

Chicago Tribune

Gov. Quinn signs payroll cards bill into law



Gov. Pat Quinn celebrates signing a bill regulating payroll cards during a ceremony at Community Organizing and Family Issues in Chicago. (Michael Tercha / Chicago Tribune)

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By [Alejandra Cancino](#), Tribune reporter

Illinois law to limit payroll card fees and make using them optional signed by Gov. Quinn

“We don’t want unfair, artificial fees to be attached to those payroll cards. We don’t want to have policies that are unfair,” said Quinn, who signed the bill at the headquarters of Community Organizing and Family Issues, a nonprofit that lobbied for the bill in Springfield.



Gov. Pat Quinn signed into law on Wednesday a bill that will regulate payroll cards, allowing employers to use them as long as they don't make them a condition of employment.

Under old Illinois law, employers were required to pay employees via check or direct deposit. The law made no mention of payroll cards, which operate like debit cards.

The new law requires employers to inform workers that enrollment is voluntary, provide them an itemized list of fees and offer a paper check option or direct deposit. The bill also ensures workers would get free access to their wages once pay per pay period.

Initially, the bill banned inactivity fees. It was amended to allow fees after one year of inactivity. Lawmakers also allowed fees for declined transactions; workers get two free per month. "Commercially reasonable fees" can be charged after that.

An increasing number of employers nationwide — especially those in low-wage industries such as retail and fast food — are implementing the cards, which look like debit cards, in lieu of traditional paychecks.

Businesses prefer the cards because they save \$2.75 each time they electronically load the card instead of cutting a check, according to Aite Group, a Boston-based research and consulting firm.

People won't have to pay to get their pay- Illinois Attorney General Lisa Madigan

Workers say using payroll cards can mean extra fees, including some that aren't disclosed, including fees for accessing their money and checking balances.

"Many of the charges were hidden," said Maria Toribio, 33, whose husband gets paid via a payroll card. She said those fees could equal a day's worth of food.

Fees can reach several hundred dollars over a year.

Many of the workers paid via payroll cards earn wages near \$8.25 per hour, the state's minimum wage.

The office of Illinois Attorney General Lisa Madigan, which found that fees on payroll cards range from 50 cents to \$5, was behind the push for the legislation.

"When we looked, we learned that the fees in these payroll cards were both excessive as well as unfair," Madigan said.

With the new law, Madigan said, "People won't have to pay to get their pay."

