

THE HIGH COST OF GETTING PAID

How Payroll Cards Cost Darden Employees



BY THE Restaurant Opportunities Centers United
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Low-wage employers are increasingly using payroll cards to pay their workers' wages. In 2015, an estimated 7.4 million workers throughout the country received their wages via payroll cards and that number is expected to increase to 12.2 million by 2019.¹ While payment industry advocates argue that payroll cards can serve as a more convenient substitute to cash or checks for employees without traditional bank accounts, policymakers and consumer advocates have convincing critiques of the fees associated with payroll cards.² Understanding the challenges payroll cards present for low-wage workers is essential as large retail and food service employers such as Darden Restaurants, McDonalds, Home Depot, and Walmart move towards this payment system as their latest means of reigning in costs and maximizing profit.³

As growing numbers of retail and food service employers seek to steer their workforce towards payroll cards, it is vital that policymakers understand the issues associated with the cards and take steps to protect workers' right to unobstructed access to their wages. Payroll companies realize huge profits from fees, and employers can save millions by switching to a paperless payment system, but for low-wage workers payroll cards can pose a significant barrier to accessing their wages.

In 2014, state legislative sessions included more legislation to clarify rules related to payroll cards than any previous year, signaling that government officials are increasingly taking stock of the problems associated with using payroll cards to compensate employees.⁴ Most recently, the New York State Department of Labor has brought forward a set of rules which will constitute the most robust set of policies protecting low-wage workers' rights while using payroll cards.⁵

Darden Restaurants, the world's largest full-service restaurant company and owner of such iconic brands as Olive Garden and LongHorn Steakhouse, embodies many of the controversies and problems associated with the growing use of payroll cards. Darden not only outsources the cost of paying its workers both to the customers, through the tipped subminimum wage, but also to the workers themselves through the use of payroll cards. The use of payroll cards is pervasive at Darden: according to a company spokesperson 48% of Darden's 140,000 hourly employees are compensated via payroll card.⁶ **At a saving of \$2.75 each pay period, Darden saves nearly \$5 million a year by using payroll cards over paper checks.**⁷

In 2013, Darden was questioned about their payroll card practices by the New York State Attorney General. In response, Darden issued a statement arguing that for their employees the payroll card

WHAT IS A PAYROLL CARD?

A payroll card is an employer-issued prepaid debit card onto which an employee's wages are deposited. Wages are deposited directly to the card each pay period. Payroll cards can be used to make point-of-sale purchases, use ATMs, or pay bills online. Large restaurant and retail employers are increasingly implementing payroll card systems in order to cut costs and shift human resources and administrative expenses onto employees. As a result, low-wage workers absorb high and hidden fees to access their wages.

“is a convenient way to access their pay without incurring check-cashing fees.”⁸ In order to assess that claim, ROC United has examined workers' experiences with Darden's payroll card by conducting a survey of over 200 Darden employees across restaurant brands including Olive Garden, The Capital Grille, LongHorn Steakhouse, Seasons 52, Yard House, and Bahama Breeze. Darden's claims that payroll cards yield net savings to their workforce is contradicted by the majority of responses of the employees who were surveyed. The results of these surveys suggest that thousands of low-wage workers at Darden pay high fees just to access their earned wages.

KEY FINDINGS

Problems with Darden's use of payroll cards include:

- **23% OF EMPLOYEES** reported not being given instructions on how to use the Darden Card.
- **76% OF EMPLOYEES** reported having to pay fees to access their wages at the ATM.
- **24% OF EMPLOYEES** reported fees at point-of-purchase.
- **63% REPORTED** that they were not told about all of the fees associated with the card before it was issued to them.
- **42% REPORTED** experiencing problems accessing their wages through the payroll card.
- **49% REPORTED** that they do not have access to ATMs that do not charge them a fee to access their wages.
- **54% OF EMPLOYEES** who used the card to fill up their gas tanks have experienced large authorization holds on their card as a result.
- **26% REPORTED** not being allowed to choose an alternative method of payment to the Darden payroll card.

