

# STATE OF NEW YORK

6771--A

2017-2018 Regular Sessions

## IN ASSEMBLY

March 17, 2017

Introduced by M. of A. MORELLE -- read once and referred to the Committee on Labor -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the labor law, in relation to clarifying methods for the payment of wages and authorizing the payment of wages by use of payroll cards

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The section heading of section 192 of the labor law, as  
2 amended by chapter 301 of the laws of 1974, is amended to read as  
3 follows:

4 [~~Cash payment~~] Payment of wages.

5 § 2. Subdivision 1 of section 192 of the labor law, as added by chap-  
6 ter 475 of the laws of 1981 and as renumbered by chapter 170 of the laws  
7 of 1994, is amended to read as follows:

8 1. [~~No employer shall without the advance written consent of any~~  
9 ~~employee directly pay or deposit the net wage or salary of such employee~~  
10 ~~in a bank or other financial institution.~~] Wages shall be paid using one  
11 or more of the following methods:

12 a. in lawful money of the United States;

13 b. by check payable at face value upon demand in lawful money of the  
14 United States;

15 c. by electronic automated fund transfer in lawful money of the United  
16 States into an account in the name of the employee at a financial insti-  
17 tution designated by the employee; provided that the employee voluntar-  
18 ily gives written or electronic authorization in advance to receive his  
19 or her wages in this manner; or

20 d. by credit to a payroll card account in accordance with section one  
21 hundred ninety-two-a of this article, provided that the employee volun-  
22 tarily gives written or electronic authorization in advance to receive  
23 his or her wages in this manner.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 § 3. The labor law is amended by adding a new section 192-a to read as  
2 follows:

3 § 192-a. Payment of wages using payroll cards. 1. As used in this  
4 section:

5 a. "payroll card" means a prepaid card used by an employee to access  
6 wages from a payroll card account;

7 b. "payroll card account" means a prepaid account that is directly or  
8 indirectly established through an employer and to which transfers of the  
9 employee's wages, salary or other compensation are made; and

10 c. "payroll card issuer" means a financial institution or other entity  
11 that issues a payroll card to employees on behalf of their employer.

12 2. Consent to receive wages by credit to a payroll card account shall  
13 not be made a condition of hire or a condition of continued employment.

14 3. A payroll card program offered by an employer shall be associated  
15 with a network of automated teller machines that assures the availabili-  
16 ty of a substantial number of in-network ATMs in the state.

17 4. If an employer pays wages to employees by credit to a payroll card:

18 a. Except as provided in paragraph b of this subdivision, employees  
19 must be able to make at least one withdrawal or transfer from the  
20 payroll card account in each pay period without charge for any amount up  
21 to and including the full amount of the employee's net wages for the  
22 period and one withdrawal at an in-network ATM each week without charge.

23 b. If wages are paid more frequently than weekly, employees must be  
24 able to make at least one withdrawal or transfer each week without  
25 charge for any amount up to and including the full amount of the employ-  
26 ee's net wages for that week and one withdrawal at an in-network ATM  
27 each week without charge.

28 5. Employers who use payroll cards to deliver wages or other compen-  
29 sation to their employees must also provide employees with the option of  
30 receiving their wages or other compensation by check and electronic fund  
31 transfer in accordance with section one hundred ninety-one-c of this  
32 article.

33 6. An employee who receives wages by credit to a payroll card must be  
34 provided with the following:

35 a. A means of checking the employee's payroll card account balances  
36 through an automated telephone system and one additional electronic  
37 means, without cost irrespective of number of inquiries made.

38 b. Access to an electronic transaction history that includes all  
39 deposits, withdrawals, deductions, or charges by any entity from or to  
40 the employee's payroll card account at no cost to the employee. The  
41 employee shall be provided one written transaction history a month at no  
42 cost upon request by the employee.

43 c. At the employee's request, one replacement card per year without  
44 cost, except that a fee may be charged for the cost of expedited deliv-  
45 ery of a replacement payroll card if the employee requests such deliv-  
46 ery.

47 7. When offering an employee the option of receiving wages by credit  
48 to a payroll card account, an employer must provide the employee with  
49 notice of the following items in paper or printable form. Notice must be  
50 provided in the languages the employer normally uses to communicate  
51 employment-related policies to their employees.

52 a. a listing of all methods of wage payment offered by the employer in  
53 accordance with section one hundred ninety-two of this article;

54 b. the terms and conditions relating to use of the payroll card,  
55 including a list of fees that may be assessed by the payroll card  
56 issuer;

1 c. the methods available to employees for accessing wages without  
2 costs;

3 d. the methods available to employees for checking the balance in the  
4 payroll card account without cost; and

5 e. a statement that third parties may assess transaction fees in addi-  
6 tion to the fees assessed by the payroll card issuer.

7 8. An employer may not use a payroll card program that charges fees  
8 for point of sale transactions; the application, initiation, loading of  
9 wages by the employer; account maintenance or monthly maintenance; or  
10 mere participation in the payroll card program. Fees for account inac-  
11 tivity may be assessed following nine months of inactivity.

12 9. An employee paid wages by credit to a payroll card account may  
13 request in writing to be paid wages by another method of payment  
14 provided by the employer in accordance with section one hundred ninety-  
15 two of this article. Following the written request, the employer shall,  
16 within two pay periods, begin payment to the employee by the allowable  
17 method requested by the employee.

18 10. The payroll card or payroll card account may not be linked to any  
19 form of credit including, but not limited to, overdraft fees or over-  
20 draft service fees, a loan against future pay, or a cash advance on  
21 future pay or work not yet performed.

22 11. A payroll card program offered by an employer shall provide the  
23 employee with notices, disclosures, error resolution procedures,  
24 protections from unauthorized use, and limitations on liability in  
25 accordance with the electronic fund transfer act, 15 U.S.C. § 1693 et  
26 seq, and regulation e, 29 C.F.R. part 1005, as may be amended.

27 12. Wages credited to a payroll card account must be insured by the  
28 Federal Deposit Insurance Corporation, the National Credit Union Admin-  
29 istration, or another entity on a pass through basis to the employee.

30 13. No employer shall receive any compensation, bonus, reward or other  
31 financial consideration from a payroll card issuer based upon: (a) the  
32 amount or number of payroll card-related fees paid by the employer's  
33 employees; or (b) the number of employees who are paid wages through a  
34 payroll card account. Nothing in this section shall preclude employers  
35 from receiving account materials or a bulk rate or volume discount based  
36 on the number of employees that receive wages through a payroll card  
37 account.

38 14. Where a collective bargaining agreement governs the method by  
39 which an employer must pay wages to its employees, an employer cannot  
40 seek consent to receive wages on a payroll card from any employee  
41 covered by that collective bargaining agreement.

42 § 4. This act shall take effect on the ninetieth day after it shall  
43 have become a law.