

# PRESS RELEASE

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## For Immediate Release

Date: October 6, 2011  
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## COLORADO LABOR DEPARTMENT RENEGOTIATES BANK FEES ON UNEMPLOYMENT DEBIT CARDS

*Savings for people receiving jobless benefits with the cards will exceed \$500,000 yearly*

(DENVER) -- People using state-issued debit cards for unemployment benefits will see many of the fees associated with using the cards reduced or eliminated altogether thanks to the Department of Labor and Employment's renegotiated contract with J.P. Morgan Chase.

The new contract will save users of the cards more than \$500,000 each year. Some of the new fee structures are already in place; others will go into effect later this month. Among the changes are:

- Elimination of the "point-of-sale" fees for each transaction, a move that will save cardholders approximately \$60,000 per month.
- Allowing cardholders to withdraw up to \$809 within a 24-hour period (this is the maximum ATM withdrawal allowed);
- Modification of the Denied Transaction Fee policy. Seventy five cents had been charged if a debit card was denied. Those assessed fees had cost cardholders approximately \$14,000 per month. This change will provide one free denied transaction for each deposit the Unemployment Insurance Program makes on the account.

"In Colorado, the cards were introduced as a way to expedite the payment of benefits and eliminate the costs of warehousing of check stock, printing and mailing checks. Eliminating postage costs alone have saved us more than \$200,000 per year," says Department of Labor and Employment Executive Director Ellen Golombek. "However, since the debit card was introduced, we have worked to find ways to address concerns about bank fees. In February of 2009, claimants were given the choice of having their unemployment benefits deposited directly

(More)

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into their bank or credit union account. Last year, we renegotiated the one free teller withdrawal to two free teller withdrawals per month. This latest contract renegotiation is another significant step in that ongoing process.”

Tips for avoiding debit card fees appear on the Department of Labor and Employment’s website, [www.colorado.gov/cdle](http://www.colorado.gov/cdle). Click on the links, “Unemployment Insurance” then “Unemployment Benefits Overview” and finally, select the menu item, “Colorado Automated Payment Card”.

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