Workers across Darden's restaurant concepts reported paying fees of \$1.75 to withdraw wages from an ATM; \$10 for a replacement card; and a \$5 monthly maintenance fee after 6 months of inactivity.

METHODOLOGY

This study is based on an in-depth survey of over 200 Darden employees on their experience using Darden's payroll card. Twenty percent of the surveys were collected by trained staff of the Restaurant Opportunities Centers United and 80% were self-administered by employees online from December 2014 to July 2015. The sample consisted entirely of workers employed in Darden's

restaurants who used the payroll card. Respondents were Darden employees from all of Darden's concepts except Eddie V's Prime Seafood, including over 100 individual restaurants (see Figure 1). This is the first comprehensive study of a national employer's use of the payroll card based on employee feedback. We sought to capture a wide range of experiences illustrating the challenges and rewards of remuneration via payroll cards. Eighty one percent of respondents were front-of-the-house workers such as servers and hosts, and 19% were back-of-the-house workers such as cooks and dishwashers. Seventy one percent of respondents identified as female, 28% as male, and 1% as transgender or other [See Appendix].

Survey respondents were employed in Darden restaurants located in each region of the United States. Twenty seven percent of workers who participated in the study were located in the Southeast, 7% in the Southwest, 20% percent in the Northeast, 30% percent in the West, and 16% percent in the Midwest (see Figure 2). Overall, 71% of respondents worked at Olive Garden, 23% at LongHorn Steakhouse, and 6% in Specialty Restaurant Group brands such as The Capital Grille, Yard House, Bahama Breeze, and Seasons 52.

FIGURE 1
SURVEY RESPONDENTS BY DARDEN CONCEPT

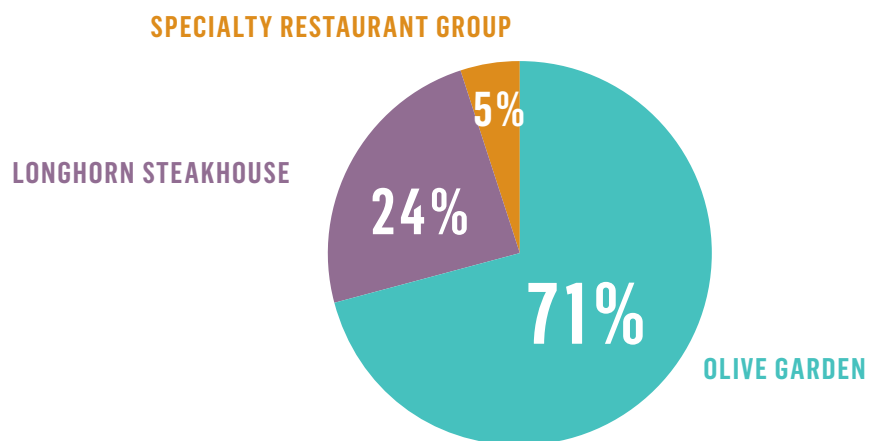
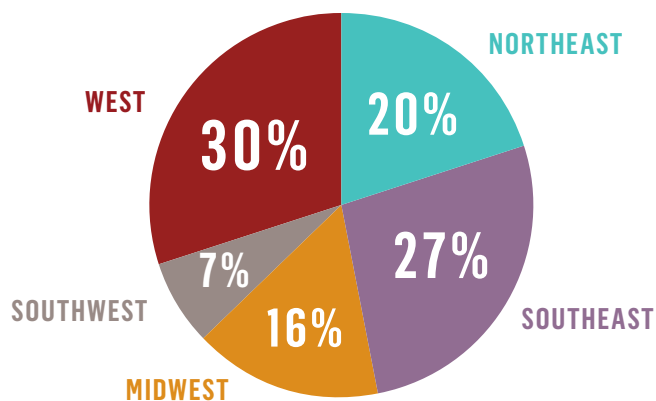


FIGURE 2
SURVEY RESPONDENTS BY REGION⁹



WHO IS DARDEN RESTAURANTS?

