R 408.9035 Payment of wages by payroll debit card; conditions.

Rule 35. Pursuant to section 6 of the act, an employer or agent of an employer may use a payroll debit card to pay wages to an employee, if all of the following conditions are satisfied:
(a) The employee can obtain payment of his or her wages in full, when they are due and payable.
(b) Prior to the issuance of a payroll debit card to an employee, the employer shall provide to the employee a written notice of all of the following:
    (i) The terms and conditions of the payroll debit card.
    (ii) Disclosure of fees that may be assessed by the card issuer.
    (iii) Disclosure that additional fees may be assessed by third parties through use
    of a payroll debit card in addition to fees assessed by the card issuer.
(c) If a payroll debit card is used, then the cardholder, not the issuer or the bank, shall possess ownership of the funds. Neither the issuer nor the bank shall retain a reversionary interest in the funds. The reversal of a deposit of wages made to a payroll debit card account in error is not considered reversionary when it involves any of the following:
    (i) A credit made to the wrong employee account.
    (ii) A duplicate credit made to an employee account.
    (iii) A credit that differs from the amount in the transmittal instructions.
    (iv) A correction as described in section 7(4) of the act, being MCL 408.477(4).
(d) If an employer deposits wages into a pooled account accessible to an employee using a payroll debit card, the employer shall maintain records of each deposit sent to the card issuer for that account showing the amount of wages deposited for each employee and the date of the deposit. In addition, each cardholder's ownership interest in the funds deposited shall be indicated on records maintained by the card issuer, the depository institution's deposit account, or a third party.

History: 2006 AACS.