

## New Georgia Law Permits Use of Payroll Cards

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*Georgia employers now may pay employees through the use of payroll card accounts under a law signed by Governor Nathan Deal on May 5, 2015. The new law is effective immediately.*

Prior to the amendment, state law (O.C.G.A. § 34-7-2) referenced only cash, check, and direct deposit (with the consent of the employee) as the permissible methods of payment of wages. The new version of the statute expressly permits employers to pay employees “by credit to a payroll card account.”

The statute defines “payroll card account” as “an account that is directly or indirectly established through a person, firm, or corporation employing wage workers or other employees and to which electronic funds transfers of the wages or salary of such employees are made on a recurring basis, whether the account is operated or managed by such person, firm, or corporation or a third-party payroll processor, a depository institution, or any other person.” Cash, check, and direct deposit are still permitted under the new law, but consent of the employee is required for payment by direct deposit.

In order to use payroll cards under the new law, an employer must provide employees with the following:

A written explanation of any fees associated with the payroll card account. For current employees, this notice must be provided at least 30 days prior to the date the payroll card account is going to become available. For new employees, the notice must be provided at the time of hiring.

At the same time the above notice is provided, the employer also must provide a form allowing employees to opt out of receiving payments by a payroll card account. This form must be made generally available to employees at all times.

Employees also must have the ability to later opt out of using the payroll card account by submitting a written request for payment by check or by providing the proper authorization for direct deposit.

Jackson Lewis attorneys are available to answer inquiries regarding this new law and assist in employers’ compliance efforts.

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## practices

Wage and Hour

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