

N E W S R E L E A S E

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NOTE: Visuals available through EDD's YouTube channel:
www.youtube.com/user/CaliforniaEDD (interviews with claimants, EDD spokesperson, B-roll of claimants using the card, new EDD YouTube educational video on activating and using the card).

Debit cards to replace unemployment checks for 1.2 million Californians

Will be one of the largest prepaid card programs in the nation

SACRAMENTO – For Californians receiving unemployment benefits, the days of waiting for a check to arrive in the mail are coming to an end.

New state Employment Development Department (EDD) Debit Cards are replacing unemployment checks for the 1.2 million unemployed Californians currently receiving unemployment benefits. It is one of the largest prepaid card programs in the nation, covering both the Unemployment Insurance (UI) program as well as the State Disability Insurance (SDI) program, which converted to the Visa-branded debit cards earlier this year.

"Debit cards are the currency of our time," said Pam Harris, EDD's Chief Deputy Director. "From gas to groceries, electronic transactions are the norm. Our new debit cards that include a direct deposit transfer option are a faster, more convenient and a more secure way for our customers to receive their benefits and engage the economy."

In addition, benefits of the EDD Debit Cards include:

- No check cashing fees for customers without a personal bank account.
- Transfer options for customers who do have their own bank accounts.
- No fees with careful use of the card.
- Stability in the event of a disaster, avoiding mail disruptions that can occur with checks.

Starting July 8, EDD will begin distributing 10,000 cards a day to unemployment claimants, a phasing-in transition from check to card that will take a couple of months to complete. Last year at the height of the recession, EDD issued approximately 41.2 million unemployment checks, a record number.

Important Information for Unemployed Customers

The EDD is reaching out to educate those transitioning to the new debit card through mailing inserts and a new EDD YouTube video that explains how to activate the card, how to set up a direct deposit transfer, how to use the new card and avoid fees, and how to check the card's balance.

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It's important for customers to know that initially when they are switched from check to card, they will receive a notification letter advising them that their new card will arrive within one to three days of receipt of the letter, a few days later than they may have expected their check. So for those customers who use automatic bill payments in their personal banking, the EDD suggests scheduling those payments a few days later until they receive and activate their card. From that point on, as long as customers remain eligible for benefits, they should have faster access to those benefits than waiting for checks to arrive in the mail.

How it Works

Once the EDD Debit Card is activated through banking partner Bank of America, the scheduled unemployment benefits will electronically go directly into the customer's debit card account and the money can be accessed immediately. Customers can also choose to have their funds transferred from their debit card account to their own personal bank accounts, either as a one-time transfer or an automatic recurring transfer, using the direct deposit transfer option.

"We're pleased to help the state of California provide an easier and more efficient way for unemployed individuals, as well as customers with disabilities, to receive their benefits," said Margaret Scopelianos, Treasury Solutions executive for Specialized Industries, including government card programs, at Bank of America.

Millions of businesses accept Visa and customers can avoid fees with careful use of the card. Use it like any debit card to:

- Withdraw cash at any ATM or bank or credit union that accepts Visa. Customers get free unlimited cash withdrawals at Bank of America ATMs. For each benefit deposit made to their card, Bank of America will not charge for the first two withdrawals made at an ATM outside their network (though some banks outside the Bank of America network may charge a fee at their ATM locations).
- Check the balance on the card at ATMs or through Bank of America and request any teller pay up to that available balance on the card account – free of charge.
- Make purchases anywhere Visa cards are accepted, including grocery stores, gas stations, doctors offices, and restaurants – even shop and pay your bills online.

Customers need to keep their card. It's good for three years for receiving any unemployment or disability benefits a customer may qualify for over that period.

For EDD, the cards are a cost-saving method of dispensing billions of dollars in benefits during this historic time of need. A record \$22.9 billion in total unemployment benefits were paid in 2010, along with approximately \$4.3 billion in Disability Insurance and Paid Family Leave benefits. Initially the savings will be approximately \$4 million a year, but should increase significantly once further enhanced automation efforts provide a paperless claim form system, which is anticipated to be in place next spring.

The new EDD Debit Card ushers in a new era of enhanced customer service at EDD, including Tele-cert and Web-cert, two new ways for unemployed individuals to submit their continued claim forms by phone or online. Go to www.edd.ca.gov for more details and a photo of the EDD Debit Card in PDF form.

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