) The factual basis for the notice.

(e) The provisions of IC 22-2-5-2 apply to civil actions initiated under subsection (c), including the statute of limitations provided therein.

SECTION 11. IC 34-11-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. **Except as provided in IC 22-2**, an action relating to the terms, conditions, and privileges of employment except actions based upon a written contract (including, but not limited to, hiring or the failure to hire, suspension, discharge, discipline, promotion, demotion, retirement, wages, or salary) must be brought within two (2) years of the date of the act or omission complained of.

