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## Treasury Extends Direct Deposit to Millions of Americans, Phasing out Paper Checks for Federal Benefit Payments

*Moving to electronic payments will save Social Security \$1 Billion*

Washington, DC – (**Embargoed until December 21, 2010 12:01 a.m. EST**) – The U.S. Department of the Treasury today issued a final rule to extend the safety and convenience of electronic payments to all Americans receiving federal benefit and non-tax payments. Anyone applying for benefits on or after May 1, 2011, will receive their payments electronically, while those already receiving paper checks will need to switch to direct deposit by March 1, 2013. The Treasury Department's **Go Direct**<sup>®</sup> public education campaign will provide information to Americans about the change to how federal benefit payments are being delivered and make it easy for check recipients to switch online or by calling a toll-free helpline.

"Eight in 10 federal benefit recipients already use direct deposit, and now millions of additional retirees, veterans and other Americans will also receive their money in the safest, most reliable way – electronically," says Treasury Fiscal Assistant Secretary Richard L. Gregg. "This important change will provide significant savings to American taxpayers who will no longer incur the annual \$120 million price tag associated with paper checks and will save Social Security \$1 billion over the next 10 years."

After seeking public comment on the proposed rule issued in June 2010, federal regulations were changed to generally require all federal benefits including Social Security, Supplemental Security Income, Veterans Affairs, Railroad Retirement Board, Office of Personnel Management benefits and other non-tax payments to be made electronically. Benefit recipients have the option of **direct deposit** into a bank or credit union account of their choice or into a **Direct Express**<sup>®</sup> Debit MasterCard<sup>®</sup> card account. More than 1.5 million beneficiaries have signed up for the **Direct Express**<sup>®</sup> card since it was introduced in 2008.

"I urge everyone receiving a paper Social Security or Supplemental Security Income check to switch to electronic payments now, through the **Go Direct** campaign, rather than waiting until the final deadline," says Michael J. Astrue, Commissioner of Social Security. "Switching now eliminates the risks of lost and stolen checks, and provides immediate access to your money on payment day."

Treasury is launching a public education campaign today to inform Americans about the rule change and to help them understand what they need to do to get their payments electronically, whether they already receive payments by check or will be applying for federal benefits for the first time soon. Current check recipients will receive information enclosed with their payments, and the national campaign will also include public service announcements, a newly redesigned website, [www.GoDirect.org](http://www.GoDirect.org), ongoing financial literacy programming and partnerships with hundreds of national, regional and local organizations.

**People applying for benefits on or after May 1, 2011:** People newly applying for federal benefits on or after May 1, 2011, must choose an electronic payment option at the time they sign up for their benefits. If they wish to direct their money into a bank or credit union account, they will want to have the following information on hand at the time they apply for their benefits:

- Financial institution's routing transit number (often found on a personal check)
- Account type – checking or saving
- Account number (often found on a personal check)

People who do not have an account at a financial institution or prefer receiving their payments on a prepaid debit card can receive a **Direct Express**<sup>®</sup> card. For more information, visit [www.GoDirect.org](http://www.GoDirect.org).

**People currently receiving benefit payments by paper check:** Check recipients must switch to electronic payments before the March 1, 2013 deadline. Switching from checks to direct deposit is fast,

easy and free at [www.GoDirect.org](http://www.GoDirect.org), by calling the U.S. Treasury Processing Center's toll-free helpline at 1-800-333-1795, or by speaking with a bank or credit union representative.

***People already receiving their benefit payments electronically:*** Anyone already receiving federal benefit payments electronically will continue to receive their money as usual on their payment day. No action is required.

## Related Treasury Rules

Treasury is issuing a related rule to provide Americans receiving federal payments with more options for receiving their payments electronically while ensuring that appropriate consumer protections are provided and, in early 2011, Treasury will issue a rule to protect federal benefit payments from garnishment after they are directly deposited into accounts.

## About the Direct Express® Prepaid Card

If direct deposit into a bank or credit union account is not a viable option, the **Direct Express®** card, provided by Comerica Bank, Treasury's financial agent, is a safe, convenient alternative to paper checks for benefit payments. Ninety-four percent of cardholders say they are satisfied with the card, according to a 2010 **Go Direct** campaign survey. Advantages of the card include:

- Cardholders can make purchases, pay bills, and get cash at thousands of locations nationwide.
- Cardholders have access to one free cash withdrawal with each deposit to the **Direct Express®** card account. For cash withdrawals at ATMs outside the **Direct Express®** ATM network, the ATM owner may charge a surcharge fee.
- No bank account or credit check is required.
- The card accounts are FDIC-insured up to the maximum amount allowed by law.
- There are no sign-up fees, monthly fees or overdraft charges. Some fees for optional services may apply.
- Money is immediately available on payment day.

To sign up for the card, or to learn more about its features and fees, individuals can visit [www.GoDirect.org](http://www.GoDirect.org), call 1-800-333-1795 or ask their local Social Security, VA, or other federal benefit agency office.

[FOR TELEVISION: B-roll is available via satellite: INSERT SATELLITE COORDINATES AND FEED TIMES]

[FOR RADIO: Downloadable radio actualities are available at [www.GoDirect.org/XXX](http://www.GoDirect.org/XXX) (WAV & MP3 Formats).]

[FOR PRINT (online content managers): Downloadable audio and video files are available at <http://www.GoDirect.org/XXXXX>.]

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The **Go Direct®** campaign is sponsored by the U.S. Department of the Treasury and the Federal Reserve Banks. The **Direct Express®** logo, **Go Direct®** and **Direct Express®** are registered service marks, and the **Go Direct<sup>sm</sup>** logo is a service mark, of the U.S. Department of the Treasury, Financial Management Service. The **Direct Express®** Debit MasterCard® card is issued by Comerica Bank, pursuant to a license by MasterCard International Incorporated. MasterCard® and the MasterCard® Brand Mark are registered trademarks of MasterCard International Incorporated.