

PAYCARD CONSENT INNOVATION

Presented by:



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Disbursements, Green Dot
Corporation
rapid! PayCard Founder



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Disbursements



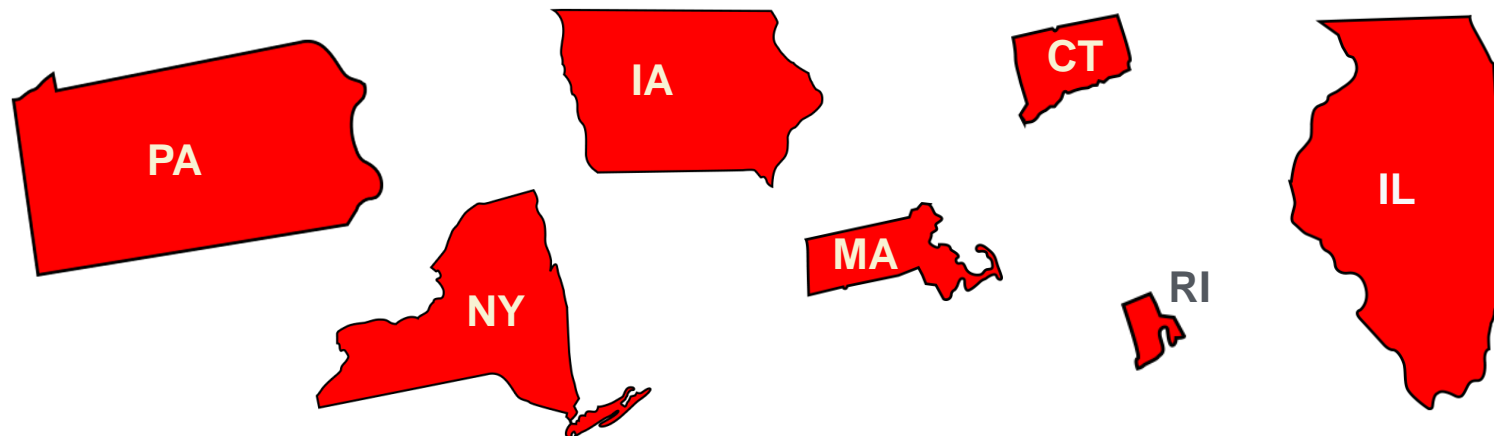
Helena Mao

General Manager of Money
Processing Services, Green
Dot Corporation

Recent or Pending Regulatory Changes

Changes are Constant

Paycard Regulations have changed, or are proposed, on a state level in 7 states in the last 3 years



Federal Regulations, set by the CFPB, impacting paycards are set to go into effect in April of 2018

These regulations impact the methods that companies can use to pay employees, the fees that can be charged to employees by card providers, and the requirements for disclosures and consent.

ILLINOIS

➤ Effective: January 1, 2015

- Wage Payment and Collection Act amended to authorize the payment of wages and final compensation by payroll cards.
- Adds section 14.5 to the Act to specify the conditions under which payroll cards may be used.
 - ❖ Among other things, this section requires that payroll cards be offered on a voluntary basis.
 - ❖ Another method(s) of payment be offered in compliance with the Act.
 - ❖ Certain Disclosures be made and consent obtained before wages are paid by electronic fund transfer to a payroll card account.
- Section 14.5 also addresses methods of accessing full net wages and account information without cost.
- Prohibits specific fees and the use of payroll cards linked to credit and identifies post employment responsibilities
 - ❖ Within 30 days of termination of employment, an employer must notify the employee that the T&C of the card account may change if the employee continues a relationship with the pay card issuer.

RHODE ISLAND

- Effective: July 15, 2015
 - General Laws authorizes the payment of wages by credit to a payroll card account upon written or electronic request of the employee.
 - Among other things, the statute defines “payroll card account” and requires that employees be able to make at least one withdrawal from the payroll card account each pay period without charge.