Darden Restaurants, Inc. is the world's largest full service restaurant company, owning such iconic and successful brands as Olive Garden, LongHorn Steakhouse, Yard House, and The Capital Grille. Even taking into account its scale, Darden plays an outsized role in dragging down restaurant industry employment standards. Not only does the company fail to provide paid sick days and pay the lowest possible wages to their employees (as low as \$2.13 per hour), but Darden actively promotes industry disparities by lobbying for corporate tax breaks, against increases in the minimum wage, and against paid sick days and the Affordable Care Act.¹⁰ As a result, Darden employees struggle to make ends meet and raise their families on poverty wages while Darden shifts costs to taxpayers in communities across the country. A recent report by the Restaurant Opportunities Centers United estimated the annual cost of public assistance provided to Darden employees was \$340 million annually, with public assistance to workers at a single Olive Garden restaurant costing nearly \$200,000 each year.¹¹

TIPPED SUB-MINIMUM WAGE & DARDEN'S PAYROLL CARD



Restaurant employees who earn tips are not paid the minimum wage, but instead a sub-minimum wage that is so low that workers are forced to rely on tips for most of their income. Since 1991, the federal tipped sub-minimum wage has been set at \$2.13 per hour, with employers taking a credit from tips towards the remainder of the minimum wage. States may establish a minimum wage that is higher than the federal government's. This has resulted in different state policies where effectively, restaurant workers in 18 states receive the federal sub-minimum wage of \$2.13 per hour, restaurant workers in 23 states receive a slightly higher state sub-minimum wage of between \$2.23 and \$5.78 per hour, restaurant workers in two states receive higher than the \$7.25 federal minimum wage but lower than the state minimum wage, and restaurant workers in seven states receive the full minimum wage because those states have chosen to pay an equal wage to both tipped and non-tipped workers.¹² Poverty rates for tipped workers — particularly for women, who make up 66% of all tipped workers, and for people of color, who make up 40% of the total — are higher in states that pay a \$2.13 sub-minimum wage than in states that pay one minimum wage for tipped and non-tipped workers.^{13, 14} In 2013, Darden Restaurants reported that it pays 20% of its hourly workforce the tipped subminimum wage of \$2.13, making the restaurant company the largest employer of tipped workers in the United States.¹⁵

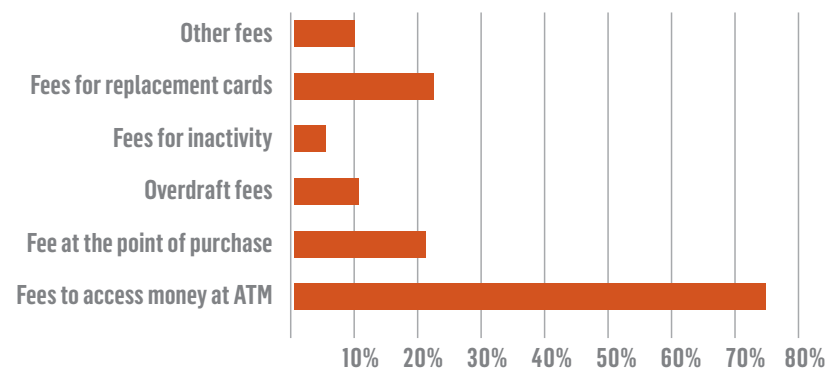
Darden's tipped servers reported special complications using the payroll card. In states where workers earn the federal tipped minimum wage of \$2.13, much if not all of workers' wages go towards paying taxes, forcing them to rely exclusively on customers paying their wages through tips. As one server at Olive Garden explained, "The \$2.13 I make is never shown on my paycheck. It is all taxed." Another server at Olive Garden elaborated, "I have been a server for a while now and have seen a paycheck less than I have fingers to count, excluding the first paycheck we all get after training, and even if I do get paid it's usually not more than 4 dollars or 5 with change. Every time I do my taxes I end up having to pay back because not enough taxes are being taken out during the year, but this can't happen unless I actually get paid . . . We servers need a raise. I only pay for myself but there are thousands of restaurant moms out there struggling to feed their children because corporations want to save money by only paying us the bare minimum. Nobody can survive by getting paid \$2.13 an hour even with tips."

