

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Launches Pilot Program of Prepaid Debit and Payroll Cards for Fast, Safe and Convenient Tax Refunds

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WASHINGTON – Timed for tax season, the U.S. Department of the Treasury launched a pilot today to offer taxpayers a safe, convenient and low-cost financial account for the electronic delivery of their federal tax refunds. The new account card option provides everyday money-saving conveniences and consumer protection features for Americans with limited or no access to traditional banking services.

“This pilot program will provide low- and moderate-income Americans with a low-cost option for faster delivery of their federal tax refund,” said Deputy Secretary of the Treasury Neal Wolin. “This innovative card can be used for everyday financial transactions, such as receiving wages by direct deposit, withdrawing cash, making purchases, paying bills and building savings safely and conveniently, giving users more control over their financial futures.”

As the next step in this pilot, originally announced in September, Treasury will mail letters next week to 600,000 low- and moderate-income individuals nationwide. The letters will invite these taxpayers to consider activating a MyAccountCard Visa® Prepaid Debit Card in time to have their 2010 federal tax refund direct deposited to the card. Compared to paper checks, direct deposit provides a safer, faster and more convenient way to receive a federal tax refund as well as other regular income.

Also this week, Treasury began a companion pilot to encourage tens of thousands of current and potential payroll card users to direct deposit their 2010 federal tax refund onto existing payroll cards. Nationwide, more than 1.7 million workers use payroll cards to receive and access their wages, often because they do not have bank accounts. Working with ADP, a provider of payroll services, Treasury will highlight the safety, ease and convenience of direct deposit onto payroll cards through tax season communications, including materials distributed with pay statements.

The letters mailed to taxpayers about MyAccountCard contain information about the card’s features, including free services and the fee structure for optional services. Many of the features, including free point-of-sale transactions, free online bill pay, free ATM cash withdrawals at more than 15,000 ATM machines nationwide, and free cash back at participating retail stores, will help cardholders limit the costs of using the card. The information also explains how to sign up, and how to use the card to receive a federal tax refund and conduct everyday financial transactions.

As part of the pilot, Treasury will randomly offer several different variations of MyAccountCard in order to evaluate which product features, fee structures and marketing messages generate the greatest positive response from taxpayers. The results of the pilot will help determine the benefits and feasibility of a card account as an integrated part of the tax filing and refund process.

The Visa® branded MyAccountCard will be issued by Bonneville Bank, acting as Treasury’s financial agent and pursuant to a license from Visa® U.S.A. Inc., with additional services provided by Bonneville Bank through its program manager, Green Dot® Corporation, a prepaid financial services company. Bonneville Bank, Visa® and Green Dot® will offer MyAccountCard cardholders a wide variety of card features, reliable customer service support by telephone and Internet, and a large nationwide reload network.

The tax-time pilots build on the Obama Administration’s continuing efforts to increase electronic payments and to empower Americans to make informed financial decisions. For example, those who receive Social Security, Supplemental Security Income (SSI) and other types of federal benefits already have the choice to get their payments through the Direct Express® Debit MasterCard® card, which was designed for federal benefit recipients and is recommended by the U.S. Department of the Treasury.

More information about MyAccountCard can be found at www.myaccountcard.gov.