CONNECTICUT

➤ Effective: October 1, 2016

- Last state to expressly authorize paycards as a viable method of wage payment as long as employer receives employee's consent.
 - ❖ The statute does not preempt or override an existing collective bargaining agreement with respect to methods of wage payment.
- Among other things, the statute sets forth specific requirements for providing employees with access to cash wages and account information without cost.
- Requires disclosures and alternative payment options, includes a number of fee restrictions, and prohibits linking payroll cards to any form of credit.

PENNSYLVANIA

A

➤ Effective: May 5, 2017

- State officially permits payroll card use upon employee written or electronic request.
 - ❖ Prior to obtaining the employee's authorization, the employer must provide its employee with clear and conspicuous notice in writing or electronically of:
 - All wage payment options, T&C of the payroll card account; including the fees that may be deducted from the account by the card issuer.
 - Notice that third parties may assess fees, and the methods available to the employee for accessing wages without fees.
- Among other things, employers are prohibited from making the payment of wages via payroll card account a condition of employment.

IOWA

- Introduced January 2017
 - Senate File 141
 - ❖ Allows payroll cards:
 - Employee must agree in writing.
 - No fees for withdrawals once per pay period.
 - Employee can have name put on card.

NEW YORK

- Effective: March 7, 2017 Delayed by Administrative Court
 - An employer must provide its employee with information about their payment options and obtain the employees' voluntary consent prior to paying wages using a payroll debit card.
 - ❖ The notice and consent must be provide in English and in the employee's primary language when a template is available from the NYSDOL.
 - ❖ After providing notice and obtaining consent, the employer must wait 7 business days before taking action to pay the employee using the payroll debit card.
 - The rules also include strict cash access requirements, prohibits kick backs, prohibit linking payroll debit cards to any form of credit, and require advance notice of changes in T&C.

MASSACHUSETTS

- Introduced January 2017
 - Senate Docket 1052
 - ❖ Allows payroll cards:
 - Employee must agree in writing.
 - Waiting period of 7 days after employee after written consent.
 - No fees for withdrawals once per pay period.
 - “local access” to one or more ATM at no cost.
 - Among other things, employers are prohibited from making the payment of wages via payroll card account a condition of employment.

How will you stay informed?

How will you meet these
requirements?

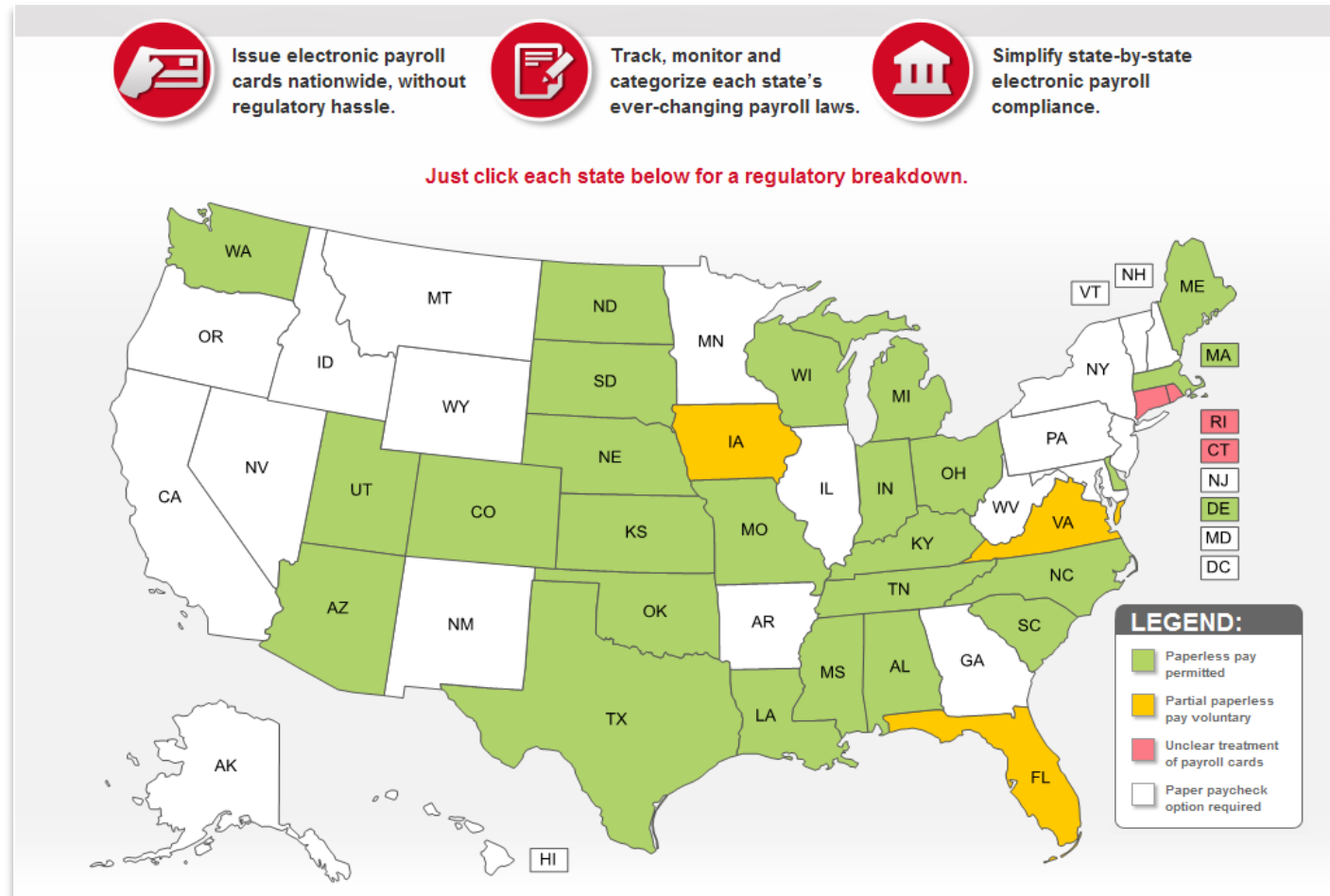
Innovation is the Key Flexible Tools are Required



