

Mandatory Use of Payroll Debit Cards Violates Pennsylvanias Wage Payment and Collection Law

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Over 2,300 current and former employees of 16 McDonald's franchisee locations in Pennsylvania claimed that mandatory use of payroll debit cards violates the [Pennsylvania Wage Payment and Collection Law](#) ("WPCL"), and the Pennsylvania Superior Court on Friday agreed. The case sets up a potential recovery of over \$1 million under the WPCL.

The employees claim they were required to accept their wages exclusively via debit cards, which included activation and withdrawal fees unless they went to specific local bank branches. The Pennsylvania WPCL requires wages to be paid "in lawful money of the United States or check." Noting that the WPCL doesn't define "lawful money of the United States," the Superior Court concluded that a debit card is neither "lawful money" nor a "check".

The Superior Court's decision also rested on the fact that the use of the payroll debit cards was the mandatory and exclusive method by which these McDonald's employees were paid. "The use of a voluntary payroll debit card may be an appropriate method of wage payment" the Court explained. "However, until our General Assembly provides otherwise, the plain language of the WPCL makes clear that the mandatory use of payroll debit cards at issue here, which may subject the user to fees, is not."

Although a further appeal to the Pennsylvania Supreme Court may be pursued, Pennsylvania employers would be well served to continue to provide employees with options for more traditional payroll modes, at the employees' election. Although direct deposit is a permitted payment method in Pennsylvania, it requires an employee's written consent.

Please contact a member of the [Employment Law](#) group with any questions.

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