

Pennsylvania Law Clarifies Use of Payroll Debit Cards

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After initial confusion, employers may now legally use payroll debit cards to pay employees.

While the courts have decried the practice as a violation of the state's Wage Payment Collection Law, a new bill, signed by Gov. Wolf last fall with an effective date of May 4, amends Pennsylvania's Banking Code and supersedes that court decision. [Barley Snyder](#) attorneys have been tracking the bill through the Pennsylvania government.

Employers must meet the following conditions to use payroll debit cards:

- Employees must be given the option for paper checks if they prefer;
- Employees must be properly notified of their options;
- Employees must affirmatively authorize use of the card;
- The card must allow one free withdrawal each pay period and one in-network ATM withdrawal at least weekly;
- The employee must have the ability to check the card's balance electronically or via telephone without cost; and
- There must be no fees associated with the issuance, replacement (one per year), transfer of wages, or non-use (for up to twelve months) of the card.

Employers using payroll debit cards should review their practices to ensure compliance with these conditions. Any employer who has questions on this now-legal practice should reach out to [Barley Snyder's Employment Law Practice Group](#).

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