

INFORMATION MEMO LABOR AND EMPLOYMENT LAW

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New York State DOL (Yet Again) Issues Draft Regulations on Payroll Debit Cards and Other Wage Payment Issues

After a nearly eight-month delay, the New York State Department of Labor once again published <u>draft Regulations</u> governing the payment of employee wages via payroll debit cards, direct deposit, and other means. As reported in the <u>November 6, 2015 New York Labor and Employment Law Report</u>, these proposed Regulations would impose several new requirements for New York employers, even for those who merely pay employees by direct deposit. These proposed Regulations – now NYSDOL's third version – are currently open for public comment.

The most recent version is almost identical to the version last proposed in October 2015, with NYSDOL making only two substantive changes: (1) the newly-proposed Regulations make clear that the requirement to provide employees with a "list of locations" — where they can access and withdraw their wages — only applies to the use of payroll debit cards; and (2) the newly-proposed Regulations remove language included in the October 2015 version, which provided that, when paid by check, employees must have at least one means of no-cost local access to the full amount of wages through check cashing or deposit of a check at a financial institution (but NYSDOL nevertheless stated that employers must still "ensure that employees are able to access their wages in order for payment to be effective in accordance with the requirements of Section 191 of the Labor Law"). Notably, NYSDOL reiterated that the proposed Regulations will not be effective until six months after they are published and adopted in final form.

The reason for the eight-month delay on the part of the NYSDOL in issuing these revised draft Regulations is unclear, but it is expected that final rule-making will now proceed in a timely manner.

If you have any questions about this Information Memo, please contact <u>Andrew D. Bobrek</u>, any of the <u>attorneys</u> in our <u>Labor and Employment Law Practice</u>, or the attorney in the firm with whom you are regularly in contact.





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