



# Retirement Benefit Payments

Is there a better way?

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# Currently

- Electronic Fund Transfers (EFTs)
- State Warrants

# Snapshot - October 2012

- Monthly Benefits

5,632 Warrants	\$ 7,247,810
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143,495 EFTs	\$219,07,831
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- Daily Distributions (9 times)

898 Warrants	\$5,756,368
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96 EFTs	\$ 232,076
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# What Are Others doing?

- Choice (EFT or Check)
- Requiring Direct Deposit (EFT)
  - Monthly Benefits
  - Withdrawals
- Charging for Payment by Check
  - Iowa PERS \$1
- Paycards
  - Arizona



# Paycards?

- Similar to Credit Card
- Individual Account
- Reloadable
- Funded by EFT



# Arizona's Story

## Then

- 104,000 Monthly Benefit Payments  
92% on EFT
- Six Month push for EFTs
- Converted Remaining to Paycards  
(except foreign payees)

# Arizona's Story

## Now

- Direct Deposit 103, 395 (98.8%)
- Paycard 1,179
- Check 127



# DRS' Option

- **Replace Monthly Warrants with Paycards**

**No Cost to DRS for Cards**

**Visa Accounts with Bank of America**

**OST contract good through June 2014**



# Considerations

- Bank of America prefers Cards not to be used with Large or Small Amounts
- Response Time for Customers in Need
- Fees
- Potential Savings

# Next Steps

- Conference Call Scheduled with Arizona
- Looking at Who We Pay and When
- Systems Considerations
- Weighing Pros and Cons



# Questions or Comments

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