Leading Providers must provide tools to meet all of these challenges

- PayCard systems need to provide value to employees
- Enable cost savings and efficiency for employers
- Provide tools to enable compliance

Compliance Information on PayCard Requirements



www.rapidpaycard.com/compliance-map

Advanced search ►

State Level Fee Modification



- One fee schedule does not meet all state requirements
- Providers must know and react to the employment state
- Dynamic pricing is required
- Old processing systems will fall behind
 - Providers will not support service in some states or;
 - Require different cardstock by state
 - The administrative burden may fall to the employer

Onboarding Tools to Track Employee Consent

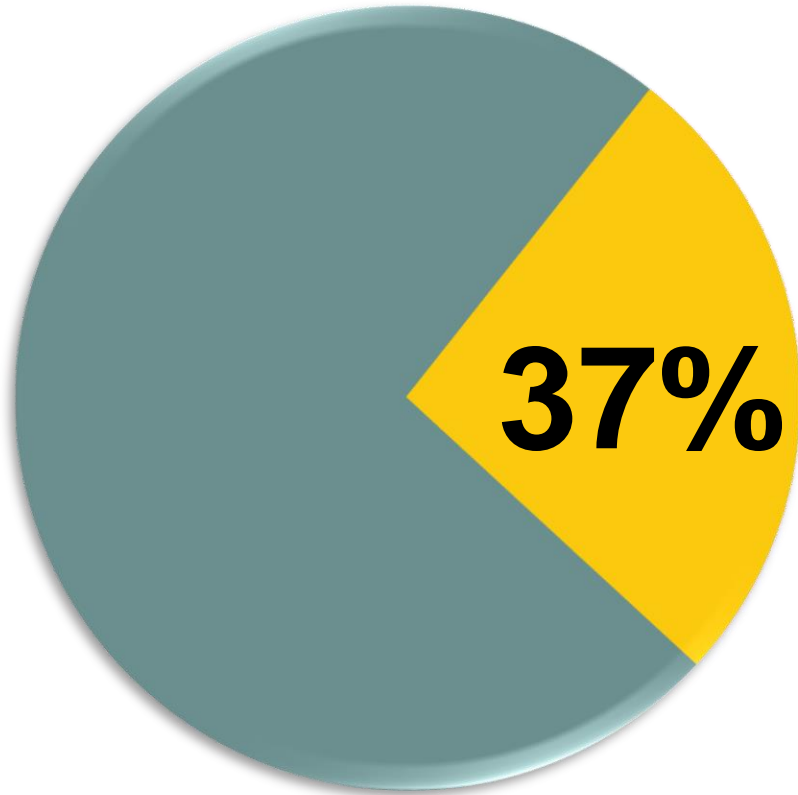


Innovation is required to meet the complexity of the every changing consent and disclosure requirements.

