



How to Effectively Implement Paycards

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Global Cash Card



Agenda and Discussion Topics



Overview of Current Payroll Card Space



Employer and Employee Benefits



Additional Considerations of Implementing Paperless Payroll



Best Practices for a Successful Implementation



Next Steps: An Action Plan



Key Objectives: What You'll Learn



How implementing a paycard program can bring savings to your company's bottom line & provide your employees a robust benefit



How paycards can take your company's payroll 100% paperless



Learn the process for choosing and implementing a successful paycard program



Product Definition

Product Name: Payroll Cards

Visa Payroll cards are reloadable prepaid cards that offer employers an efficient way to distribute employee wages and other compensation (e.g., bonuses, awards, etc.).

Employees would choose a Payroll card because:

1. They do not have a bank account for direct deposit or
2. They have direct deposit but want the card to manage funds or as a means to provide funds to a spouse or dependent.





Payroll Cards — Market Awareness

The image shows the cover of BusinessWeek magazine. At the top, the 'BusinessWeek' logo is in white text on a red rectangular background. Below this, the date 'DECEMBER 17, 2001' and 'SPECIAL REPORT' are printed in a smaller font. The main headline, 'The Best Products of 2001', is in a large, bold, black serif font.

BusinessWeek

DECEMBER 17, 2001

SPECIAL REPORT

The Best Products of 2001



Visa Payroll Card was featured as one of the most innovative new products by Business Week magazine¹



The Mayor and Treasurer of SF launches paperless pay initiative²



Over 6 ½ million paycards in use as of 2011³

¹ Business Week, 12/17/01 The Best Products of 2001: Special Report

² <http://www.currenssf.org/>

³ United States Census Bureau Supplemental Survey of Unbanked/Underbanked 2011



The Visa Payroll Card Solution

- ▶ Payroll cards enable companies to offer employees without bank accounts the benefits of electronic payroll direct deposit
- ▶ Employers can also reimburse employee expenses, pay bonuses, awards, and termination pay directly to the card
- Employees receive a prepaid, reloadable, Visa card in place of a paper payroll check
- Employees can use the card to make purchases and pay bills anywhere Visa debit cards are accepted. Employees can access cash at any Visa/Plus[®] ATM worldwide¹



Current Payroll Card Environment



- Programs will be Visa
 - Beware, not all are branded, some are PIN networks only
 - Signature and PIN usage
 - Provides fraud protections that come standard with these brands
 - Accounts are FDIC Insured and Protected by Regulation E
 - Some states even allow mandating of electronic pay, and these cards are an acceptable method





Current Payroll Card Environment

Successful models include the first transaction free each pay period which can be used as follows:

- Free POS
- Free ATM
- Free bank teller transaction / convenience check
 - This meets the “pay to the penny” requirement that all states have



Does the paycard provider help train employees how to use the card correctly?

- Customer Services should work with employees and refund fees to help them learn to use the card correctly



Current Payroll Card Environment

- ▶ Other key features to be concerned about
 - Customer Service – can make or break a program.
 - Ensure it is always FREE, 24X7X365 and multi-lingual
 - Ensure it is in house and not outsourced
 - Electronic Paystubs & W2's
 - Implementation
 - Must be delivered by an experienced staff
 - Technology capabilities
 - Alerts (Text, Email, Phone)
 - Two Way Text
 - Mobile Applications (Cardholder Mobile Web)
 - Fraud (Travel Usage)
 - Remote Check Deposit (INGO)
 - Other associated programs
 - Online mall / discount center
 - Sweepstakes





