

# Employer FAQs: Payroll Cards

## **What is a payroll card?**

Payroll Cards are prepaid cards offered by employers that replace a paper paycheck.

## **What benefits do payroll cards provide to my company?**

Payroll cards allow you the potential to achieve 100% electronic payroll. They can reduce administrative time, save on the costs of check printing, processing and distribution, and reduce your cost and risk of lost checks and check fraud.

## **What benefits do payroll cards provide to my employees?**

Payroll cards give your employees immediate and flexible access to their pay on payday. They reduce their time away from work to pick up their paycheck, and eliminate expensive check cashing fees. Payroll cards are a great money management tool, providing real time transaction information available by phone, web and text messaging. Cards can be used to access cash at ATMs, and to conduct both PIN-based and signature-based transactions. They are much safer than carrying cash, as all cards come with protection against fraudulent charges.

## **Who can get a payroll card?**

All employees age 18 or over qualify for a prepaid card if they have a valid name, address and social security number. No credit check is required.

## **What will this cost my company?**

There are no set up or ongoing costs for our standard payroll program, and we will provide one card to each employee at no cost to you or the employee. Fees would apply only when one of these OPTIONAL program enhancements is chosen:

- (1) If you are interested in customizing/branding your card with your logo, a one-time materials set up fee of \$500 will apply. Annual licensing fees from Visa/Mastercard may also apply.
- (2) if you want to use "Instant Issue Cards" which can be issued to employees on demand, employer will be billed \$2 per card at time of order for these convenient temporary cards. After two loads on the temporary card, a personalized card will automatically be mailed to the cardholder at no additional charge.

## **What will it cost my employees to use payroll cards?**

The actual cost of using a payroll card will depend on the program and how each employee uses his or her card. Employees should be able to use their payroll cards without ever incurring fees. If an employee does not use the free methods of accessing wages and managing the card, the employee will incur fees. In general, a payroll card will cost less than using a check casher. Refer to the fees for your specific card program.

## **How do I get started?**

Complete the Employer Registration Form we will supply and submit as directed along with a copy of the company's W-9. We will perform standard due diligence on the application, and if the company is approved, a Prepaid Representative will walk you through the easy set up process and show you how to order cards. Cards ordered online using our standard order method will be delivered first class mail to arrive typically within 5-7 business days. The employer will receive an e-mail following the card order containing the bank account information needed to fund the cards via direct deposit.

## **How do I order cards?**

Employer will order payroll cards online through a secure website. (Other order methods are available for large orders.) Cards can be mailed to employee or to the company address. All cards come packaged with a Cardholder Agreement (compliant with all current regulations) and a helpful FAQ.

**How do I load pay to the cards?**

Payroll cards are funded via ACH. Each card is issued with an underlying account number and bank routing/transit number, and this information is used to fund the cards. You must be set up for Direct Deposit/ACH through your local bank. Once Direct Deposit is in place, you will use your existing payroll system and the bank's direct deposit procedures to fund cards – just like you would for employees who provide a bank account.

**What kind of customer service is provided if my employees have questions about their cards?**

Free, bi-lingual cardholder customer service is provided 24x7 through a user friendly website, automated voice response phone line and live agents. Cardholders can check their balance, transaction history, report lost or stolen cards and settle disputes *without having to contact the employer.*

**What kind of training or marketing materials can I get to help me communicate this to my employees?**

We offer a complete package of free **training materials** to help you communicate the benefits of payroll cards to your employees.

**Can I add a new employee anytime?**

Yes. You can order cards at your convenience online. It will take several days for the card to arrive, so you will want to be sure the employee has the card in hand before initiating the ACH payment.

**Can an employee add an extra card for access to the same account?**

Yes. A secondary card may be ordered by the employee on the cardholder website (printed on the back of the card). Both cards will have full access to the funds. The cost of the secondary card varies by card program and will be charged to the employee card account. Please see terms and conditions for your program's associated fees.

**When do the cards expire?**

Each card is issued with an expiration date of two years. If a card is still active two weeks prior to its expiration, a new card will be issued at no charge and mailed to the address on file.

**What happens to the payroll card account when the employee leaves the company?**

Your cards are "portable," meaning the employee can continue to use it by adding his or her own funds or having funds added from another source. There is nothing you need to do for their payroll card when an employee leaves your company. You will just discontinue funding it.

**What if there is an error on the payment amount to the employee?**

You should handle payment errors in the same manner as if an incorrect amount had been made on a paper check or initiated via ACH to a bank account. Typically, you would reverse the ACH to correct, or correct on the next pay.

