



Improving access to unemployment benefits

Background

The state of Washington is one of the few states in the nation that still offers a paper check option for unemployment insurance benefits. The U.S. Treasury Department has required people to receive most federal benefits by direct deposit or prepaid debit card since 2013.

Requiring claimants to receive unemployment benefits via debit card or direct deposit will improve access to funds for claimants while saving hundreds of thousands of dollars now spent to process and mail paper checks. ESD plans to eliminate the option to request a paper check for benefit payments effective Aug. 1, 2018. Anyone who opts to receive benefits by prepaid debit card will receive instructions in English and Spanish to help them understand how to use the card, where it is accepted and how to access information and assistance online and over the phone 24/7.

Claimants currently receiving benefits via check will be allowed to continue receiving paper checks until their claim exhausts—as long as there is no break in weekly claims filed. If they stop claiming and re-open or when they file a new claim, they will only be able to receive benefits via prepaid debit card or direct deposit.

Who does this affect?

Roughly 25 percent of claimants currently request benefits by check. That number has dropped from 44 percent in January 2017. ESD printed roughly 50,000 checks in March 2018.

A review of the demographics of claimants who request checks found:

- 25 percent of claimants who requested checks were in the 45-54 age range. Claimants 24 and younger or 65 and older made up the smallest percentage with 4.5 and 5.4 respectively.
- Of those who requested checks, only 14 percent preferred a language other than English. Workers in the construction, manufacturing and agriculture, forestry, fishing, and hunting sectors were most likely to request checks (25, 15 and 13 percent respectively).

What are the benefits for claimants?

The prepaid debit card provides all the benefits of a check – and more. It is discrete, convenient and personalized to the individual claimant so no one can tell it is a benefits card.

Issued by KeyBank and backed by MasterCard, the prepaid debit card can be used to make purchases at merchants and online.

No check-cashing fees and lots of locations to access

benefits: Cardholders can avoid costly check cashing fees by using their debit card to get cash at over 1,500 KeyBank ATMs nationwide and at over 55,000 ATMs in the worldwide Allpoint network. Cardholders can also cash out their cards at no charge at MasterCard member bank branches.



Convenient and easy to use: The only time a claimant needs to go their mailbox is to receive the debit card itself. People who receive benefits on a debit card don't have to wait for a check to be delivered each week and they don't need to stand in line at a bank branch or go to expensive check cashing locations to cash their check. If a claimant files their weekly claim on a regular schedule, their weekly benefit will be loaded onto their debit card on a regular, predictable timeframe—and they can even sign up for a text message when funds are loaded on their debit card.

Safe: Electronic payments are safer than paper checks. If a debit card is lost, damaged or stolen the cardholder can contact KeyBank customer service at 1-866-295-2955. KeyBank will disable the missing card and issue a replacement card at no charge. Expedited service is also available for a fee.

All the benefits of a direct deposit without banking fees or fear: The prepaid card does not require a bank account, but cardholder will still have access to free online banking to view transactions, pay bills or transfer funds to personal accounts. Cardholders can also sign up to receive text or email notifications for account activity including any time the card is loaded with benefits, or is used to make a purchase.

The KeyBank prepaid debit card is for unemployment benefits only. Because it is not tied to a bank account, there are no banking fees, funds loaded cannot be garnished and the card can never be overdrawn.

What are the benefits to ESD?

Savings: The conversion from paper checks to debit cards will save ESD an estimated \$670,000 annually. The costs associated with issuing warrants include printing, mailing & handling and managing paper stock as well as reissuing returned warrants or warrants stopped due to fraud concerns.

Free services: KeyBank offers the prepaid debit card to ESD free of charge and has waived all banking fees as well. KeyBank assumes all costs of issuing and replacing cards—and they offer 24/7 customer service to help claimants having trouble with their cards.

Resources:

KeyBank customer support: 1-866-295-2955 —available 24/7

How to get cash:

ATMs/Banks	Locations online	Locations by phone
KeyBank	Washington state 15 other states	800-539-2968
Allpoint	Network locator site	800-809-0308 #2
MasterCard	Member bank branches /ATMs	
Retailers	Cash back with purchase	

Daily withdrawal limits from the debit card

LIMIT DESCRIPTION	AMOUNT
ATM withdrawal	\$1,500 per day
PIN point of sale cash back*	\$2,500 per day
Cash (over the counter bank teller)	\$7,000 per day
Purchase	\$7,500 per day

Top concerns addressed

Confusion: Debit cards are widely used and KeyBank will provide 24/7 customer service to help people.

Rural access: The AllPoint network of ATMs in retail locations provides even more options to obtain cash without incurring exorbitant check cashing fees—and any bank that accepts prepaid MasterCard debit cards can cash the card out for claimants who prefer dealing in cash.

Cultural concerns: Similar to a check, the debit card can easily be cashed out each week—with no costly check-cashing fees—so people who prefer to deal only in cash will be able to access their money easily.

Freedom: The debit card is even more discrete than weekly checks with only one trip to the mailbox to get the card. No one needs to know the claimant is receiving benefits.

Fear of banks: Because the card is a prepaid card, it is not tied to anyone's bank account, there are no credit checks required to receive the card and no way for creditors or collection agencies to access the funds. There are also no banking fees and no way to overdraw the account and incur overdraft fees.

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