NEW FINANCIAL REALITY



More than 5 million Millennials
in the U.S. do not have a checking account



More than 1/3 of all Millennials

Say it would be valuable to have their pay loaded onto a paycard each payday.

That is over 29 million Millennials!

NEW FINANCIAL SOLUTION



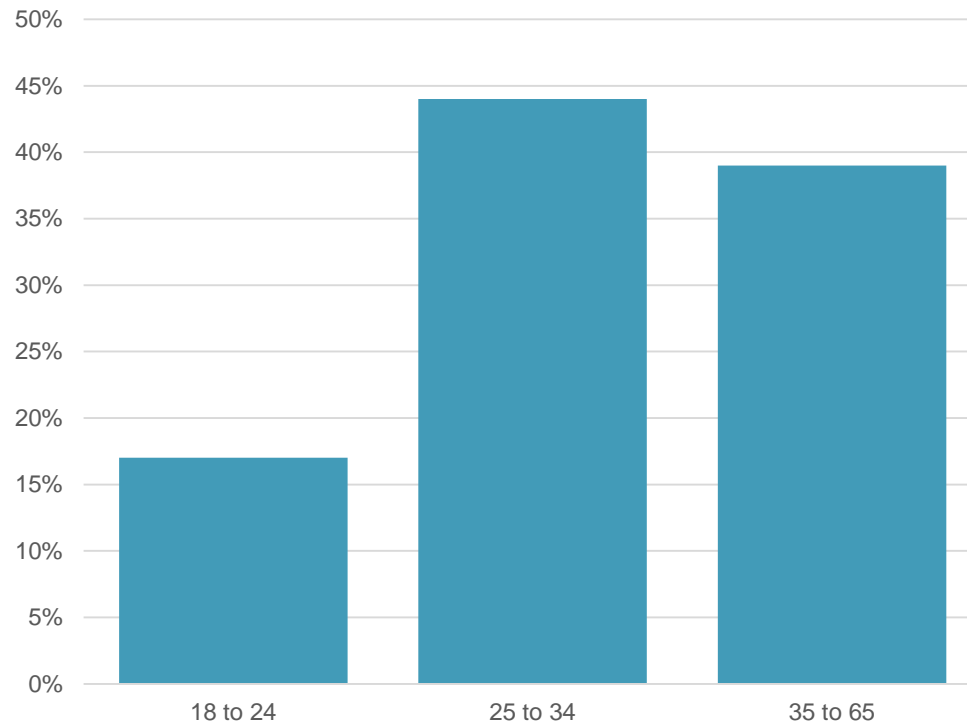
57% of **ALL** employees

Think that paycards should be offered by employers as a payment option. This feeling only grows with younger workers with **64% of Millennials** agreeing.

PAYROLL CARDS AND SMARTPHONES

Age Distribution of Payroll Card Users

Base= Respondents whose employer puts their earnings on a prepaid card and gives it to them.

