

Payroll Card Guidelines for Employers

General Requirements

In all states, employers must:

1. Provide employees with a choice of payment method. When offering the U.S. Bank Focus Card, employer must provide employee at least two means of receiving pay (unless a state requires additional methods of payment), including direct deposit. This means:

- Every employee should be given a reasonable opportunity to make an informed decision on their method of payment without intimidation, coercion, or fear of reprisal for exercising that opportunity;
- Participation in the payroll card program may not be a condition the hire or continued employment of an employee; and
- Employer may not use intimidation, coercion, or fear of discharge or reprisal (including withholding pay) to force participation in the payroll card program.

2. Prior to an employee choosing any payment method, provide such employee with applicable disclosures, including the Pre-Acquisition Disclosures in a form employees may keep.

- Employers providing disclosures in paper form, must ensure the paper materials are provided before the employee selects a payment option and that the materials can be kept by the employee.
- Employers providing electronic disclosures must present the required disclosures in a way that must be viewed by the employee before a pay election is made. Also, when disclosures are delivered electronically, employees must have the option to print or save the disclosures.

3. Comply with all applicable laws regarding the timing and amount of compensation paid to the Card Account. Pay should be deposited to the Card Account on or before the established payday.

4. Not use the Card Account to engage in pay day loan transactions with any employee.

5. Provide U.S. Bank with the state of employment for each employee-cardholder and promptly notify U.S. Bank of any changes.

6. Limit fees to those set forth in the U.S. Bank Focus Card Fee Schedule provided by U.S. Bank. The employer may not charge any fees in connection with the Card Program, including fees for participating in the program and fees for transferring pay to the Card Account.

7. Promptly honor an employee's request to change payment methods to another method offered by the employer. The new payment method is required to take effect by the next pay period (or shorter period of time if required by state law).

8. Continue to provide pay statements and maintain payroll records in accordance with applicable state law.

9. Maintain accurate and complete records demonstrating compliance with each of these requirements.

10. With respect to any electronic system used to present the disclosures contemplated by these requirements and to obtain the employee-consents contemplated by these requirements, present such electronic process to U.S. Bank for approval.

11. If your employee onboarding process, including pay selection process, includes materials in a language other than English, or if you normally communicate to employees in a foreign language, let U.S. Bank know.

12. Use only U.S. Bank provided or approved materials to market or describe the Card. Should materials or documentation beyond what is provided by U.S. Bank be needed, employer is required to engage U.S. Bank for appropriate review and approval.

State-Specific Guidelines

This section provides information on any disclosures or steps that may apply based on an employee's State of Employment.

I. Default States—*Electronic pay may be required; the payroll card is the default form of payment when no selection is made.*

Applicable States:

Alabama, Arizona, Colorado, Delaware, District of Columbia, Florida, Georgia, Indiana, Iowa (for employees hired after 7/1/2005), Kansas, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah (if thresholds described below are met), Virginia (for employees hired after 1/1/2010), Washington, and Wisconsin.

Basic Guidelines in all Default States:

- Offer the Focus Card to employees along with direct deposit. A payroll card may not be the only payment option offered to an employee.
- Provide employees with Pre-Acquisition Disclosures in paper or electronically. If provided electronically, these materials must be presented in such a way that the materials must be opened or viewed by the employee before the employee makes a payment selection. Electronic disclosures, including layout and content, must be approved by U.S. Bank.

Additional Guidelines for specific states:

- **Georgia**
 - Employees should receive 30 day's advance written notice before converting to offer only electronic pay options for the first time. This notice should include the Pre-Acquisition

Disclosures. Because these materials are specifically required to be delivered “in writing”, they may be provided electronically only with employee’s express consent and where the employee has an opportunity to save, print, email themselves a copy or request copies of those disclosures. Electronic disclosures, including layout and content, must be approved by U.S. Bank.

→ For new hires, Pre-Acquisition Disclosures should be provided in writing. Because these materials are specifically required to be delivered “in writing”, they may be provided electronically only with employee’s express consent and where the employee has an opportunity to save, print, email themselves a copy or request copies of those disclosures. Electronic disclosures, including layout and content, must be approved by U.S. Bank.

- **Florida**

→ Employers of labor pools should provide: (1) notice of payment options prior to the first pay day; (2) the option to receive pay in cash or check; and (3) notice of a location near the labor pool that allows access to pay paid to the card without a fee to the employee.

- **Kansas**

→ Employers should provide educational materials about the U.S. Bank Focus Card to employees at least 30 days prior to initially implementing a Payroll Card Program. U.S. Bank will provide documentation to meet this requirement. Note: This requirement does not apply to employers with an existing payroll card program.

