



## Michigan Department of Human Services Office of Child Support

### DEBIT CARD PILOT – INFORMATION SHEET

Public Act 548 of 2004 (MCL 400.236(4)) requires that the Michigan State Disbursement Unit (MiSDU) disburse support electronically. The MiSDU must accomplish this either through direct deposit to an individual's bank account, or through use of a debit card. This electronic disbursement must be operational in three pilot counties by January 3, 2006, and statewide by January 3, 2007. The MiSDU is the single location in the state for disbursement of all child support payments. The following is an explanation of the debit card pilot program process.

**Pilot Counties:** Shiawassee, Marquette and Muskegon. All customers within these counties will be included in the pilot program except those who claim an exemption under the statute (see "Exemptions" section). Customers who live in other counties may be included if a pilot county has control of his/her docket. Given the mobility of families, customers who reside in many different counties could be included as a part of this pilot program.

**Overview:** All customers who have received three or more payments in the last 12 months with a valid mailing address on dockets in the pilot counties must choose to have their support payment directly deposited into their personal bank account or have support deposited to a debit card.

#### Implementation

**Date:** November 2005. Customers who choose direct deposit will receive notification when their direct deposit request has been processed. Customers who select the debit card, or customers who do not establish direct deposit before November 1, 2005, will be phased into the program in segments spaced approximately five days apart. Once the debit card has been sent, payments will be deposited to the debit card. Cardholders must activate their card before accessing the funds.

#### Debit card Issued By:

The State of Michigan's contract bid for the MiSDU required that the vendor have a plan to implement the law mandating electronic disbursement of child support. Within Tier's contract to provide services to Michigan for the MiSDU, U.S. Bank was included to provide the debit card option. For individuals not receiving direct deposit or who are not exempt based on state statute, U.S. Bank will issue debit cards. U.S. Bank is the sixth largest financial services holding company in the United States, and the largest in state government prepaid debit cards. U.S. Bank operates debit card programs for Colorado, Washington, Minnesota, Iowa, Nebraska, North Dakota, South Dakota and Oregon.

Customers who choose the debit card option will receive a U.S. Bank ReliaCard® Visa® debit card.

**Current  
Customers:**

Customers in the pilot counties that are currently receiving their support payments by mail will receive three notifications of the change. The first notification will ask the individual to make a choice between direct deposit or a ReliaCard Visa debit card. This notification will include:

- Information about the statutory mandate;
- A request form for direct deposit;
- Information about the ReliaCard Visa debit card; and
- Instructions that, if the individual does not respond by October 14, 2005 (to ensure processing by November 1, 2005), (s)he will receive a ReliaCard Visa debit card.

The second notice, mailed approximately 2 weeks after the first, will again ask the customer to make a choice by October 14, 2005, between:

- Direct deposit; or
- A ReliaCard Visa debit card.

Customers who have not requested direct deposit by October 14, 2005 will receive a third notice. This notice will inform the individual that (s)he will get a ReliaCard Visa debit card.

**New  
Customers:**

Customers with child support order effective dates after the start of the pilot program will receive an insert with their first check asking if they want to receive their future support through:

- Direct deposit; or
- A ReliaCard Visa debit card.

**Exemptions:**

The following customers are exempt from mandatory participation in electronic disbursement of support:

- Individuals with a mental or physical disability that imposes a hardship in accessing electronic payments.
- Individuals with a language or literacy barrier that imposes a hardship in accessing electronic payments.
- Individuals with payments that are infrequent, or are not expected to continue in a 12-month period.<sup>1</sup>
- Individuals with both home and work addresses that are more than 30 miles from an ATM or their financial institution.

Exempt customers are not required to receive payments via direct deposit or debit card. They must contact the MiSDU to request this exemption by calling 1-877-4-MI-DEBIT (1-877-464-3324).