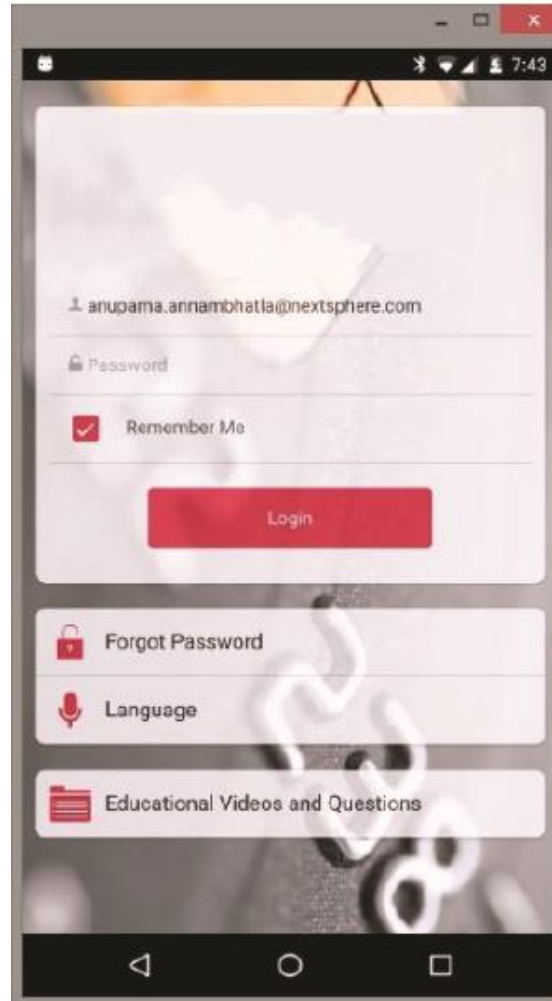


94%

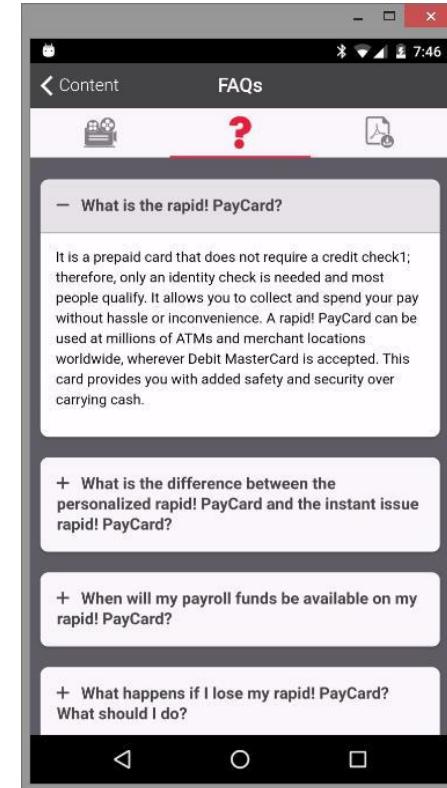
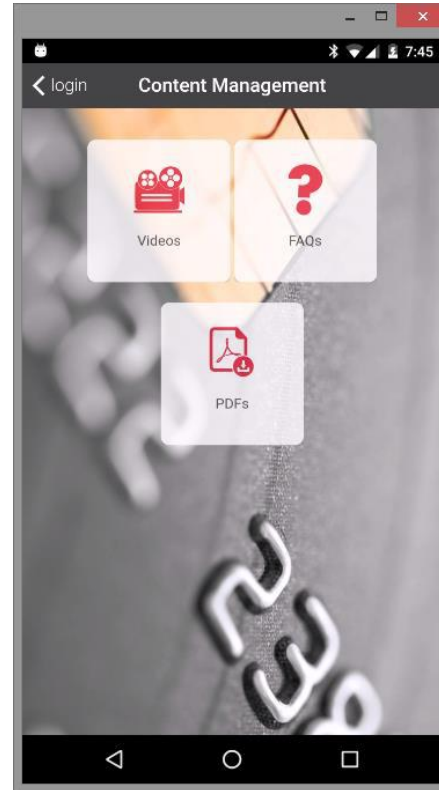
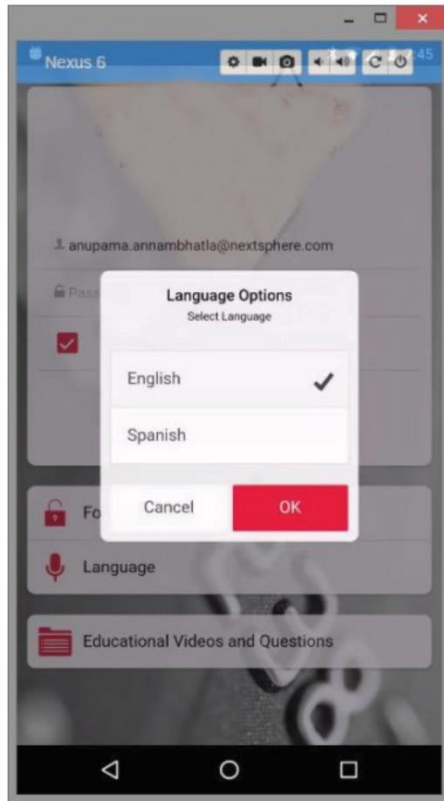
Payroll Card
Users **OWN** a
Smartphone