For tipped workers, fees can create an additional barrier to accessing wages on the payroll card because fees amount to a larger percentage of their wages. This provides a disincentive for workers to access their wages via the payroll card and may have the effect of allowing Darden to shift the costs of doing business onto their already low wage tipped workforce.

DARDEN EMPLOYEES
PAY FEES TO ACCESS THEIR WAGES

Darden’s payroll card often charges fees that can strain the already rock-bottom pay received by their low-wage workforce (see Figure 3). Common financial transactions such as ATM use and card transfers can generate fees that accumulate and significantly reduce workers’ take home pay. Moreover, a number of fees associated with the payroll card are difficult for many employees to avoid. Workers can incur fees of \$1.75 or more for withdrawals from an ATM and \$10 for a replacement card. There is a fee of \$0.75 for a declined ATM transaction and \$5 for inactivity. When withdrawing from an out of network ATM, workers encounter fees from both Darden’s payroll card and the ATM provider. Darden’s payroll card charges \$1.75 for out of network withdrawals while the average ATM surcharge is \$2.88, bringing the total for a worker to access their wages through this method to **\$4.63 each withdrawal**.¹⁶ The accumulation of fees can create an impactful reduction in actual take home pay for low-wage workers who are paid as little as \$2.13 per hour by their employer (see Figure 4).

FIGURE 4
FEES EXPERIENCED BY DARDEN PAYROLL CARD USERS



MANY DARDEN EMPLOYEES REPORT
NOT BEING ALLOWED A CHOICE
IN HOW THEY ARE PAID

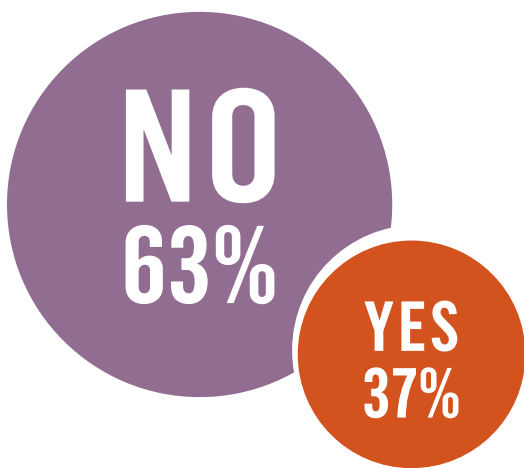
Many workers find themselves unable to opt-out of using the payroll card, making high fees an unavoidable problem. Twenty six percent of Darden employees surveyed reported that they were unable to opt for an alternative payment method. Many workers reported being issued the card by default and not offered a choice, while others encountered barriers shifting to another means of payment. While employees who receive a traditional direct deposit make an informed choice about which financial institution they would like to use, **many of Darden’s employees are essentially saddled with a financial institution chosen by their employer.**

FIGURE 3
DARDEN PAYROLL CARD FEE SCHEDULE

ATM Withdrawal Out of Network	\$1.75
ATM Balance Inquiry Out of Network	\$0.75
ATM Decline	\$0.75
ATM Withdrawal International	\$3.50
Point of Sale Decline	\$0.50
Card-to-card transfer	\$2.00
Bill Payment	\$0.99
Optional Paper Statement ¹	\$1.50
Monthly Maintenance Fee After 6 months of inactivity	\$5.00
Replacement Card	\$10.00

¹ Employee may receive one free statement mailed to their home each month. Additional printed statements are subject to a fee of \$1.50

FIGURE 5
WERE YOU TOLD ABOUT ALL FEES BEFORE
YOU AGREED TO USE THE CARD?



For example, a server at Olive Garden reported that when she asked to opt-out of using the card she was told by her supervisor that “this is how Darden is doing things now” and was refused any alternative method of payment. Another worker, a server at LongHorn Steakhouse, reported that when he “filled out a direct deposit form . . . it was never applied.” This was not a unique problem amongst those surveyed – **34% of workers who actively requested another form of payment were denied.** Of those who were able to opt for another form of payment, many reported that they were given the Darden payroll card by default and only able to opt out after several pay cycles which served as a deterrent to opting out at all. One hostess at LongHorn Steakhouse commented, “we shouldn’t have to get paid a few cycles on the pay card. We should be able to activate direct deposit right away.” Issuing the card by default and ignoring employee requests to receive their pay through other means essentially deprives these employees of the freedom to choose their financial institution.

