



Approach Payroll Card System Thoughtfully

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Ted Boehm's article "Approach Payroll Card System Thoughtfully" was featured in *AJC* on June 17, 2015.

Early last month, Georgia became the latest state to pass legislation governing the payment of wages via "payroll cards." Senate Bill 88, which revised Georgia's Wage Payment law, OCGA § 34-7-2, was signed into law by Gov. Nathan Deal on May 5. Prior to the passage of this bill, the payment of wages via payroll cards in Georgia was neither explicitly lawful nor unlawful. Any open questions about that issue have now been put to rest by the new legislation.

Many employers have moved away from providing employees with physical checks on payday, and have moved to a paperless alternative such as direct deposit. While direct deposit remains the most favored option for paperless wage payment, the payroll card alternative continues to grow in popularity. Payroll cards work similar to a gift card; the employer simply delivers an employee's wages to a third party who in turn adds the wages to the payroll card, which is then provided to the employee

In the article, Ted discusses the new laws that require Georgia employers to take certain steps prior to transitioning to payroll card system. First, employers must provide current employees with a "written explanation of any fees associated with the payroll card." The most typical fees of this kind are "usage" or "withdrawal" fees or fees to replace a lost payroll card. Second, employers must simultaneously provide employees with a form that allows employees to opt out of the payroll card payment and request either a paper check or direct deposit. Both of these documents must be provided to current employees at least 30 days before an employer implements a payroll card system. For new employees, the documents must be provided at the time of hire.

Ted advises Georgia employers to evaluate these and other considerations before implementing a payroll card system.

To read the full article please visit [AJC](#).

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