



PAYSTATE UPDATE

The Latest State and Local Payroll Compliance News from the American Payroll Association

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Employer Cannot Mandate Payroll Cards, Says Pennsylvania Superior Court

While a McDonald's franchise in Northeastern *Pennsylvania* was wrong to require employees to accept their pay on payroll cards rather than direct deposit or paper check, "the use of a voluntary payroll debit card may be an appropriate method of wage payment," said the Superior Court of Pennsylvania [*Siciliano v. Mueller*, No. 1321 (Pa. Sup. Ct., 10-21-16)]. In its decision, the court acknowledged the amicus (friend of the court) brief submitted by the American Payroll Association (see [PAYSTATE UPDATE, Issue No. 14, Vol. 18](#)).

Background

The class action complaint was originally filed in 2014. Among a series of complaints, employees claimed that they were not given the option of payment methods as required by state law. The trial court found in favor of the employees, and the business owners appealed to the Superior Court.

The lawsuit drew APA's interest because it questioned the validity of using payroll cards to pay wages in Pennsylvania. Plaintiffs argued that payroll cards were not allowed because the Pennsylvania Wage Payment and Collection Law (WPCL) requires that "wages shall be paid in lawful money of the United States or check."

APA's brief

In its amicus brief, APA requested "that the Court find that payroll cards are a valid form of wage payment under Pennsylvania law. Even if the Court were to find that payroll cards do not constitute lawful money of the United States or check and, therefore, upholds the trial court's decision, it should avoid any implication that payroll cards are per se unlawful in Pennsylvania."

Ruling deals with mandatory use of payroll cards

The case is considered one of "first impression," because the court had no binding precedent on which to base its decision (meaning no existing state laws or prior court cases). The court said, "until our General Assembly provides otherwise, the plain language of the WPCL makes clear that the mandatory use of payroll debit cards at issue here, which may subject the user to fees, is not [an appropriate method of wage payment]."

State bill enacted

Less than a week after the court's decision, on October 27, the state legislature passed a bill (S.B. 1265) allowing for the use of payroll cards on a voluntary basis. The bill was signed by Gov. Tom Wolf on November 4.