

HOUSE BILL No. 1290

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.

Ireland

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



Introduced

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.

As used in this subdivision, "farm" includes stock, dairy, poultry, fruit, furbearing animals, and truck farms, nurseries, orchards, or greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities.

(n) Those persons employed in executive, administrative, or professional occupations who have the authority to employ or discharge and who earn one hundred fifty dollars (\$150) or more a week, and outside salesmen.

(o) Any person not employed for more than four (4) weeks in any four (4) consecutive three (3) month periods.

(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

in the circuit or superio-

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



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

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

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

13 **(1) Any unpaid minimum wages.**
 14 **(2) Liquidated damages equal to the amount described in**
 15 **subdivision (1).**
 16 **(3) A reasonable attorney's fee. and**
 17 **(4) The costs of the action.**

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

22 **(1) a contract or agreement between the employee and the**
 23 **employer provided for or allowed the violation; or**
 24 **(2) the employee accepted a lesser wage.**

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

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

40 (b) Payment shall be made for all wages earned to a date not more
 41 than ten (10) business days prior to the date of payment. However, this
 42 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:

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

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

40 **(1) Any unpaid minimum wages.**
41 **(2) Liquidated damages equal to two (2) times the unpaid**
42 **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 JC 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



1 services under IC 12-23-23.

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

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

8 (1) two thousand five hundred dollars (\$2,500) per year; or
 9 (2) five percent (5%) of the employee's weekly disposable
 10 earnings (as defined in IC 24-4.5-5-105(1)(a)).

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

16 SECTION 7. IC 22-2-6-5 IS ADDED TO THE INDIANA CODE
 17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 18 1, 2026]: **Sec. 5. An employee may bring an action under IC 22-2-2,
 19 IC 22-2-5, or IC 22-2-9, as applicable, if an employer deducts an
 20 improper amount of wages under this chapter.**

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

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

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

38 **(b)** In the event of the suspension of work, as the result of an
 39 industrial dispute, the wages and compensation earned and unpaid at
 40 the time of such suspension shall become due and payable at the next
 41 regular pay day, including, without abatement or reduction, all amounts
 42 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.

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

