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Unemployment benefits now issued on debit cards

PIERRE, S.D. – The South Dakota Department of Labor (SDDOL) will now issue unemployment benefits on debit cards. Beginning this summer, paper checks will no longer be mailed. This will be more convenient for eligible claimants.

Workers who file a claim after May 1 and are determined eligible will receive a U.S. Bank Reliacard® Visa® debit card in the mail. It will be sent within approximately seven to 10 business days. It is not a credit card, but a reloadable, prepaid card. Unemployment insurance benefit payments will be automatically deposited to the card. It can be used anywhere Visa is accepted and at automated teller machines (ATMs). Claimants can access their account to verify activity and the balance by either telephone or the Internet.

The electronic payments will be more secure than the current paper check process. “The debit card system will eliminate checks that are stolen, lost or delayed in the mail,” said Labor Secretary Pam Roberts. “In most cases, the applicant’s payment will be available more quickly than if a check was mailed.”

“Electronic payments will also be a cost savings to the state,” said Roberts. There are costs associated with printing and mailing checks, replacing lost or stolen checks and reconciling checks. “In 2007, the Department of Labor mailed out more than 93,636 checks, which cost \$36,113 in postage. The new process will be a benefit to tax payers.” U.S. Bank will absorb the cost of initially mailing the cards to recipients.

Claimants will still be required to file their weekly claim with the SDDOL to certify their continued unemployment and benefits eligibility. More information on the unemployment insurance program is available at www.sdjobs.org.