- **Tennessee**

→ Pre-Acquisition Disclosures should be provided in writing. Because these materials are specifically required to be delivered “in writing”, they may be provided electronically only with employee’s express consent and where the employee has an opportunity to save, print, email themselves a copy or request copies of those disclosures. Electronic disclosures, including layout and content, must be approved by U.S. Bank.

- **Texas**

→ Provide employees 60 day’s advance notice before converting to offer only electronic pay options for the first time.

- **Utah**

→ At least 2/3 of employees have their pay deposited by electronic transfer, and the employer’s federal employment tax deposits equaled or exceeded \$250,000 in the previous calendar year. If this requirement is not met, then Utah must be treated as a Paycheck State.

- **Virginia**

→ Electronic pay may not be required for employees hired on or before January 1, 2010. Check option must be offered to those employees. See Paycheck States below.

→ For employees hired after January 1, 2010, electronic pay may be required, with employees that do not provide other direct deposit information receiving pay on a Focus card. These employees should receive Pre-Acquisition Disclosures in writing. Because

these materials are specifically required to be delivered “in writing”, they may be provided electronically only with employee’s express consent and where the employee has an opportunity to save, print, email themselves a copy or request copies of those disclosures. Electronic disclosures, including layout and content, must be approved by U.S. Bank.

II. Opt-Out States—*Check option is required, but payroll cards may be the preferred method of payment where the employee does not opt-into another method.*

Applicable States:

Alaska, Arkansas, California, Maryland, New Mexico, Puerto Rico, Wyoming

Basic Guidelines for all Opt-Out States:

- Offer the U.S. Bank Focus Card to employees along with checks and direct deposit. A payroll card may not be the only payment option offered to an employee.
- Provide employees with the following disclosures in paper or electronically:
 - a. Pre-Acquisition Disclosures;
 - b. U.S. Bank Focus Cardholder Agreement; and
 - c. Opt-Out Form or Electronic Opt-Out Screen

If provided electronically, these materials must be opened by the employee before the employee makes a payment selection. Electronic disclosures, including layout and content, must be approved by U.S. Bank.

III. Paycheck States—*Check option is required and is the default method of payment.*

Applicable States:

Connecticut, Hawaii, Idaho, Illinois, Iowa (for employees hired before 7/1/2005), Michigan, Minnesota, Montana, Nevada, New Hampshire, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Utah (if thresholds described above in Default States are not met), Vermont, Virginia (for employees hired on or before 1/1/2010), and West Virginia.

Basic Guidelines for Paycheck States:

- Offer the U.S. Bank Focus Card to employees along with checks and direct deposit. A payroll card may not be the only payment option offered to an employee.
- Provide employees with the following disclosures in paper or electronically:
 - a. Pre-Acquisition Disclosures;
 - b. U.S. Bank Focus Cardholder Agreement;
 - c. Pre-Enrollment State Disclosure for **Connecticut, Hawaii, Illinois, Minnesota, New Hampshire, New York, Pennsylvania, and Vermont**; and
 - d. if electronic disclosures are used, consent to electronic disclosures for **Connecticut, Hawaii, Illinois, Michigan, Minnesota, New Hampshire, New Jersey, New York,**

Pennsylvania, and Vermont. Because disclosures in these states are specifically required to be delivered “in writing”, they may be provided electronically only with employee’s express consent and where the employee has an opportunity to save, print, email themselves a copy or request copies of those disclosures.

If provided electronically, these materials should be opened by the employee before the employee makes a payment selection. Electronic disclosures, including layout and content, must be approved by U.S. Bank.

Additional Paycheck State Guidelines:

- **Connecticut and Pennsylvania**

- Payment to a Card Account may not be made a condition of receiving any benefit or remuneration.

- **Illinois**

- Payment to a Card Account may not be made a condition of receiving any benefit or remuneration.

- Provide notice to an employee whose employment has terminated that the terms and conditions of the Card Account may change. This notice is provided within the U.S. Bank Focus Cardholder Agreement.

- **New Hampshire**

- Obtain written consent from employees before any changes in terms and conditions take effect. Employees should voluntarily consent to continue to receive pay to the Focus Card subject to the change. U.S. Bank will notify employer of any changes to the terms and conditions.

- **New York**

- An employee’s consent to be paid electronically should be captured in a way that allows the employer to give the employee a copy of the consent without cost at the place of work. Employers should keep this documentation for six years after the last electronic payment is made to the employee.

- If disclosures are presented electronically, the employee should have the ability to print or receive paper copies of the disclosures without cost, at the place of work.

- Employees should have the ability to access web-based ATM location lists at their work location.

- There should be a seven-day wait between consent and first pay to the card, and the employee should have the ability to withdraw consent during those seven days. Because this cooling-off period relates to activities employers undertake with their employees outside of our systems, U.S. Bank cannot help in monitoring or enforcing compliance with this cooling-off period.