Current Payroll Card Environment

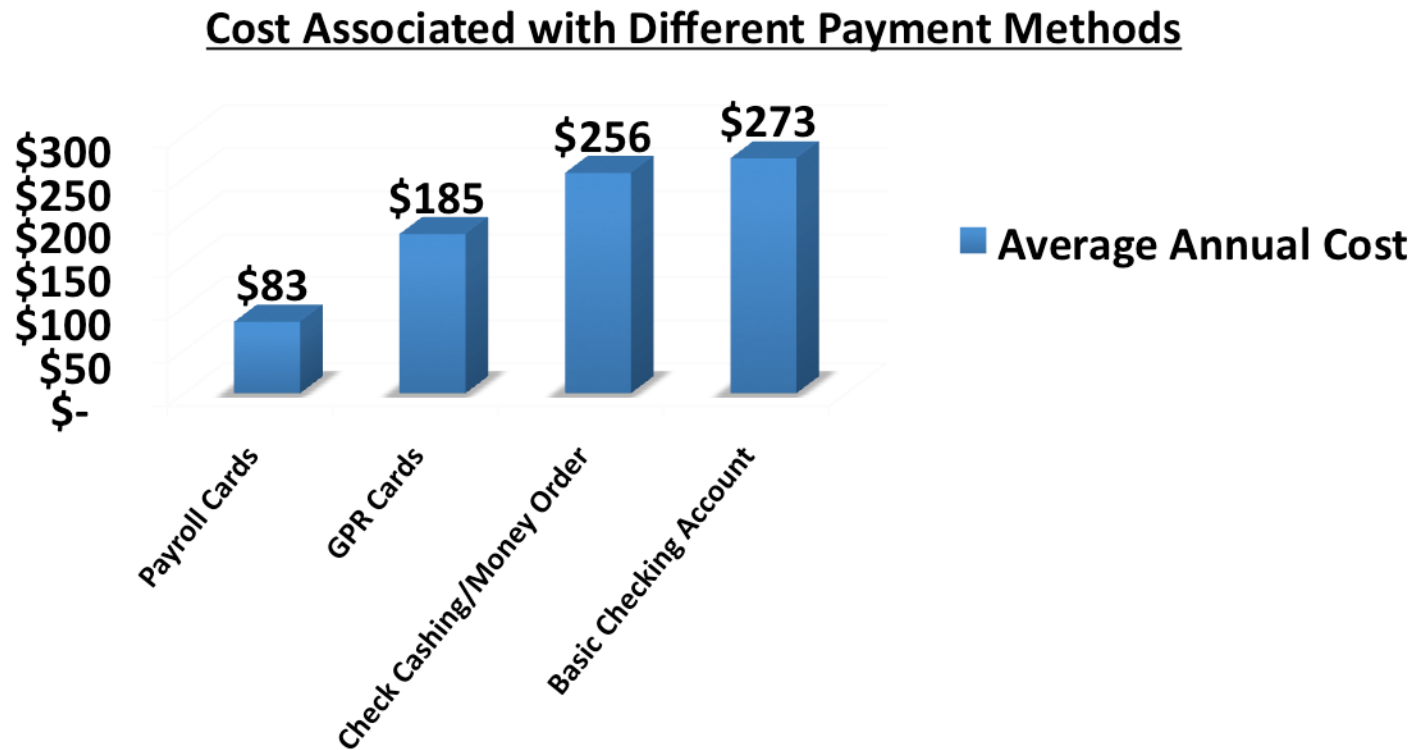
► Fee structures

- Employees should be able to use the cards free of any fees if you utilized properly (FREE pay to the penny access)
- No start up fees or load fees for the employers
- No start up, activation, or monthly fees for the employees
 - Some programs still have these fees



Employee Cost Savings

- Payroll Cards are more cost-effective for consumers than other payment methods, including checking account, some prepaid GPR cards and cash-based options.



**Results based on a study conducted by Bretton Woods, a management advisory firm specializing in financial institutions. Source: Paybefore.com.*

Employee Benefits

- Protected under Regulation E
- Visa Zero Liability Policy
- Cardholder balance is FDIC Insured
- NO more check cashing fees
- NO more standing in line or travel time
- NO more lost checks
- FREE cards for family members
- FREE transaction per pay period
- FREE monthly card maintenance
- FREE Signature Transactions
- FREE Bill Pay
- FREE Card to Card Transfers
- FREE email, text message or voice message when your card is loaded
- FREE multilingual “live” customer service 24x7x365
- FREE enrollment in a rewards program
- FREE balance inquiry online, automated phone system and live customer service
- FREE Mobile Web and Two-Way Texting



Employee Benefits

- Nearly 70,000 Surcharge Free ATMs in the United States
- Online Help
- Mobile Banking
- Easy to Use
- Liberal Fee Reimbursement upon Initial Use
- Discounts – electronics, restaurants, home improvement, travel, etc.