INCONSISTENT OR INACCESSIBLE FEE NOTIFICATION CAN RESULT IN UNEXPECTED HARDSHIPS

Our survey results demonstrate that Darden does not always inform employees of the fees associated with their payroll cards. Thirty six percent of Darden’s employees reported not receiving any written information about the fee schedule associated with accessing their wages through Darden’s payroll card. An even greater number, 63%, reported not receiving information about *all* of the fees they’ve encountered while attempting to access their wages through the card (see Figure 5). As a result of these poor disclosure practices, many of Darden’s employees encounter unexpected fees when they attempt to access their wages through the payroll card.

It’s impossible for Darden employees to mitigate the number of fees they pay to access their wages if they don’t get clear and accessible instructions from the employer on how to access and monitor their Darden payroll accounts when the cards are issued. If workers lack clear instructions about how to use the card and are not provided with an accessible, comprehensive fee schedule, then they are at the mercy of their employer and payroll card vendors who have an incentive to maximize profit.

DEPENDENT ON ATMS TO ACCESS THEIR WAGES

The overwhelming majority of Darden payroll card users access their paychecks through ATMs. Seventy four percent of Darden employees surveyed said that they depend on ATMs to access their wages. The Darden payroll card offers employees free withdrawals through the ‘Allpoint

Network' of ATMs. This network has been criticized for having patchier service areas in smaller towns and for the lack of easy identification of in-network ATMs.¹⁷ Unlike bank ATM networks, which are clearly demarcated, a Darden employee might not be able to easily identify ATMs inside their network. Moreover, the ATMs located in this network are often inside other business establishments and thus can usually only be accessed during hours when those establishments are open to the public.¹⁸ For Darden employees who use payroll cards, having to find in-network ATMs can pose an additional barrier to accessing their wages.

As a result of poor-disclosure practices and a limited network, 50% of the Darden employees surveyed reported that there is no way at all for them to access their wages without paying a fee (see Figure 6). Similarly, 49% of employees using Darden's payroll card say that there are no ATMs they can use that do not charge them a fee, and 65% report that there are no in-network ATMs located convenient to their place of employment or residence (see Figure 7). Since there is also a daily limit on the amount of money a worker can withdraw from an ATM, some workers reported that they are paying multiple fees, staggered over several days, to meet larger expenses such as rent.

WORKERS REPORT ADDITIONAL OBSTACLES TO ACCESSING THEIR WAGES

Avoiding fees is even more difficult when workers are charged to access account information. Many workers reported regularly paying \$0.75 to check their account balance at out-of-network ATMS. Although workers can check their balance for free at an in-network ATM or online, many workers lack the information they need to avoid fees over common transactions such as checking their balance.

Moreover, Darden employees without internet access encounter serious difficulties identifying in-network ATMs and checking their balance. Recent research indicates that 37% of all adults making under \$30,000 annually do not have internet access at home.¹⁹ One worker described this problem with their payroll card: "I don't have internet on my cell phone, so it makes it difficult to access it." Without an accessible way to view transactions and balance their account, these workers can incur additional declined transaction fees.

Darden employees using the payroll card reported paying decline-related fees ranging from \$0.50 for a point-of-sale decline to \$0.75 for a decline at an ATM. Some fees related to ATM or point-of-sale declines came as a result of unexpected holds placed on the card. Fifty four percent of Darden employees surveyed who tried to use their payroll card at a gas-station pump have experienced a hold on their card as a result. Darden

FIGURE 6
IS THERE ANY WAY YOU CAN ACCESS YOUR WAGES WITHOUT INCURRING A FEE?