Introducing RPC OnBoard

Geographically Specific Information



Program Information in Multiple Languages



ATM Locators

[Home](#) [Admin](#) [ATM Locator](#) [Reports](#) [Settings](#) [Content](#) [Language](#) [Welcome Anupama](#)

Search

Search By *

State *

City *


State and County

Florida


CLEARWATER

Search


Results




(Pinellas County Courthouse)
315 Court St.
Clearwater, FL 33756
Distance to you 0.29



WALGREENS
814 CLEVELAND ST
CLEARWATER, FL 33755
Distance to you 0.32



7-ELEVEN
657 COURT ST
CLEARWATER, FL 33756
Distance to you 0.33




HESS
441 CHESTNUT ST
CLEARWATER, FL 33756

Map Satellite

WALGREENS

30280 US HWY 19 N, CLEARWATER, FL, 33761



Distance to you : 7.05

Get Directions

ATM Near Me

GeoLocation may not be accurate in web browsers

Send Details

☒ Yes, I want details by Email


☒ Yes, Email details to Employee

anupama.annambhatla@nextspher

Send


Directions

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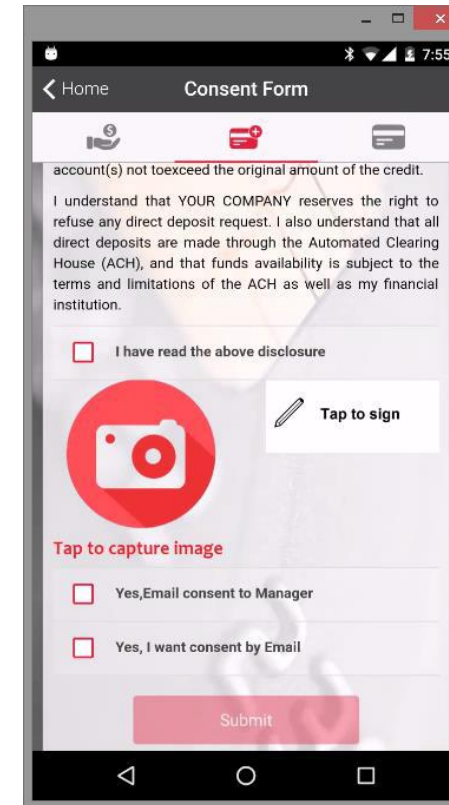
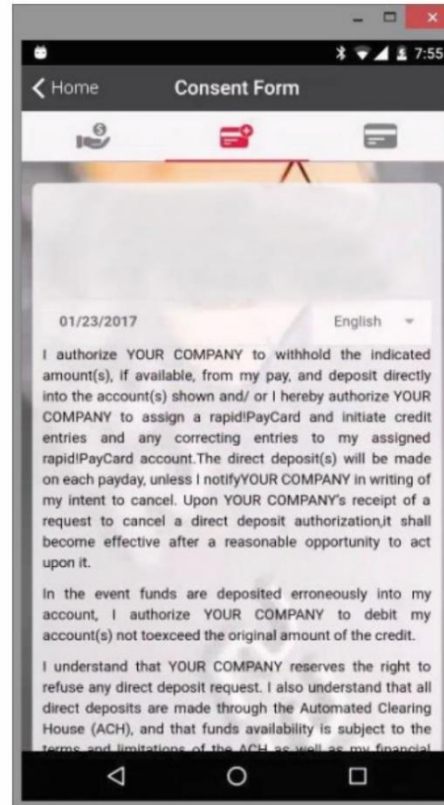
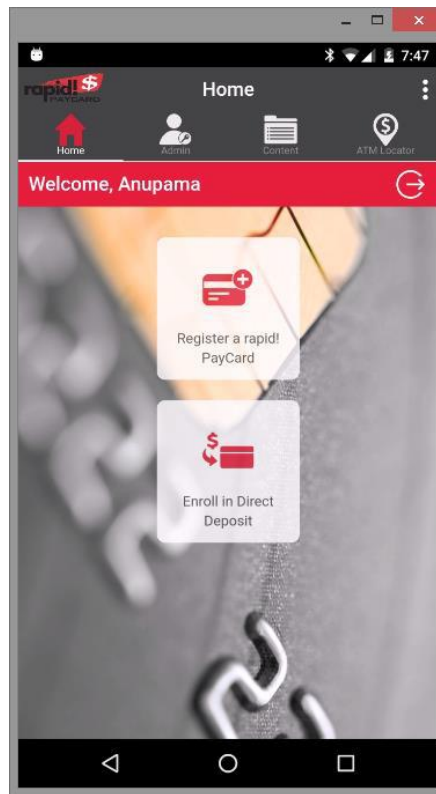
rapid! 
PAYCARD

