

## **APA GRTF Payroll Card Subcommittee Supports Earlier Version of New Hampshire Bill**

The American Payroll Association (APA) Government Relations Task Force (GRTF) Subcommittee on Payroll Cards recently submitted a statement in support of provisions in *New Hampshire* Senate Bill 84 that address the use of payroll cards to a New Hampshire State Legislature Conference Committee that was considering the bill (May 1, 2018, statement; available at <http://info.americanpayroll.org/pdfs/gov/grtf-paycard-NH-SB84-2018-5-1.pdf>).

### **Amendments changed nature of bill**

Bill Dunn, CPP, APA's Director of Government Relations, said that APA supported the original version of the bill as passed by the Senate Commerce Committee, which included very promising provisions governing the use of payroll debit cards for wage payments. Unfortunately, those provisions were stripped from the bill in amendments made by the House Committee on Labor, Industrial, and Rehabilitative Services. APA strongly encourages the legislature to reintroduce the payroll card provisions in the near future.

The payroll card provisions would have allowed employers to make all wage payments electronically, either through direct deposit or to a payroll card account. The provisions also provided employees with the right to select any payment method offered by the employer. APA generally favors electronic payments over the use of paper checks for a variety of reasons, including the timeliness of the payments; superior protection against fraud, theft, and loss; and reduced administrative overhead and tracking. In short, electronic payments are faster, safer, more economical, and more efficient.

### **Benefits of paycards**

According to a 2015 study by the Federal Deposit Insurance Corporation (FDIC), 7% of U.S. households are unbanked and another 19.9% are underbanked, meaning that they have a bank account but still rely on alternative financial services such as check cashing services. Overall, New Hampshire has a higher than average rate of residents with bank accounts; yet, the FDIC says 18.2% of New Hampshire residents rely on alternative financial services.

These facts are overwhelming. Not only are electronic payments faster, safer, and more efficient than paper checks, they are also less expensive, both for businesses and employees. APA urges the New Hampshire legislature to support the use of payroll cards as a meaningful benefit to both employees and their employers.