

## ALERTS

### Labor & Employment Law Alert - Illinois Governor Signs Law Recognizing Payroll Cards As Wage Payment

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As an [update to a previous alert](#), Illinois Governor Pat Quinn has signed HB 5622, which recognizes payroll cards as a method of wage payment in Illinois. The new law will take effect on Jan. 1, 2015.

The law amends the Illinois Wage Payment and Collection Act (the Act) by expressly providing for payment of wages by a payroll card. It also adds Section 14.5 to the Act, which lays out the requirements employers must meet in order to pay wages via payroll card. Some requirements are highlighted below:

- Employers may not make payment of wages via payroll card a condition of employment for any employee.
- Employers must offer employees the option of receiving wages via cash, check, or direct deposit and obtain employees' voluntary consent to receive wages via payroll card.
- Employers must provide written disclosures explaining the terms and conditions of the payroll card account option prior to initiating payment of wages via payroll card.
- Employees must receive at least one method of withdrawing their full wages from the payroll card once per pay period, but not less than twice per month, without incurring a fee.
- Employees must be able to receive their transaction history once per month, as well as access their balance at any time without incurring a fee.

The law contains additional provisions specifying employer obligations related to the use of payroll cards as a method of wage payment. Illinois employers who pay wages or are considering paying wages via payroll card are encouraged to consult the new law to ensure full compliance.

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