Employee Benefits

- Special Discount Programs
- Random Quarterly Gift Card Award to Cardholders (Sweepstakes)
- Savings Plan
- Budgeting Tool (Expense Manager)

Employer: Select Staffing
3820 State Street
Santa Barbara, CA 93105

Employee: Lori Hutchins
292362 Main Street

Employee ID: 292362000

SSN: XXX-XX-2000

Pay Date: August 07, 2008

Pay Period: 07/28/2008 - 08/03/2008



Earnings

	Rate	Hours	Period	Year to Date
REG	15.00	20.00	300.00	9022.50
OT	0	0	0	0
DT	0	0	0	0
TT	0	0	0	0
APT	0	0	0	0
ADN	0	0	0	0
Gross Earnings			300.00	9022.50

Withholdings & Deductions

	Period	Year to Date
FWT	19.90	571.16
SOC	18.60	559.42
MED	4.35	130.86
ILT	8.42	252.15
Total Withholdings & Deductions	51.27	1513.59
Net Earnings	248.73	7508.91

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Employer Benefits

- ▶ Pay Your Employees Instantly
- ▶ Eliminate the hassle of lost checks, post paystubs & W2's online, and send announcements & notifications to your employees through a simple interface.
 - Eliminate recurring costs of traditional paper paychecks including postage, overnight delivery, & other expenses.
 - Reduce bank service fees, account reconciliation costs, & stop payment fees for lost or stolen paychecks.
 - Manage final wage payments to terminated workers via instant payment to paycard instead of a final paper paycheck via overnight delivery.
 - Simplify payments to employees regardless of location
 - Decrease paycheck fraud
 - Fully functional mobile administrator access that works on any web enabled device
 - Real time debit of overpayments
 - Direct Deposit Tool
 - Fully automated card inventory system
 - SQR (Service Quality Review): goal setting, metrics, reporting



Compliance

- ▶ Important items to consider
 - FDIC Insured
 - Regulation E
 - VISA Zero Liability
 - PCI Level 1 Certified
 - SSAE 16 Type II Audited
 - Call Center CISSP Certification



Compliance

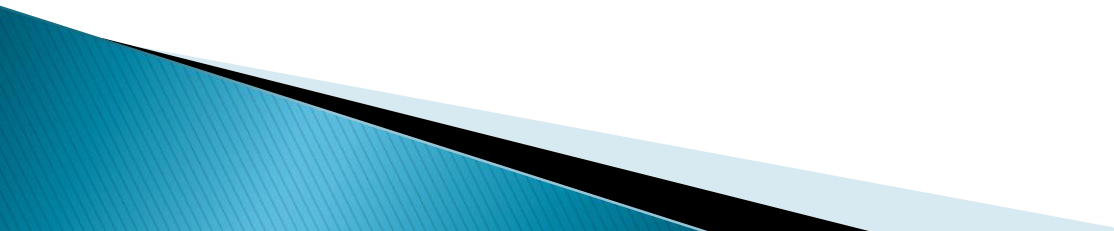
▶ State Regulations

- How does the provider advise you regarding compliance?
- What advice do they provide and is it for the life of the program?
- Legal
- Professional Associations (American Payroll Association, Association of Financial Professionals, American Staffing Association, etc.)
- Quarterly Newsletter
- Monthly Tidbits

Where you can Mandate Paperless Pay

- Alabama
- Arizona
- Colorado
- Delaware
- Indiana
- Kansas
- Kentucky
- Louisiana
- Maine
- Massachusetts
- Michigan
- Mississippi
- Missouri
- Nebraska
- North Dakota
- North Carolina
- Ohio
- Oklahoma
- Oregon ^
- South Carolina
- South Dakota
- Tennessee
- Texas
- Washington
- Wisconsin
- Utah

State Regulations in “Yellow” States

- ▶ Florida – Choice of paycard or direct deposit can be a condition of hire for employees hired after July 1, 2009. However, already employed individuals receiving checks cannot be terminated for refusing to be paid electronically.
 - ▶ Iowa – Employees hired after July 1, 2005 may be given the option of being paid on a paycard or by direct deposit.
 - ▶ Virginia – Employees hired after January 1, 2010 may be given the option of being paid on a payroll card or by direct deposit.
- 



Corporate Responsibility

▶ Initiatives

- Reduce Paper Production/Delivery
- Reduce Waste
- Green Initiatives
- Reduce Energy Consumption
- Improve our Environment



▶ Eliminating the paper out of your payroll process will contribute to corporate responsibility

- Promoting 100% direct deposit fosters corporate responsibility!



Promote Direct Deposit

- ▶ How does your disaster recovery plan impact the delivery of pay to your employees?
- ▶ Top 10 US States that have declared emergencies per FEMA include: TX, CA, OK, FL, WA, NY, OR, CO, AL, & NM.
- ▶ USPS Saturday delivery may be going away – impact?
- ▶ Promoting direct deposit to a bank account or a paycard will ensure:
 - Employees are not at the mercy of the mail or other delivery methods when those methods are impacted by a hurricane, snow, or any inclement weather.
 - Instant funding can be done remotely (away from the impacted area) and not requiring employees to come into the office to get paid.



