

STATE OF NEW YORK

60

2025-2026 Regular Sessions

IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sen. GALLIVAN -- read twice and ordered printed, and when printed to be committed to the Committee on Labor

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 volun-
18 tarily gives written or electronic authorization in advance to receive
19 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 wages in this manner.

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

LBD00376-01-5

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.