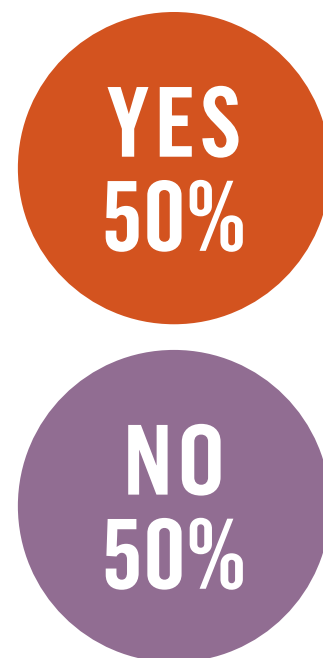
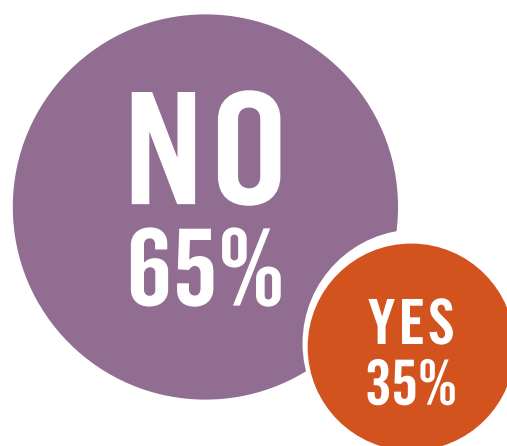


FIGURE 7
ARE IN-NETWORK ATMS LOCATED CONVENIENTLY TO YOUR PLACE OF EMPLOYMENT OR RESIDENCE?



Meet Vanessa

Vanessa is a server at an Olive Garden restaurant in Connecticut. Single, with two children, Vanessa struggles to pay the bills and provide the basic necessities for her family on her **wage of only \$5.78 an hour**.



Since Vanessa is dependent on tips to feed her family, she finds it **difficult to budget and plan to meet major expenses**. Accessing her wages through the Darden payroll card adds more unpredictability to her budget and expenses because of hidden fees she is assessed when withdrawing her hard-earned wages.

Dependent on ATMs to access her wages, Vanessa begins to withdraw her rent 3 days in advance of the due date in order to maneuver around withdrawal limits. Without an in-network ATM within a convenient distance from her home, **Vanessa has to absorb fees from both the Darden payroll card and the out-of-network ATM** each time she makes a withdrawal — her total for each withdrawal comes to \$4.63 and amounts to \$13.89 she is charged every month just to pay her rent.



Before Vanessa makes her last withdrawal in order to pay her rent, she is called in to work unexpectedly for an additional shift. On her way to work she must stop by the gas pump to fill up her tank before dropping off her children at daycare at the last minute. **Vanessa is unaware that an unexpected hold of \$100 is placed on her Darden payroll card by the gas station**. After work, Vanessa stops by the ATM to make her final withdrawal and finds that the hold has put her balance in the negative and takes on an unexpected decline fee.

With her rent due tomorrow, **Vanessa is unable to access her wages and will have to decide between foregoing groceries or paying the late rent fees** in addition to the withdrawal and decline fees already placed on her card. As a server at Olive Garden making a subminimum wage of \$5.78, Vanessa's budget is stretched too thin. With the added obstacle of the Darden payroll card, Vanessa finds accessing her wages a difficult and expensive exercise.



After her terrible experience with fees and holds associated with being compensated through the Darden payroll card, Vanessa tells her Manager she'd like to switch on to direct deposit. **Like the 34% of Darden workers who actively requested another form of payment — Vanessa finds her request to opt out of using the payroll card stymied by an uncooperative manager** who tells her that, "this is how Darden is doing things now." Instead her manager encourages Vanessa to sign up for public assistance telling her, "if you are having trouble making ends meet, you can probably qualify for food stamps."

*To protect workers' privacy, Vanessa is a composite of the experience of workers surveyed.

employees report that these holds can range from \$75 to \$150 (the equivalent of 70 hours work for Darden's lowest paid workers) and take several days to get released.

Many employees reported absorbing ATM and point-of-sale decline fees, and being unable to access their wages in a timely manner to pay bills while they were waiting for holds from gas-station pump transactions to be released.