Food For Thought

Top 10 Considerations when evaluating a paycard provider

1. What is the cost to implement a paycard program?
2. What are the fees to the employees?
3. Is the program easy to use, both by the employer and the employee?
4. Is the program PCI level 1 & SSAE 16 Type II Audited?
5. What is the level of customer service and is it outsourced (is the provider a reseller or a direct processor?)
6. Does the paycard provider have an effective implementation program?
7. Is the paycard provider a specialist in paycards or is it an adjunct to their primary business?
8. What level of field support does the paycard provider provide?
9. Does the paycard supplier provide state of the art technology?
10. Is a disaster recovery program built into the paycard system?



Best Practices for Paperless Payroll Vision Change

John Kotter Leading Change

**Establish a Sense of
Urgency**

Create a Clear Vision

**Empower Others to
act on the Vision via
Cultural Change**

**Remove Obstacles To
The Vision**

**Communicate the
Vision**

**Publicize Connection
Between Change Effort
& Success**

**Plan for & Create
Short-Term Wins**

**Form a Powerful
Guiding Coalition**



What's in it for the Unbanked Employee?

- Convenience factors
- Company obligation to minimize payroll distribution risks (uncontrollable acts)
- Purchasing power via a branded card
- Promote at least 5 ways of accessing their pay without paying a dime





Behavioral Change Initiatives

- Implement pay selection enrollment form
- Consider charging EEs for stop payments
- Where applicable, mail all paper paychecks
- If checks can't be mailed, consider changing pick-up time for payroll check distribution
- Consider one-time conversion incentive



Keys to Employee Adoption

- ▶ Promote savings account component
- ▶ Companion cards
- ▶ Competitive fee schedule
- ▶ Allow multiple EFT accounts
- ▶ Partner with vendor with detailed roll out plan
- ▶ Utilize instant issue and signature paycards
- ▶ Make the process simple and easy
- ▶ Consider other incentives – just ask



Communication Efforts – Next Steps

- Employee paycard signage
- Employee communication plan
- Frequently Asked Questions
- Provide locations of surcharge-free ATMs in and around business vicinity
- Consider random drawings for loaded paycards (\$50, \$100, \$500 increments)
- Post-implementation metric reporting – Did you get the expected results from the initial phase I rollout?



Diverse Training Methods

- Onsite field support by experienced staff
- Train the Trainer
- Customized marketing material in different languages
- eLearning (online, DVD, CD, etc.)
- Webinar (frequency)
- Conference Call
- Customer Service Orientation
- IVR Training
- Continuing Education (why?)



Next Steps – Plan to Win

- ▶ Create a vision
- ▶ Identify pain points
- ▶ Communicate Strategy
- ▶ Prepare for Change
- ▶ Pilot Solution
- ▶ Implement Rollout
- ▶ Measure for Results
- ▶ Sustain Momentum





Key Learner Outcomes: What You've Learned



How implementing a paycard program can bring savings to your companies bottom line & provide your employees a robust benefit

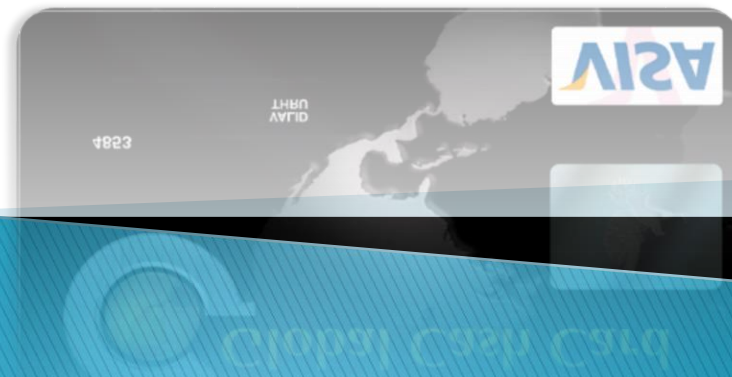


How paycards can take your company's payroll 100% paperless



Learn the process for choosing and implementing a successful paycard program

Questions





Where To Learn More

- ▶ Visit our booth
- ▶ Visit the Global Cash Card Website:
www.globalcashcard.com
- ▶ Schedule a live demo

- ▶ Contact: Marilyn Gottsponer
Manager of Field Support
(479) 220-8180
mgottsponer@globalcashcard.com

Global Cash Card



SYSTEMS + SERVICE

= EASY

THE FORMULA FOR PAYCARD SUCCESS