

Michigan Department of Human Services Office of Child Support

ELECTRONIC DISBURSEMENT OF CHILD SUPPORT 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 began operation in three pilot counties during November 2005, and statewide implementation is being done in phases during 2006. The MiSDU is the single location in the state for disbursement of all child support payments. The following is an overview of the electronic disbursement program.

Implementation:

Shiawassee, Marquette and Muskegon Counties were included in the pilot program. For a listing of the implementation timeline for all other counties click here Electronic Disbursement of Child Support (Statewide Implementation Schedule). All customers will be included in the program except those who claim an exemption under the statute (see "Exceptions" section). Customers will be phased into the program based on the county in which they have their case, not the county where they live, which may be different.

Overview:

All customers, who are not exempt under the law, must choose to have their support payment either (1) directly deposited into their personal bank account or (2) deposited to a debit card. Customers who choose direct deposit to a personal bank account will receive notification when their request has been processed. Customers who select the debit card, or customers who do not establish direct deposit will receive a debit card in the mail.

Debit card Issued By:

U.S. Bank. For individuals who do not choose direct deposit to a personal bank account, or who are not exempt, U.S. Bank will issue a Visa branded debit card. 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 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 of whether (s)he wants direct deposit or a debit card. A direct deposit request form will be included with the notice (Direct Deposit Authorization Form).

The second notice will again ask the customer to make a choice and a direct deposit form will be included with the notice.

Customers who have not requested direct deposit within two weeks after the second notice 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 check asking if they want to receive their future support through:

- Direct deposit to a personal bank account; or
- A ReliaCard Visa debit card.

<u>Note</u>: Customers who do not qualify for an exemption or request direct deposit within 21 days of the date of the insert with their check will be automatically enrolled in the debit card program.

Exceptions:

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 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 a debit card. They must contact the MiSDU to request an exemption by calling 1-877-4-MI-DEBIT (1-877-464-3324).

US Bank ReliaCard Visa:

This is a prepaid 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. 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 mail monthly statements to individual cardholders that make it easy to track account activity. Cardholders also will have access to the U.S. Bank online 24-hour account information site, customer service voice response system (VRS), and customer service representatives.

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 US Bank service charge of \$1.50 for all Automated Teller Machine (ATM) withdrawals. As with any ATM withdrawal, there may be an additional surcharge by the ATM owner/operator for 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 U.S. Bank fees for web-accessed account information, Voice Response System (VRS) customer service or ATM balance inquiries. There is one free call each month to talk with a customer service representative. Additional monthly calls to a customer service representative will be \$3.

Complete details on standard fees will be provided with the card.

Benefits of Program:

- Electronic payments cost less to process
- 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:

- Customers can contact their local FOC 24 hour case information access line <u>IVR Phone Numbers</u> and follow the prompts to the MiSDU.
- Customers with debit cards will receive a U.S. Bank toll free customer service number.
- MiSDU toll- free number 1-877-4-MI-DEBIT (1-877-464-3324) (for customers with questions about the debit card)
- Frequently Asked Questions (FAQs)

Statewide Implementation Schedule