

# Evaluating your prepaid or payroll card

Carefully read the terms and fee descriptions when you get your prepaid or payroll card to learn how much you'll pay each month to have and use your card.

Each prepaid and payroll card has its own set of rules and fees. Before you use your card, it's important to understand the fees you'll pay to maintain your account, make purchases, and withdraw money. After adding up the fees, you can compare cards and also compare the cost of a card to the costs of a bank or credit union account.

Most prepaid cards have their own policies about loss, theft, and errors. Information about these policies can be found in the cardholder agreement.

Most prepaid cards also offer details about terms and fees on their website, so you can look online if you want to compare cards before buying one.

## What to do

- **Review the definitions** of common prepaid card fees so you know what they are.
- **Find the terms and fees** for your prepaid or payroll card. These are usually on the back or inside of the card packaging.
- **Get all the facts.** Make sure you have all the answers about how the card works and what fees are involved. Consider researching prepaid cards online, so you can read about all the features before you buy it.

## A step further

A prepaid or payroll card can also give you the services that you would get with a debit card linked to a checking account. Review the "Finding financial products and services" tool to learn more. If your employer pays wages by payroll card, you must be offered at least one other option to get paid. Learn more with the "Knowing your prepaid card rights" handout.

To access a dynamic and fillable version of this tool, visit <https://www.consumerfinance.gov/your-money-your-goals/tools>



# Learn about fees by **Evaluating your prepaid or payroll card**

1. Look at your cardholder agreement to answer the questions about fees and card protections.
2. Write in the response for each question. If there is no fee, enter \$0.
3. Use these answers to help manage the cost of having and using your card.

**Don't forget to register your prepaid card to get all the protections offered.**

## Adding money and getting cash

| Questions to ask before using your card                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Notes |
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| <p><b>What's the fee to withdraw money from an ATM that's in-network? That's out-of-network?</b></p> <p><b>Things to consider:</b> You may pay zero or smaller ATM fees by using your prepaid card at in-network ATMs, depending on the terms of your cardholder agreement.</p> <p>Your payroll card may allow you a certain number of free ATM withdrawals each month.</p>                                                                                                                   |       |
| <p><b>What's the fee for reloading my prepaid card with cash at a retail location? Can I reload my card at the retail location where I purchased it?</b></p> <p><b>Things to consider:</b> Many retail stores don't allow you to reload your card at the store and those that do sometimes charge a fee. Most prepaid cards provide other options for loading money to your card without a fee, such as direct deposit.</p> <p>Payroll cards usually don't allow you to reload with cash.</p> |       |
| <p><b>What's the fee for spending or withdrawing money in another country?</b></p> <p><b>Things to consider:</b> Also called a currency conversion fee, this is usually a percentage of your purchase, withdrawal, or other transaction, rather than a flat fee.</p>                                                                                                                                                                                                                          |       |

## Checking my balance

| Questions to ask before using your card                                                                                                                                                                                                                  | Notes |
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| <b>What ways can I check my balance and what do they cost?</b><br><b>How do I check my balance for free?</b><br><br><b>Things to consider:</b> Most cards offer at least one free way to check your balance, such as online or request by email or text. |       |
| <b>Is there a fee for receiving a paper statement in the mail?</b><br><br><b>Things to consider:</b> You may be able to go online to get a statement, or at least a list of your recent card purchases and other transactions, without a fee.            |       |

## Loss and errors

| Questions to ask before using your card                                                                                                                                                                                                                                                                                                                                                                                           | Notes |
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| <b>What's the fee for replacing a lost, stolen, or damaged card?</b><br><br><b>Things to consider:</b> Write down your card number and the customer service phone number and keep it in a safe place. Call customer service right away to report a lost or stolen card.                                                                                                                                                           |       |
| <b>What protections do I have if my card is lost or stolen? Am I responsible for the charges?</b><br><br><b>Things to consider:</b> Your rights to recover money taken from your card account depend on what type of card it is, whether it's been registered, and how quickly you report the loss after you discover it. Call your provider right away if your card or PIN is lost or stolen or if you see unauthorized charges. |       |
| <b>What protections do I have if there are charges I didn't authorize or some other error with my card?</b><br><br><b>Things to consider:</b> If your card is registered (or is a payroll card or a certain type of government benefit card), you may have certain "error resolution" rights that require that you get your money back after an error or theft (as long as you report it promptly).                               |       |

## Managing my card

| Questions to ask before using your card                                                                                                                                                                                                                                                                                                                                                 | Notes |
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| <p><b>What's the monthly fee for having my card?</b></p> <p><b>Things to consider:</b> Some prepaid cards that charge a monthly fee may waive the fee under certain circumstances, such as if you arrange to have your pay or benefits directly deposited into your account. Payroll cards usually don't charge a monthly fee.</p>                                                      |       |
| <p><b>Will I be charged a fee if I don't use my card for a certain length of time? If so, what is the fee and how long can I go without using my card before I am charged?</b></p> <p><b>Things to consider:</b> If your card charges inactivity fees, try to see what kinds of transactions or activity you can conduct to avoid the fee. Many cards don't charge inactivity fees.</p> |       |
| <p><b>What's the fee if I get an additional card for an authorized user?</b></p> <p><b>Things to consider:</b> That additional card lets someone else spend your money, so think carefully about whether to add an authorized user to your account. Any new authorized users will have to register online or call customer service to verify their identity.</p>                        |       |
| <p><b>Is there a fee to cancel my card? What about to receive a check for the remaining unused balance after I cancel?</b></p> <p><b>Things to consider:</b> You can spend or withdraw the remaining funds on your card before you cancel the card to avoid a potential fee for sending you any unused funds. Most cards don't charge to cancel the account.</p>                        |       |

## Using my card

| Questions to ask before using your card                                                                                                                                                                                                                                                                                                                                                                                                | Notes |
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| <p><b>What's the fee for paying bills through my card provider's website?</b></p> <p><b>Things to consider:</b> Consider whether there are free ways to pay your bills, such as setting it up for the biller to debit your card account.</p>                                                                                                                                                                                           |       |
| <p><b>What's the fee to transfer money between two cards?</b></p> <p><b>Things to consider:</b> Not all card providers allow you to transfer funds to another person using the same type of card.</p> <p>Compare this cost with other money transfer services.</p>                                                                                                                                                                     |       |
| <p><b>Is there a fee if my transaction is declined because there's not enough money on the card?</b></p> <p><b>Things to consider:</b> To avoid a decline fee, check your card balance before making a purchase to make sure there's enough money on the card. Many cards offer free ways to check your balance, such as with a mobile app, by text message, or calling a toll-free number.</p>                                        |       |
| <p><b>Is there a fee for each transaction I make? Do I have a choice between a "pay-as-you-go" plan that charges a fee per transaction and a monthly fee plan?</b></p> <p><b>Things to consider:</b> Some cards let you choose between a plan that charges transaction fees and one that charges a single monthly fee. Depending on how much you use your card in a month, one plan could be significantly cheaper than the other.</p> |       |
| <p><b>Can I set aside funds on the card for a specific purpose?</b></p> <p><b>Things to consider:</b> Some prepaid cards offer a savings wallet feature that allows you to save for your goals.</p>                                                                                                                                                                                                                                    |       |