**U.S. Bank  
ReliaCard Visa:**

This is a prepaid ReliaCard Visa debit card, not a credit card. Support payments will be deposited directly to the card. Cardholders can use the ReliaCard Visa debit card in the same manner as any Visa-branded card.

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<sup>1</sup> The debit card workgroup determined that an individual is not receiving recurring payments if (s)he is receiving two or less payments each year.

Funds are accessed through either a signature or a secure Personal Identification Number (PIN). Only the MiSDU can deposit money into this account, the cardholder cannot add funds.

The ReliaCard Visa debit card can be used at millions of locations that accept Visa debit cards.

U.S. Bank will give monthly statements to individual cardholders that make it easy to track account activity. At this time, cardholders must maintain their addresses with U.S. Bank, and U.S. Bank will share that address information with Michigan Child Support Enforcement System (MiCSES). Legal addresses must still be changed with the FOC.

Cardholders will have access to the U.S. Bank online 24-hour account information site and customer service voice response system (VRS) to:

- Activate the card (VRS only);
- Check balances;
- Select or change PIN number;
- Review recent transactions, including deposits; or
- View statements from the last 12 months.

Customer service representatives at U.S. Bank will provide the following services:

- Report card lost/stolen/not received;
- Issue new card;
- Resolve disputed transaction;
- Update account information (address, phone number, etc.); or
- Transfer money from the card to checking/saving account.

**Direct Deposit  
Fees:**

There are no additional fees charged by the MiSDU for direct deposit to the customer's checking or savings account. Any fees charged by the financial institution will not change due to this choice.

**ReliaCard Visa**

**Fees:** There is no fee at the millions of locations that accept Visa debit card point-of-sale transactions. These include grocery stores, restaurants, medical offices, gas stations, retail stores, pharmacies and many other locations.

Customers can also get cash back with purchases from Interlink merchants without any fee. There are over 29,000 Interlink merchants in Michigan. To identify an Interlink merchant, customers can match the Interlink logo on the back of the card to the logo displayed on the merchant's door or at their check out counter

Each cardholder can also receive "cash back" free of charge from any bank teller or credit union teller that process Visa cash advances at their teller window.

There will be a U.S. Bank service charge of \$1.50 for all ATM withdrawals. As with any ATM withdrawal, there may be an additional surcharge by the ATM owner/operator for any transactions. The

surcharge fee will be explained on the ATM screen before the transaction is completed, allowing the individual to choose whether or not to proceed before incurring the surcharge fee.

There are no fees for web-accessed account information or ATM balance inquiries. Customers are provided with unlimited calls to the U.S. Bank voice response system (VRS) but are limited to one free call each month with a customer service representative; additional calls to a customer service representative are \$3.00 each.

Customers can request a transfer of funds from their ReliaCard Visa debit card to another account however, there is a \$15 fee associated with the transfer of funds to other accounts.

Because the ReliaCard Visa debit card is not a credit card, any amount spent above the amount of money remaining in the ReliaCard Visa debit card will result in an insufficient fund fee of \$20.

There is a standard card replacement fee of \$5 (3-5 days) with an emergency replacement option available for \$25 (within 2 days).

Complete details on fees will be provided with the card. All fees are assessed either by U.S. Bank or the ATM owner/operator and will be taken directly from the account balance on the ReliaCard.

**Benefits of Program:**

- Electronic payments are less costly to process than checks
- Eliminates time customers spend waiting for their check to be delivered through the mail
- Reduces returned mail
- Eliminates late, lost or stolen checks
- Provides immediate access to funds
- Provides enhanced security safeguards
- Reduces money held in suspense waiting for a customer to update his/her address
- Reduces the expenditures made by the state attempting to find customers who have money in suspense.

**Information:**

- MiSDU toll-free number 1-877-4-MI-DEBIT (1-877-464-3324) (debit cardholders)
- U.S. Bank 24-hour access line provided to cardholders
- DHS public web site – child support section (all customers)
- MiSDU public web site (all customers)
- Mi-Support web site (FOCs/PAs/SS)