



August 6, 2014

**ATTORNEY GENERAL MADIGAN APPLAUDS GOVERNOR'S ACTION TO
INCREASE PROTECTIONS FOR LOW WAGE WORKERS**

Bill Crafted by Attorney General Madigan Signed into Law by Gov. Quinn to Protect Workers from Unnecessary Fees on Payroll Cards

Chicago — Attorney General Lisa Madigan today applauded Gov. Quinn for signing into law a bill drafted by her office to better protect low wage workers who receive their wages on a payroll card. The new law implements protections for workers against unreasonable fees to access their paychecks on this increasingly common method of payment used by Illinois employers.

"Before today, there were better protections on gift cards than payroll cards in Illinois," Madigan said. "But with this new law, which will be the strongest of its kind in the country, Illinois employees will no longer have to pay just to get their pay."

"We need to make sure that all Illinois residents are treated fairly when it comes to receiving their hard-earned pay," Governor Quinn said. "No one should be penalized by unnecessary fees when they are trying to collect their wages. I applaud Attorney General Madigan for pushing this common-sense legislation to protect the hardworking men and women of our state. Not only are we fighting to raise the minimum wage in Illinois, now employees will have the choice between proven and safe ways of receiving all the wages they rightfully deserve."

Payroll cards are an 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, Madigan'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. The legislation, House Bill 5622, was sponsored by Rep. Arthur Turner and Sen. Kwame Raoul during the spring session.

The law 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 law will provide guidelines for employers wishing to use this new form of wage payment. Specifically, the new law will:

- 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

The new law will take effect Jan. 1, 2015.

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