

The Legality of Employee Pay Cards

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Jennifer Sandberg's article "The Legality of Employee Pay Cards" was featured in *Legal Notes* on March 1, 2015.

Our world is becoming more and more electronic, and people are becoming increasingly accustomed to paying for goods and services with the swipe of a plastic card. Employers and even some employees are beginning to consider pay cards an attractive payment option. A pay card is a stored value card provided by a financial institution that works like a traditional debit or ATM card.

In the article, Jennifer discusses the benefits and risks associated with employee pay cards. She touches on the following topics:

- How does it work?
- Which state laws regulate pay cards?
- Which federal laws regulate pay cards?
- What do employees think?

For any pay card program, Jennifer advises employers to continue to monitor potential legal developments at both the federal and state law level. In the future, pay cards may be the primary wage delivery mechanism. For now, they present a scenario in which more regulations are likely to be established as their use becomes more prevalent.

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