

# consumer action

Education and advocacy since 1971

[www.consumer-action.org](http://www.consumer-action.org)

PO Box 70037  
Washington, DC 20024  
202-544-3088

221 Main St, Suite 480  
San Francisco, CA 94105  
415-777-9648

523 W. Sixth St., Suite 722  
Los Angeles, CA 90014  
213-624-4631

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**CONTACT:** [Linda Sherry](#), Consumer Action, 202-544-3088; [Crystal Wright](#), NBPCA, 202-549-8072

## **Consumer Action and NBPCA Partner to Offer Payroll Card Best Practices for Employers and Employees**

*New guide explains how payroll cards work, options for accessing wages  
and how to limit or avoid fees*

February 20, 2014—In response to the growing use of payroll cards among employers nationwide, the Network Branded Prepaid Card Association (NBPCA) joined forces with Consumer Action to create a four-page employee guide designed to help employers educate their employees on this electronic wage payment option. For workers without access to direct deposit through a bank account, a consumer-friendly payroll card can be a safer, more convenient and less expensive option than a paper paycheck.

With funding, technical feedback and industry expertise from NBPCA members ADP, Commerce Bank, First Data, MasterCard and Visa, *An Employee's Guide to Payroll Cards* was produced and is now available as a free download in English on the Web ([bit.ly/employee\\_payroll](http://bit.ly/employee_payroll)) and via mobile device ([bit.ly/1h4Y58P](http://bit.ly/1h4Y58P)). Spanish and Chinese versions will be available soon.

“The rapid rise of payroll cards has given employees new options for safer and more immediate access to funds, even when employees are unable to travel to the workplace and bank to pick up and cash their paychecks. This has also enabled employers to help address the cost and fraud associated with paper checks,” said Kirsten Trusko, President and Executive Director of NBPCA. “It is important to offer employers the tools to help their employees maximize the benefits the cards offer.”

Payroll cards offer significant advantages over paper paychecks for both employees and employers. According to a 2013 Aite Group report, payroll cards are expected to grow from \$34.1 billion to \$68.9 billion in “card loads” (wages paid) between 2012 and 2017. That growth represents millions of additional employees who will have the choice of receiving their earnings on a card that provides fee-free options to obtain their pay, instead of paper paychecks, which unbanked employees often take to check cashing firms and convert to cash for a substantial fee.

“Payroll cards offer the opportunity for workers who would otherwise receive a paper paycheck to avoid potential check cashing fees, money orders and the risk of losing cash,” said Linda Sherry, Consumer Action’s Director of National Priorities. “We wrote this new guide to help wage-earners understand how the cards work, how to avoid fees, what their rights are, and, ultimately, to help them determine if a payroll card is their best option.”

The NBPCA-Consumer Action partnership produced a second publication, *An Employer’s Guide to Payroll Cards*, which was also sponsored by ADP, Commerce Bank, First Data, MasterCard and Visa. Written in question-and-answer format, the booklet covers what to look for when choosing a payroll card program, recognizing employee-friendly terms, and more.

Both publications are also available on the NBPCA website:  
<http://www.nbpcanet.com/en/News-Room.aspx>.

The NBPCA is committed to working with all interested parties to provide consumers with the tools to help them find the best payment options to manage their money. NBPCA is pleased to work with Consumer Action on this project because of the organization’s long and successful history of offering helpful multilingual educational materials to consumers.

#### **About Consumer Action**

Consumer Action ([www.consumer-action.org](http://www.consumer-action.org)) has been a champion of underrepresented consumers nationwide since 1971. A non-profit 501(c)(3) organization, Consumer Action focuses on consumer education that empowers low- and moderate-income and limited-English-speaking consumers to financially prosper. It also advocates for consumers in the media and before lawmakers to advance consumer rights and promote industry-wide change. Like us on Facebook ([www.facebook.com/consumeraction](http://www.facebook.com/consumeraction)); follow us on Twitter ([@consumeraction](https://twitter.com/consumeraction)).

#### **About the NBPCA**

The Network Branded Prepaid Card Association (NBPCA) is a non-profit, inter-industry trade association that seeks to educate, advocate, protect and promote on behalf of network branded prepaid debit cards and represents the common interests of the many types of companies who come together to deliver the wide variety of prepaid products. For additional information visit [www.NBPCA.org](http://www.NBPCA.org), or follow us on [Twitter](https://twitter.com/NBPCA).

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