

Treasury Benefit Payments Go Electronic

Do you receive federal benefit payments, such as Social Security, Veterans Affairs, or Supplemental Security Income (SSI)? If so, you may have important changes to the way you receive those benefit payments coming up soon. Beginning March 1, the U.S. Treasury will transition to issuing benefit payments electronically.

Here's what you need to know:

Electronic payment delivery begins March 1

The Treasury is phasing out paper checks and requiring federal benefit recipients to receive their money electronically starting on March 1. Most Wisconsin residents receiving these benefits will not be affected, as they already receive their payments electronically. As of November 2012, 4.6 percent of benefit recipients in Wisconsin receive their benefits by paper check. Those people will have to choose one of two ways to receive their benefit checks:

Direct Express Prepaid Debit Card

The Direct Express prepaid card is the default for anyone receiving paper benefit checks who does not choose a different electronic option prior to the March 1 deadline. The cards function like a debit card, allowing the recipient to withdraw money from ATMs and make purchases at any retail who accepts MasterCard. However, there are fees for making more than a set number of ATM withdrawals each month, and if the card is lost or stolen there are fees to replace it.

Direct Deposit

Depositing benefit checks directly into the recipient's bank account is the second electronic payment option. To choose this option, the benefit recipient must enroll online at GoDirect.org or at your local bank; the only requirement is a bank account. Direct deposit is a secure way to receive funds, and since the money is in your bank account, it is FDIC insured and easy to convert to other savings accounts, like CDs.

The transition to electronic payments is a more secure method for the Treasury to issue benefit payments, and it also reduces the wait time and the hassle of needing to take a check to the bank to deposit it or cash it. People currently receiving paper benefit checks should compare the Direct Express card to direct deposit and choose the option that will best fit their financial needs. Your bank will be able to answer questions and help you enroll in the option of your choice.



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