

DIRECT DEPOSIT & PAYROLL CARD ACCOUNTS

❖ **Direct Deposit**

- In order to use direct deposit as a method of meeting payroll, it must be agreed upon, in writing, by both the employee and employer.
- The agreement must specifically identify the employee, the financial institution, the type of account and the account number.
- **No employer or existing employee can be required to use or accept direct deposit as a method of receiving wages.**

❖ **Payroll Card Accounts (debit cards)**

- As of July 7, 2008, the use of employee payroll accounts (debit cards) became an acceptable method of meeting payroll in West Virginia. .
- Payment of employee compensation by means of a payroll debit card account must be agreed upon, in writing, by both parties.
- **No employer or existing employee can be required to use or accept payroll debit card accounts as a method of receiving wages.**
- Employees may not be charged excessive user fees or other charges just for the privilege of receiving their wages.

§21-5-3 - Payment of wages by employers other than railroads.

(a) Every person, firm or corporation doing business in this state, except railroad companies as provided in section one of this article, shall settle with its employees at least once in every two weeks, unless otherwise provided by special agreement, and pay them the wages due, less authorized deductions and authorized wage assignments, for their work or services.

(b) Payment required in subsection (a) of this section shall be made:

(1) In lawful money of the United States;

(2) By cash order as described and required in section four of this article;

(3) By deposit or electronic transfer of immediately available funds into an employee's payroll card account in a federally insured depository institution. The term "payroll card account" means an account in a federally insured depository institution that is directly or indirectly established through an employer and to which electronic fund transfers of the employee's wages, salary, commissions or other compensation are made on a recurring basis, whether the account is operated or managed by the employer, a third-party payroll processor, a depository institution or another person. "Payroll card" means a card, code or combination thereof or other means of access to an employee's payroll card account, by which the employee may initiate electronic fund transfers or use a payroll card to make purchases or payments. Payment of employee compensation by means of a payroll card must be agreed upon in writing by both the person, firm or corporation paying the compensation and the person being compensated.

(4) By any method of depositing immediately available funds in an employee's demand or time account in a bank, credit union or savings and loan institution that may be agreed upon in writing between the employee and such person, firm or corporation, which agreement shall specifically identify the employee, the financial institution, the type of account and the account number: *Provided*, That nothing herein contained shall be construed in a manner to require any person, firm or corporation to pay employees by depositing funds in a financial institution.