



Joint Core Principles for Payroll Cards

The American Payroll Association, Consumers Union,ⁱ the Electronic Payroll Coalitionⁱⁱ, and the National Consumer Law Centerⁱⁱⁱ have identified and agreed to ten core principles regarding the use of payroll cards.^{iv} These core principles are essential to promote a fair, safe, and convenient method of delivering wage payments to employees. Our groups are pleased to have reached the level of consensus described in these principles, and we offer them to all who are engaged in issuing, selecting, using, or regulating payroll cards. Not all issues are addressed in this document. Each organization may submit [supplemental principles](#).

The ten core principles upon which the Organizations agree are as follows:

1. Employees must be able to access their full wages, at least once each pay period, without cost.
2. Cardholder fees to open or close a payroll card account, and fees that inhibit an employee's ability to access full wages at least once each pay period without cost, must be prohibited. Cardholders should not be assessed a fee for a replacement card unless they have already received one free replacement card during the calendar year.
3. The terms and conditions of the payroll card program, including all program fees that may be incurred by the employee, if any, must be provided to employees in a clear and conspicuous manner in paper or printable form before the employee is enrolled in a payroll card program.
4. Terms and conditions and fee disclosures must be provided in the languages the employer normally uses to communicate employment-related policies to their employees.
5. Employees should be provided an option to check account balances via an automated telephonic system and at least one additional electronic option. These should be offered without any cost to the employee.
6. Payroll cards should not be linked to abusive forms of credit, credit practices and fee-based overdraft programs.

7. Employers must select a program that maintains payroll funds in an FDIC- or NCUA-insured account on a pass-through basis to the individual cardholder.
8. The funds in a payroll card account shall not expire. This principle does not override any effect of state escheat laws.
9. If the payroll card has an expiration date, the employee must be provided with a free replacement card prior to the expiration date.
10. Employers who offer payroll cards must also offer direct deposit to a checking or savings account established by the employee at a bank or credit union of the employee's choosing. Direct deposit provides a safe, reliable and convenient method of wage payment for employees with bank accounts.

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To read Consumers Union and National Consumer Law Center's supplemental principles for payroll cards, [click here](#).

ⁱ Consumers Union of United States, Inc., publisher of Consumer Reports[®], is a nonprofit membership organization chartered in 1936 to provide consumers with information, education, and counsel about goods, services, health and personal finance. Consumers Union's income is solely derived from the sale of Consumer Reports[®], its other publications and services, fees, noncommercial contributions and grants. Consumers Union's publications and services carry no outside advertising. Consumers Union does not accept donations from corporations or corporate foundations. The work of Consumers Union's Financial Services Campaign is described at: www.defendyourdollars.org.

ⁱⁱ The Electronic Payroll Coalition consists of the APA, the Association for Financial Professionals, and NACHA – The Electronic Payments Association, which have joined to promote the benefits of all-electronic payroll (Direct Deposit and payroll cards) to employers and employees alike.

ⁱⁱⁱ The National Consumer Law Center is a nonprofit advocacy organization that seeks to build economic security and family wealth for low-income and other economically disadvantaged Americans.

^{iv} A "payroll card" is a reloadable prepaid card or other access device issued to an employee through a financial institution on behalf of an employer.