

Illinois Governor Signs Payroll Card Law

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Governor Quinn has signed HB 5622, which amends the Illinois Wage Payment and Collection Act by recognizing payment of wages via payroll card. As we [previously reported](#), the law does not go into effect until January 1, 2015. At that time, payment of wages via payroll card will be recognized by Illinois law, subject to a number of requirements. The requirements include the following:

- 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 be able to withdraw their full wages from the payroll card without incurring a fee at least once per pay period and no less than twice per month

The new law contains a number of 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. Until the January 1, 2015 effective date, prior guidance from the Illinois Department of Labor indicates that payment of wages via payroll card is acceptable, subject to a number of listed requirements, which can be found [here](#). Those requirements include that the employee must consent to payment via payroll card and obtain the full balance of the payroll card account without discount. A full text of the new law can be found [here](#).

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