Large holds from gas station pump transactions that may be the equivalent of a third or even half of the employees' total pay were a recurring issue reported by Darden employees. A server at LongHorn Steakhouse reported that after a hold was placed on her card at a gas-pump, "they held my money and then charged me two declined fees at a restaurant." Another worker reported that they received a hold on their account after visiting the gas-pump: "I only spent \$10 and the entire balance of the account was put on hold."

In addition to holds experienced at the gas-pump, many workers reported that their card didn't work at a range of other merchants. Workers experienced difficulties using their payroll card online, at unattended vending machines, retail stores, Redbox kiosks, and at hotels and rental car companies. A server at Olive Garden described Darden's payroll card thus: "the card is very unpredictable . . . it doesn't work at all locations." In the case of online bill payment systems, another server reported that "anything online and the card is rejected or declined . . . [which is] so inconvenient when trying to make purchases or pay bills online." Since 7% of all retail sales are conducted online, many Darden employees who use the card can find themselves excluded from an important market for lower cost goods.²⁰ With that figure growing annually, this problem will grow with the importance of the online market.

Many employees report being issued a payroll card with 'Darden Employee' listed on the bottom of the card rather than having the card personalized with their name. These workers encounter an additional obstacle that prevents free access to their wages. Without a personalized card with their name, they have been surprised to have their card declined when attempting transactions that demand authentication through personalized payment cards. As one server recalled, "it says Darden Employee on the card so I wasn't able to use it at a local shop because my name is not on it to ID me." A hostess at LongHorn Steakhouse reported that she was denied use "because it didn't have my name on the card. It had the company name."

Darden's payroll card charges employees a \$10 fee to replace a lost or stolen card, creating an additional barrier between workers and the wages they earn. A common inconvenience such as losing a card can therefore snowball into a larger problem as workers are unable to access their wages until they have paid a fee for a replacement card.



Although getting a replacement card is possible for a fee, some workers reported that it's a difficult process. One Olive Garden server suggested, "getting a replacement card is literally impossible." Lack of access to information about how to use their card is one way workers encounter difficulties in obtaining a replacement. Many workers find the fees associated with obtaining a replacement to be a real barrier, 24% of Darden employees surveyed reported having to pay a payroll card replacement fee.



POLICY ON PAYROLL CARDS

In 2014, 19 states introduced more than 20 bills regarding the use of payroll cards.²¹ This took place in the wake of a high-profile 2013 lawsuit against several Pennsylvania McDonald's franchisees for allegedly requiring their employees to use payroll cards with fees that brought them below the minimum wage.²² Today over half of

US states have laws defining the legal parameters of payroll card use.²³ Laws vary by state, but many statutes require employers to provide employees full access to their wages. The more robust statutes require that employees affirmatively agree to receive pay through a payroll card, mandate multiple free transactions per pay period, and ban or limit fees for point of sale transactions, accessing transaction history, account balances, declined transactions, inactivity, and overdrafts.²⁴ The strongest proposals prohibit all fees that obstruct workers' access to their wages.²⁵

Most recently, the New York State Department of Labor proposed payroll card rules that would be the strongest rules in the country aimed at protecting workers' right to access their wages.²⁶ The proposed rules prohibit payroll card programs that levy a monthly fee, an inactivity fee for current employees, an account closing fee, or any combination of these fees.²⁷ The proposed rules will require that workers are clearly informed about fees, require informed consent to use the cards, and prevent inappropriate fees, while prohibiting all fees for withdrawing wages or verifying account balances at network ATMS. At the federal level, the Consumer Financial Protection Bureau recently proposed new rules that would require more upfront disclosures of fees associated with payroll card use and make clear to workers that they have the right to request other payment options besides payroll cards.²⁸ The National Consumer Law Center has published recommendations on payroll cards.²⁹ NCLC and Consumers Union have also issued a model state law.³⁰

Legislation should hold both employers and the financial institutions that issue payroll cards responsible for violations of the law. States should use their enforcement authority to stem violations, enhance workers' rights, and deter future violators.

