



May 30, 2014

**ATTORNEY GENERAL MADIGAN: LAWMAKERS PASS BILL TO PROTECT LOW WAGE WORKERS**

**Springfield** — Attorney General Lisa Madigan today praised lawmakers for passing legislation that puts in place protections for low wage workers who receive their wages on a payroll card, an increasingly common method of payment used by Illinois employers. The bill will provide important protections for workers against unreasonable fees to access their pay.

House lawmakers voted 98-11-1 today to send House Bill 5622 to the governor. The bill, crafted by Attorney General Madigan's office and sponsored by Rep. Arthur Turner and Sen. Kwame Raoul, addresses this increasingly popular form of payment used by employers of hourly, low wage workers at fast food restaurants and stores. Instead of issuing paper checks, employers are providing wages on payroll cards. But employees are charged numerous fees to access or spend their earned wages, such as: a \$5 account inactivity fee, a \$3 fee for requesting a monthly statement of their account or 50 cent fees every time they want to make a purchase or check their account balance.

Last year, the Attorney General's office began investigating the use of payroll cards after receiving complaints from employees in Illinois and discovered the unreasonable fees attached to the cards and other practices that reduce the employees' earnings. The Attorney General's office crafted the legislation, with the assistance of the Illinois Department of Labor, to put a stop to these harmful practices.

"People shouldn't have to pay to get their pay," Madigan said. "This bill will ensure that low wage workers get all of their wages instead of having them siphoned off by banks through unfair and excessive fees."

The bill will help ensure payroll cards benefit employees by prohibiting fees for simply accessing their wages or checking an account balance, while also providing employers with flexibility to meet the proposed requirements. The bill will provide guidelines for employers wishing to use this new form of wage payment.

"Ideally, every worker would be able to have a bank account and build their savings each pay period," Rep. Turner said.

"Unfortunately this is not the case for employees throughout the state of Illinois. Allowing businesses to pay their employees through electronic debit cards gives workers a secure, convenient and no-cost alternative to a paycheck."

House Bill 5622 would:

- Ensure employees can access their wages without incurring fees, including a prohibition on fees for overdrafts, transaction history requests and purchases;
- Limit fees for card inactivity and declined transactions;
- Preserve employees' right to choose the payment method that works for them, whether that method is check, direct deposit or payroll card; and
- Require employers to give employees notice of the terms of the payroll card program

"Workers compensated using payroll cards deserve a fair wage, fairly paid – without having to put up with excessive fees and restrictions just to access their paychecks," said Sen. Raoul. "Employers and employees should be able to use this increasingly popular form of payment, as long as workers' options and reasonable expectations of fair treatment are respected."

-30-

[Return to May 2014 Press Releases](#)