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 **SimplyPaid**
A Better Way to Pay

Full Consent Tracking for PayCard and Direct Deposit



Administrative Tools & Reporting

[Home](#) [Admin](#) [ATM Locator](#) [Reports](#) [Settings](#) [Content](#) [Language](#) [Welcome Anupama](#)

[Generate](#) [Schedule](#)

Manage Reports

Report Type *
Direct Deposit Setup Successful

Organization *
Demo Organization (1000000003)

Inventory
Demo IP 1 (I000000003)

From Date
01/01/2017

Division
Demo Division 1 (D000000003)

Location
Demo IP 1 (L000000003)

To Date
01/23/2017

[Search](#) [Reset](#) [Download](#)

Report Summary

Direct Deposit Setup Successful

Organization : Demo Organization (1000000003)

Inventory Point : Demo IP 1 (I000000003)

Report Period : 01/01/2017 (To) 01/23/2017

Division : Demo Division 1 (D000000003)

Location : Demo IP 1 (L000000003)

4 Record(s) found

Entered By	Organization	Division	Inventory Point	Location	Employee	Registration Date	Card ID	Bank Name	ABA#	Routing#	Message
Anupama Annambhatla	Demo Organization (1...	Demo Division 1 (D00...	Demo IP 1 (I00000000...	Demo IP 1 (L00000000...	Anu Anna (9999999999...	01/23/2017 11:57 AM		First Bank	111111111	124085244	Direct deposit creat...
Anupama Annambhatla	Demo Organization (1...	Demo Division 1 (D00...	Demo IP 1 (I00000000...	Demo IP 1 (L00000000...	Anu Anna (9999999999...	01/23/2017 11:57 AM		Second Bank	333333333	124085244	Direct deposit creat...
Anupama Annambhatla	Demo Organization (1...	Demo Division 1 (D00...	Demo IP 1 (I00000000...	Demo IP 1 (L00000000...	Anu Anna (9999999999...	01/23/2017 11:51 AM	6883698885			124085244	Direct deposit creat...
Devika Elangovan	Demo Organization (1...	Demo Division 1 (D00...	Demo IP 1 (I00000000...	Demo IP 1 (L00000000...	Devika Elangovan (12...	01/23/2017 03:05 AM	3565526588			124085244	Direct deposit creat...

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Easy Integration for Efficiency

- Ease of card issuance and funding
- Flexible file formats
 - Existing file formats with required data elements
- Real-time integration with APIs
- Tools to connect with ease and avoid it projects
- Standard integration with you payroll software



Imagine the Possibilities

- ✓ Imagine if you provided real choice in how to be paid not just ACH or Check?
- ✓ Imagine achieving 100% electronic payments and full compliance in all 50 states.
- ✓ What if all types of payments can be on the same platform?
- ✓ Imagine making how you pay a competitive differentiator?