Conclusion

Payroll cards are an increasingly common form of payment in the restaurant industry. Large employers like Darden Restaurants can cut millions of dollars in administrative costs by issuing employees payroll cards and payroll card companies can enjoy lucrative profits by charging workers fees to access their wages.

Our research suggests that many Darden workers are issued payroll cards without having full knowledge of the fees they can incur for withdrawing money at an ATM or checking their account balance. The limited functionality of the Darden card is a hindrance for many workers who find Darden's payroll card to be an unpredictable and expensive means of accessing their wages.

A line-cook at LongHorn Steakhouse summed up their perspective on the Darden payroll card: "the card does have a lot of fees connected to it considering it is a paycard. They punish their employees for not having a bank account, with this card." Echoing that sentiment, another employee, a server at Olive Garden expressed, "payroll cards are an absolutely unfair way to pay employees, and they completely disregard our right to access our own money."

As payroll card legislation gains traction, workers' interest in having transparent and full access to their wages should be the paramount consideration in shaping policy. Large low-wage employers like Darden, who can pass along the costs of administering their payroll system to their employees, should be held accountable when they limit workers' choice of financial institution, charge excessive fees to workers for accessing their wages, and fail to provide accessible account information such as fee schedules and transaction histories to their workers who use the card. Payroll cards should be offered as one of several free and safe ways for workers to receive their wages rather than be used as a vehicle for steering employees towards costly and unwieldy accounts.

POLICY RECOMMENDATIONS

- Support legislation that eliminates the lower minimum wage for tipped workers.
- Pass legislation that ensures workers have unlimited free access to the entirety of their wages.
- Provide clarity to employers about how to offer payroll cards in compliance with the law.



- Require that workers be clearly informed about card fees in multiple formats in plain English, supplemented by a hard copy of the fee schedule in the workers' first language, before being issued their payroll card.
- Allow workers to withdraw wages and verify account balances free of charge by telephone and at an accessible network of ATMS.
- Ban inappropriate fees for basic account information, declines, overdraft fees, and other fees that constitute a barrier to a worker's free access to their wages.
- Ensure transparency by requiring free access to paper paystubs, periodic statements, account balances, and account histories. Access should be possible by phone, online, or in writing.
- Access should also be possible through a free workplace computer so workers can login and print paystub and account balances.
- Account information should include a clear and accessible itemized list of any fees, holds, and deductions imposed.
- Enable workers to choose how they are paid: workers must have the options of direct deposit and paper check. Moreover, they should have the ability to choose their mode of payment without resulting in delayed pay or other deterrents to exercising free choice.
- Require all choices to be offered clearly up front. Do not permit employers to default employees into a payroll card unless the employee has 30 days to choose how to receive pay.
- Accompany the payroll card with information on the right to and how to disenroll.
- Offer a public disclosure of fee schedules associated with employer-issued cards on the CFPB & Issuer's website to encourage transparency and competition.
- Require both payroll card providers as well as employers to comply with rules regarding payroll cards.
- Employers utilizing payroll cards should offer easily accessible classes addressing workers' concerns with using the card and offering advice on avoiding fees.

APPENDIX

Characteristics of Workers Surveyed

DARDEN BRAND

- 71% Olive Garden
- 23% LongHorn Steakhouse
- 4% The Capital Grille
- 1% Bahama Breeze
- 1% Yard House

REGION

- 27% Southeast
- 7% Southwest
- 20% Northeast
- 30% West
- 16% Midwest

POSITION

- 1% Chefs and Head Cooks
- 2% Supervisors
- 12% Cooks
- 1% Bartenders
- 65% Servers
- 2% Barbacks, Bussers, & Runners
- 5% Dishwashers
- 13% Hosts and Hostesses

GENDER

- 71% Female
- 28% Male
- 1% Other

ETHNICITY

- 68% White
- 12% Black
- 11% Latino
- 2% Asian
- 7% Other

AGE

- 45% 25 and under
- 37% 26-35
- 16% 36-45
- 10% 46-55
- 35 Over 55

NOTES

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THE HIGH COST OF GETTING PAID

How Payroll Cards Cost Darden Employees



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