

Oklahoma to Permit Direct Deposit, Paycard Mandate

Effective November 1, 2022, employers will be permitted to pay *Oklahoma* employee wages via payroll card, if the employees do not consent to or designate a financial institution for payment of wages via direct deposit [[S.B. 1345](#), L. 2022].

Definitions

Under the law, “payroll card” is defined as a card or other device used by an employee to access wages from a payroll card account. A “payroll card account” is defined as a prepaid account that is directly established through an employer and to which transfers of the employee’s wages, salary, or other compensation are made on a recurring basis. A “financial institution” is defined as a bank, savings bank, savings and loan association, or credit union whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration, or any successor institution.

Requiring paperless pay

Effective November 1, 2022, employers in the state may choose to pay all wages due to an employee via deposit on the payday at a financial institution of the employee’s choice (e.g. direct deposit), or if the employee does not consent to receiving pay via direct deposit or designate a financial institution, to a payroll card account.

Current paycard requirements

Currently, an employer cannot require the use of paycards in Oklahoma, pursuant to an opinion letter that was issued in 2009 (Oklahoma Attorney General Opinion No. 09-31, 11-17-09). An employee can choose to use a paycard, but it must be voluntary. Employees cannot be charged a fee to receive wages via electronic means.

Electronic payments guide free for APA members

Want to learn more about electronic wage payments? The APA’s 2022 edition of [The Guide to Successful Electronic Payments](#), sponsored by rapid!, provides payroll professionals with the information they need to successfully implement or improve the electronic pay process at their companies. The nature of electronic payments is changing rapidly, and the *Guide* has been updated with the latest information, including: cryptocurrency and payment of wages; and a new rule that increased the ACH per-transaction dollar limit to \$1 million in March 2022.

The *Guide* also provides all you need to know about the following: direct deposit; third-party payments; paycards; and earned wage access, including APA’s report [Understanding Earned Wage Access and Payroll](#).

APA members receive the [2022 eBook](#) as part of their membership benefits. Beginning May 31, go to www.americanpayroll.org, then choose the “Membership” tab and “Free eBooks” from the pull-down menu.