Legal Update

Alaska

Alaska Enacts Payroll Card Account Requirements

On June 18, 2026, Alaska enacted Senate Bill (SB) 79, which establishes requirements for employers that pay employee wages using payroll card accounts. The new law took effect on **July 1, 2026**.

Background

Prior to SB 79, Alaska required employers to pay employee wages in lawful U.S. currency by cash, check or direct deposit. State law generally did not address whether employers could pay wages by payroll card accounts.

New Rules

The new law permits Alaska employers to pay employee wages using payroll card accounts. Under SB 79, an employer may credit employee wages to a payroll card account if the employee voluntarily authorized the credit or has not authorized direct deposit of their wages. **Payroll card** means a card or other device used by an employee to access the employee's wages from a payroll card account. **Payroll card account** means an employee's account established through an employer to which the employer transfers the employee's wages or other compensation.

SB 79 imposes several requirements on employer payroll card programs. Employers must notify employees of the following:

- The employee's wage payment options;
- The payroll card's terms and conditions, including a list of fees assessed by the payroll card issuer;
- A cost-free method for the employee to access wages credited to the payroll card account;
- A cost-free method for the employee to check the payroll card account balance; and
- The card may be subject to additional fees as well as fees assessed by the card issuer.

The payroll card account must provide employees with at least one cost-free withdrawal each week or pay period, whichever is longer, up to the amount of the employee's net wages. In addition, the account must provide an unlimited cost-free mechanism to check the payroll card account balance via an automated

Highlights

June 18, 2026

Alaska enacted SB 79, which establishes requirements for employers that pay employee wages using payroll card accounts.

July 1, 2026

SB 79 took effect.

telephone system and an additional unlimited cost-free electronic mechanism to check payroll card account balances.

Employers may not offer a payroll card account that charges fees for:

- The employee’s application for, initiation of or participation in the payroll card account;
- The issuance of an employee’s initial payroll card and one replacement card each calendar year;
- The transfer of employee wages or other compensation from the employer to the payroll card account; and
- The point-of-sale purchase transactions.

In addition, employers may not offer a payroll card account unless employee wages or other forms of compensation credited to the account are insured on a pass-through basis to the employee by the Federal Deposit Insurance Corporation, the National Credit Union Administration or another entity that insures bank deposits.

SB 79 preserves unionized employees’ ability to bargain for wage payment mechanisms that exceed the law’s minimum requirements.

Next Steps for Employers

Alaska employers implementing payroll card programs should ensure they comply with the new law’s requirements, including obtaining employee consent, disclosing fees and account terms, and providing at least weekly free access to full net wages, along with free balance checks by phone and electronically. Employers should also review payroll card vendor contracts to confirm they comply with the law’s fee prohibition and insurance requirements. In addition, employers should review and update wage payment policies and new-hire paperwork to comply with SB 79’s requirements.