Video Introduction



Powered by



**Disbursements
Platform Overview**

A Changing Workforce Demands A New Approach



Millennial employee expectations

By 2020, half the workforce will be Millennials¹, many think like freelancers, and they want flexibility and choice with benefits²

Retention an increasing challenge

Half of millennials expect to leave their current job within a year...yet 72% of employees say the ability to customize their benefits would increase loyalty to their employer³

Contractors replacing employees

More payables and less payroll: 1099-MISC volume from IRS increased +23% from 2000 to 2014, while W2 volume decreased -4% in same period⁴ A total workforce solution delivers efficiencies and savings for employers.

(1) Gallup Survey, 2016
(2) Employee Benefit Research Institute, 2015
(3) Metlife survey, 2017
(4) IRS Data Book, 2016

1

2

3

4

SimplyPaid is a cloud-based platform that makes possible **on-demand, real-time payouts** and card account activation, and **enables companies to pay**, and **recipients to get money**, when, where and how they want

1

2

3

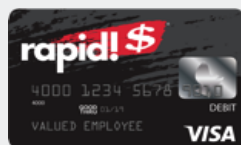
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The SimplyPaid Solution

Enable payroll disbursements to include a built in payroll, prepaid, and checking accounts, online wallet funding, any debit card loading, and cash pick up at Walmart



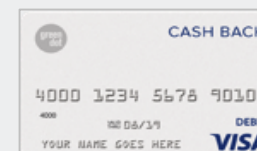
New Account Options



Rapid! PayCard



GoBank Checking Account



Green Dot Prepaid



Send Money to any debit card
issued by any bank



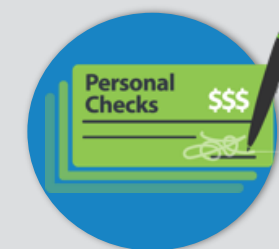
Instant funding to
online wallets



Cash Pickup at any
Walmart



ACH to any
bank account



Check

Instant Delivery

Same Day

1-2 Days

Uber's Instant Pay

Uber drivers stay more engaged by cashing out earnings on-demand to their existing bank debit card or to their GoBank account.

TE

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Trending Facebook Tesla Snap

Uber

Apps

Popular Posts

Uber's Instant Pay has cashed out \$1.3B to drivers in just one year

Posted Apr 5, 2017 by Darrell Etherington (@etherington)

Uber introduced Instant Pay last year, as a way to use the revenue from their Uber fares right away, without waiting for it to be deposited into their own bank account. The company first launched the program with GoBank and a dedicated Visa card, but eventually opened it up to virtually all U.S.-based MasterCard, Visa or Discover debit card tied to checking and savings accounts. Opening things up led to a big spike in usage, which is how the service managed to account for over \$1.3 billion dollars in cash-outs by drivers in its first year alone.

Uber says that "hundreds of thousands" of U.S.-based drivers have now signed up for the program, after an initial group of around 80,000 signed up prior to the expansion to more debit cards in Instant Pay's first few months of operation. The biggest day for payouts on the program was December 18, 2016, Uber notes, which suggests that the broadened access has helped interest ramp significantly among drivers.



Every day is payday
Cash out anytime with Instant Pay

<https://youtu.be/9oEwG4ey04Y>



SimplyPaidTM for Employers

SimplyPaid Delights The Workforce And Management

1

2

3

4



I didn't have a bank account I liked, and love my Rapid! PayCard



We're almost 100% paperless with full compliance on a single platform: SimplyPaid



When I need to let someone go, their term pay is paid instantly to their account on their last day



I'm a contractor and get paid at the end of my shift, instant payment keeps me motivated!



My tips are paid out instantly every workday



I can pick up \$100 every payday in cash

Single Platform For Employer Payout Needs



Education



Missed Pay,
Corrections



Bonuses



Incentives



W2



SimplyPaid™



Travel
expenses



1099



Tip Pay



Termination

Imagine the Possibilities

- ✓ Real staff choice on how to be paid with 100% electronic and full compliance in 50 states
- ✓ Single solution for all payouts: W-2 direct deposit, 1099, special situation pain points like Term Pay, Tips, Corrections
- ✓ Make how you pay a competitive differentiator

Thank you!!

