

N E W S R E L E A S E

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**New Debit Cards Replacing Benefit Checks for Those on Disability
*Unemployment benefits to follow as EDD goes from paper to plastic***

SACRAMENTO – Californians on state disability will be getting benefit payments faster thanks to a new debit card program from the Employment Development Department (EDD). Customers will no longer have to wait for checks to arrive in the mail.

The switch from paper to plastic began in mid-December with a measured roll-out of Bank of America Visa-branded debit cards to those on Disability Insurance (DI) and Paid Family Leave (PFL). About 10,000 EDD Debit Cards a day are being issued as part of a phased-in approach due to the large and complex nature of the transition. In March, approximately 400,000 customers should be transitioned to the new cards.

“This is a major development in EDD’s ongoing efforts to enhance services for our customers and achieve greater efficiencies for our operations,” said EDD Chief Deputy Director Pam Harris. “Once we get all of our Disability and Paid Family Leave insurance customers switched over to the more convenient debit cards, we will work to transition the much larger Unemployment Insurance program in June, eventually phasing out traditional printed checks.”

During the transition, it’s important for customers to know that they will continue receiving their DI or PFL checks until a point in time when they are switched over to the new EDD Debit Card. In most cases, when the card is initially issued, it will take an extra one to three days to arrive compared to when a check may have been expected, depending on mail delivery. But from that point on customers will have quicker access to their benefits. Benefits are deposited directly into the customer’s card account, eliminating the extra days it would take for check printing and mailing.

Once a card is received, customers need to follow the instructions that come with the card and activate their account. Customers must then keep their cards for all subsequent payments, using them like any other debit card. After activating the card, customers may also choose to have some or all of their benefits transferred to a personal checking or savings account. The EDD Debit Card is valid for three years from the date of issue.

(more)

Quicker access, saves money

For EDD, debit cards are a time-saving and cost-saving method of dispensing billions of dollars of benefits during this historical time of need. For EDD customers, electronic payments are quicker, safer, and easier. Visa-branded debit card owners will have access to their funds 24 hours a day, seven days a week wherever Visa debit cards are accepted.

The benefits of EDD Debit Cards are many:

- Gives customers immediate cash access to benefit payments without delay in mail delivery;
- Gives customers with bank accounts the option to set up a direct deposit transfer of benefit payments into their existing checking or savings accounts;
- Eliminates check cashing fees for customers that do not have bank accounts;
- Eliminates the problem of checks being lost in the mail;
- Reduces the security risks associated with lost or stolen checks; and
- Ensures stability in the event of a disaster, allowing benefits to continue flowing to customers without mail interruptions.

California's benefit programs constitute a much larger volume than any other state. The EDD paid a record \$22.9 billion in total UI benefits in 2010 and approximately \$4.1 billion in combined DI and PFL benefits. A total of more than 41 million checks were issued between all three benefit programs. Due to such incredible volume, EDD was able to negotiate very favorable terms for our customers such as:

- Claimants can avoid fees with proper use of the card, including unlimited cash withdrawals at all in-network ATMs and two free bi-weekly withdrawals at any ATM outside the B of A network.
- There is no charge to EDD or the state since B of A costs are covered through interchange fees paid by businesses that honor the debit card.

Debit cards latest innovation from EDD

The new electronic payment system is EDD's latest commitment to improve service to its millions of customers throughout California.

It is estimated EDD will save about \$4 million in paper and printing costs once the debit card program is fully operational. Cost savings could increase significantly next year when the UI Continued Claim Form also goes completely paperless, eliminating printing and mailing costs.

For more information about the new debit card, please see EDD's website at: www.edd.ca.gov/Disability/FAQs_for_Disability_Insurance.htm#Debit.

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