APA Member Testifies in Support of Texas Paycard Bill

APA member Emma Jackson, CPP, the Government Liaison Officer with APA’s Alamo Chapter in San Antonio, Texas, testified before the Texas Senate Committee on Natural Resources and Economic Development on April 11 in favor of S.B. 1485, which would permit the use of payroll cards and make electronic payment the default method of paying wages. The bill is substantially similar to H.B. 2240, which passed out of the House Committee on International Relations and Economic Development in April.

“I am here to speak on behalf of more than 20,000 payroll professionals across the country, many of whom are not located in Texas, like I am, but are still responsible for paying employees here,” Jackson told the committee.

Jackson emphasized the responsibility payroll professionals feel to ensure employees are paid accurately and on time. “Throughout my career I have watched the continual growth of electronic wage payment methods, through direct deposit and payroll cards,” she said. “We know that electronic payment methods are safe, fast, efficient, and inexpensive, for both employers and employees. We appreciate that Senate Bill 1485 will modernize the rules regarding how employers in Texas may pay their workers, by expressly authorizing the payment of wages to a payroll card.”

Paper checks are inconvenient

As with testimony before the House, the effects of Hurricane Harvey, which disrupted and uprooted the lives of so many in Texas, played a central role. Jackson said that after a big event like Hurricane Harvey, payroll professionals inevitably see increased enrollment in both direct deposit and payroll cards, especially in the affected areas.

“It doesn’t always take such a dramatic event as a hurricane,” she said. “Practically every payday, some employee who is paid by paper check is inconvenienced. The person might be out sick on payday, or on vacation, or simply not scheduled to work that day. Checks get lost, get stolen, and believe it or not, sometimes they just don’t get cashed. Employers prefer to know that the wages they pay are deposited safely into an employee’s account.”

Jackson allayed any concerns that the bill would allow employers to mandate the use of payroll cards. “If someone really wants a paper check, they’ll be able to receive it. And banked employees who prefer to receive their wages through direct deposit will continue to enjoy that option. But overall, more employees will benefit by regularly receiving their wages electronically before some unfortunate event occurs,” she said.

At press time, S.B. 1485 remained in committee. It is expected that the full House will vote on H.B. 2240 soon. Though the two bills were originally identical, the House amended H.B. 2240 to ensure consumer protections by requiring that payroll card programs be covered by a federal deposit insurance plan. The committee also added a 30-day deadline by which an employer would need to honor a request to opt out of a payroll card program.