

Texas Paycard Bill Becomes Law With Support From APA

Effective September 1, 2019, *Texas* will explicitly permit the use of payroll cards and allow employers to make electronic payment the default method of paying wages provided certain conditions are met [H.B. 2240, L. 2019]. APA previously expressed its support for this paycard legislation.

Payroll card account

The legislation defines “payroll card account” as an account that is directly or indirectly established by an employer into which each participating employee’s wages, salary, or other form of compensation is deposited on a recurring basis and for which the employee receives a payroll card to access the funds in the account.

Notice requirements

An employer may elect to pay wages to an employee via a payroll card account plan that is linked to a federally insured financial institution and uses electronic funds transfer (EFT) to deposit wages in the employee’s payroll card account. An employer that pays an employee via this method must, not later than the sixtieth day before the date of the first electronic funds transfer to the payroll card account (or for an employee hired after the date the employer adopts the payroll card account plan, not later than the employee’s first day of work):

- Notify the employee in writing regarding the employer’s use of a payroll card account plan and provide the employee with a complete list of fees associated with the card account in English (or in another language if the employer offers a payroll card account to an employee in another language).
- Provide a form to the employee that may be used to request an alternate form of payment if the employee elects to opt out of the payroll card plan.
- Obtain from the employee any information required by the payroll card account issuer that is necessary to implement the EFT.

If an employee requests an alternate form of payment (as is permitted under the law), the employer must pay the employee’s wages in the alternate form as soon as is practical – but not later than the first payday occurring after the thirtieth day after the employee makes the request.

APA support

On April 11, APA member Emma Jackson, CPP, the Government Liaison Officer for APA’s Alamo Chapter in San Antonio, Texas, testified before the Texas Senate Committee on Natural Resources and Economic Development in favor of S.B. 1485, which was substantially similar to the paycard bill that was ultimately enacted (see [PAYSTATE UPDATE, Issue 10, Vol. 21](#)). Earlier this year, APA submitted written testimony expressing its support for H.B. 2240 to the House Committee on International Relations and Economic Development (see [PAYSTATE UPDATE, Issue 8, Vol. 21](#)).