

February 25, 2016

The Honorable Edwin Gomes  
The Honorable Peter Tercyak  
Co-Chairs, Joint Committee on Labor and Public Employees  
Connecticut State Legislature  
Legislative Office Building, Room 3800  
Hartford, CT 06106

**RE: First Data's Comments on Senate Bill 211 (An Act Allowing Employers to Pay Wages Using Payroll Cards)**

Dear Chairmen Gomes and Tercyak:

On behalf of First Data, I appreciate the opportunity to share our comments and support for S.B. 211, a bill that would allow employers to pay employees wages using payroll cards.

By way of background, First Data is a Fortune 300 company that is a global provider of electronic payment processing services. First Data provides secure and innovative payment technology and services to more than six million merchants and 4,000 financial institutions around the world, from small businesses to the world's largest corporations. We facilitate the ability for retailers to accept electronic payments, such as credit, debit or prepaid cards.

Specific to the payroll industry, First Data provides a payroll distribution service to employers and serves as a prepaid program manager through its subsidiary, Money Network Financial, LLC (Money Network).

Money Network is a leading payroll solutions provider that enables paperless pay for employers while providing employees a safe, convenient, and cost-effective alternative to receiving paper checks. Money Network's package of payroll solutions to employers includes the Money Network Payroll Card and the Money Network Check. The card is a PIN-secured debit pay card that functions like a traditional PIN debit card and can be used to make online purchases and purchases at retail locations. Funds are deposited directly onto the card, and cardholders are able to make withdrawals of 100% of their wages, to the penny, at thousands of bank branches throughout Connecticut and the entire U.S. at no charge. A network of free ATMs is made available throughout the country, which can also be accessed with the payroll card. In addition, Money Network payroll card accounts are held at Federal Deposit Insurance Corporation (FDIC)-insured financial institutions. The Money Network-branded check is a negotiable check when completed, and is issued, signed and payable through the same financial institution that issues the payroll cards. These convenience checks can be cashed for the full amount of the employee's net pay for free at participating locations or can function like checks or money orders to pay bills or purchase goods or services.

First Data supports S.B. 211 because we believe that the bill will provide clarity in the Connecticut market place that payroll cards are a permissible means of wage payment in the state. While we would like to acknowledge for the record that we have concerns with the

administrative cost and operational complexity that some of the provisions in the bill will generate, we recognize that the language represents several years of negotiations - and compromise - between the consumer advocacy community and the broader financial services community. As a result, we would like to see S.B. 211 proceed through the legislature.

As a program manager for payroll card programs available across the country, Money Network believes that explicitly authorizing various forms of electronic pay, such as payroll cards, through Connecticut S.B. 211 represents responsible public policy for the state legislature to enact into law.

Electronic pay through payroll cards, in particular, provides meaningful benefits and convenience to individuals, especially among the population of Connecticut residents who choose not to have a relationship with a traditional bank or credit union or who are simply unable to open a checking account at a bank or credit union. These individuals generally have to rely on alternative financial providers such as check cashers for their financial needs, so accessing their wages on payday means facing expensive check cashing fees, zero protection if their cash is lost or stolen, or added time and resources devoted to necessary tasks such as paying household bills such as rent and utility. Comparatively, electronic pay through payroll cards provides valuable and cost-effective benefits, such as allowing individuals to purchase goods and services over the phone, transfer money to family members, pay bills online, and conduct transactions that would otherwise require the use of a credit card not available to them, such as renting a car or reserving a hotel room.

In conclusion, we believe passage of S.B. 211 will help to modernize Connecticut's wage payment laws to reflect the full suite of payment options that are available to employees today, while also providing Connecticut workers with the ability to take advantage of the numerous benefits and conveniences that electronic pay through payroll cards offer. Additionally, we thank the consumer advocates and financial services industry participants for their work on this legislation.

I appreciate the opportunity to provide comments and offer our support for passage of S.B. 211, and I am available to answer any questions you may have.

Sincerely,

A handwritten signature in blue ink that reads "Kimberly Ford". The signature is fluid and cursive, with the first name "Kimberly" written in a larger, more prominent script than the last name "Ford".

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CC: Members of the Joint Committee on Labor and Public Employees