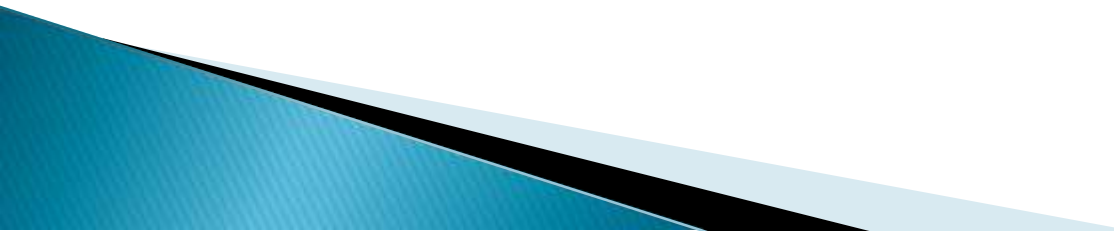


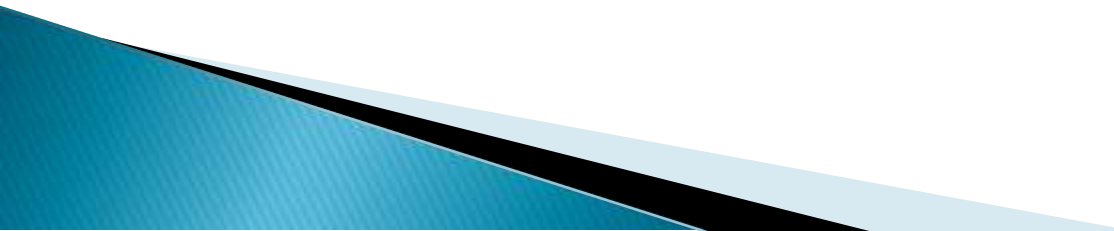
Methods Employers Use to Pay Employees



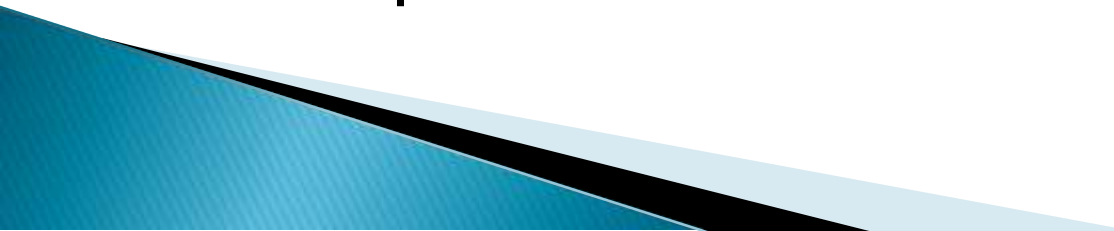
Methods to Pay Employees

- ▶ Three methods employers may use to pay employees:
 1. Paycheck
 2. Direct deposit
 3. Payroll card
- 

Paycheck

- ▶ Most common method
 - ▶ Employee is responsible for handling the paycheck
 - ▶ Immediately see payroll stub and deductions
- 

Direct Deposit

- ▶ Employers directly deposit employee's paycheck into the authorized employee's bank account
 - ▶ Employee receives the paycheck stub detailing the paycheck deductions
 - ▶ Most secure because there is no direct handling of the check
 - ▶ Employee knows exactly when paycheck will be deposited and available
- 

Payroll Card

- ▶ A payroll card electronically carries the balance of the employee's net pay
- ▶ Funds are directly deposited by an employer into an account at a financial institution that is linked to the payroll card
 - Parties involved:
 - Employer
 - Employee
 - Financial institution
- ▶ Use the payroll card for ATM withdrawals or to make purchases

Payroll Card (cont'd.)

- ▶ There are numerous fees associated with payroll cards
 - Number of fees depends upon the financial institution
 - Examples:
 - Monthly or annual fee
 - ATM fee
 - Inactivity fee
 - Fee after a specific number of transactions have been used
 - Replacement fee if the card is lost, stolen, or destroyed
 - Load fee (when funds are placed on the card account)
 - Point of sale (POS) fee for using the card at a POS terminal or an electronic payment processor