**What kind of records will the employee have?**

The employee will have access to their payroll card transactions, activity and balance electronically 24 hours a day 7 days a week at the cardholder website printed on the back of their card. If they wish to receive a printed monthly statement, they may request that for a fee of \$1 per statement. You will continue to be responsible for providing the employee with their pay stub. We do offer electronic paystub services if this is of interest. Contact us at 205-871-6144 for more information.

**What if the card has a zero balance when the monthly fee is charged?**

The fee will take the account to a negative balance until the next load.

**What if I have a question? Who do I call?**

Your company will have direct access to a Payroll Account Executive to answer all questions in a timely manner. Call (205) 871-6144 or email [PayrollCustomerService@in-prepaid.com](mailto:PayrollCustomerService@in-prepaid.com).



## Tips for Launching a Successful Payroll Card Program

### How should I present the new payroll card program to my employees?

How you present the program to employees will be influenced by your corporate culture, communication channels and employee demographics. The following steps are almost always important:

- **Identify your target group.** Typically, workers who cannot open a checking account or choose not to have one will derive the greatest benefits from a payroll card. While you may offer payroll cards to your entire workforce, this is likely to be your main audience.
- **Speak from experience.** Use the card yourself for at least a few weeks before presenting it to your workforce. “Test-driving” the card enables you to speak from experience, and demonstrates that you believe in the program. We will be happy to provide you some test cards at no charge.
- **Promote the program.** Engage your executive management team in your communication efforts. Plan to launch the program when all or most of your employees can be present. Enlist the help of your company’s communications and/or marketing department, if it has one. If English is not the first language of some of your employees, present the program in the language they understand best. We have materials available in English and Spanish. Just let us know what you need.
- **Make it easy to sign up.** We will provide enrollment documents you can customize for your company and for your employees. Have a discussion about payment options during the hiring process, pointing out the benefits of electronic payment, and include promotional materials in your new-hire packets. Include electronic pay education during your open enrollment period, when talking to employees about other employee benefits.

### How can I help my employees determine if a payroll card is their best option?

Tell your employees that they should consider the cost, convenience, safety and functionality of each payment option.

- **Cost:** Employees who receive paper checks may very well be paying check-cashing fees and buying money orders or cashier’s checks to pay bills. A payroll card can eliminate these costs. Even if the employee incurs some fees, a good payroll card program is generally less expensive for an “unbanked” employee than a paper check and its related costs.
- **Convenience:** A payroll card eliminates the need to wait in lines to cash checks, buy money orders, etc. Wages are available on payday, even on an employee’s day off. Cash is available all day, every day from ATMs.
- **Safety:** There is no need to carry large amounts of cash since a payroll card can be used to make purchases and get cash as needed. Lost or stolen cards can be replaced with no loss of funds (other than a nominal card replacement fee).
- **Functionality:** A payroll card offers employees who don’t already have a credit, debit or prepaid card many more options for managing and accessing their money. With a payroll card, employees can:
  - Make online, phone and in-store purchases
  - Pay bills online or by phone
  - Make rental car, hotel and airline reservations
  - Send money to family



### **How can I reassure my employees that their money is safe on a payroll card? What consumer protections exist for them?**

Payroll cards have the same protections that apply to checking account debit cards and other accounts receiving direct deposit under the federal Electronic Fund Transfer Act and Regulation E. You can reassure your employees by pointing out that:

- You have selected a program that provides deposit insurance (FDIC) on each individual cardholder's account for up to \$250,000.
- The employee's liability for unauthorized use of their payroll cards is limited (actual liability depends on when the unauthorized use is reported).
- The financial institution that issues the payroll card must respond to any report of an account error, provided the report is received in a timely manner.

### **What steps can I take to help my employees understand how to use their payroll cards effectively?**

It is important to educate employees on how to best use their payroll cards. Employees without a traditional banking relationship may have limited experience using cards, ATMs, bill-pay services, etc.

Schedule a training session for those who have signed up to receive a payroll card. Areas to cover include:

- How the card works (PIN vs signature transactions, paying bills, accessing account funds, making transfers, etc.)
- Understanding potential costs
- How to avoid fees
- Accessing account information (balance, transaction history, etc.)
- Getting help (card customer service and employer contact)

Provide written information—online and in print—that employees can access at any time. We have customizable pieces already developed. Just let us know what would be helpful.

### **What do I do if an employee's card is lost or stolen?**

Your employee should call the toll-free customer service number to report the loss or theft. The card will be deactivated and a replacement card will be issued with the account balance transferred to it. If you have instant issue cards available at the workplace, you can provide one of these until the new personalized card arrives.