

Choosing how to get paid

Pick the option for receiving income and benefits that works best for you.

There are many ways you can get paid or receive benefits. Each way has different benefits and risks, which can make it easier or harder for you to manage your money.

Sometimes, you don't have a choice about how you get paid or receive benefits. For example, some benefits programs require that funds be loaded onto a government benefits card. Some employers might pay you only using a traditional paper paycheck.

Not all employers or government agencies offer all methods of payment.

If your employer pays wages by payroll card, you must be offered at least one other option. That option might be a paper check, or it could be direct deposit to a checking or savings account or your own prepaid card.

It's important to understand your options and make a decision that's right for you.

What to do

- **Carefully review the benefits and risks** of each way to receive income or benefits.
- **Write down what questions you have** about options that may be right for you.

A step further

If you're considering receiving income or benefits on a payroll card, government benefits card, or Electronic Benefits Transfer (EBT) card, review the "Knowing your prepaid card rights" handout in Module 8.



Choosing how to get paid helps you manage your income and benefits

1. Evaluate the benefits and risks of each payment method.
2. Write down any questions you have, and choose a method that's best for you.

METHOD	✓ BENEFITS	! RISKS	? QUESTIONS
Cash Paper or coin money minted by the U.S. government	▪ Can spend it almost anywhere ▪ Easy to access	▪ Could be lost or stolen, especially if you carry large amounts with you or leave it in your home ▪ Some people find it tempting to spend on a whim, making budgeting and saving more difficult ▪ Can be more difficult to track spending for personal budgeting and tax purposes ▪ Not all bill payments can be made in cash	
Paper check A physical check given (in person or by mail) to pay you the indicated amount; has to be deposited or cashed to access the money	▪ Can be deposited into a checking or savings account, or may be able to load onto a prepaid card directly ▪ If lost or stolen, usually can be canceled and reissued to you ▪ Sometimes no fee to cash "on us" checks, which are written from accounts held with the bank or credit union where you're cashing it	▪ Have to wait until it arrives in the mail or can be picked up, possibly delaying when you receive the money ▪ Requires you to take an action of depositing or cashing the check before you can use the money ▪ May need a bank or credit union account to cash a check without paying a fee ▪ May not be able to access all the funds immediately after depositing (waiting period for check to clear)	

METHOD	✓ BENEFITS	! RISKS	? QUESTIONS
Direct deposit Money is electronically sent to your bank account, credit union account, or your own prepaid card	▪ Reduces your risk of loss or theft if funds are sent directly to a bank or credit union account because they are protected from unauthorized transfers and other errors once deposited ▪ Usually available to you immediately (often on payday) ▪ No check-cashing or other fees to deposit money ▪ Many banks and credit unions waive fees for checking or savings accounts when you set up direct deposit ▪ Funds can usually be accessed in a variety of ways, such as by using a debit card at merchants or at ATMs, at the bank or credit union's branches, through an online bill pay service, or by personal checks ▪ May be able to split the deposit between checking and savings accounts, which can help you build savings	▪ Direct deposits made to a prepaid card may not have protections for unauthorized transfers or other errors, unlike checking and savings accounts ▪ Can be charged fees if you write checks, use your debit card, or make other transfers without sufficient funds in your account ▪ Have to go to an ATM (could pay a fee) or get cash back at a merchant to receive cash, if there are no convenient branch locations	

METHOD	✓ BENEFITS	! RISKS	? QUESTIONS
Payroll card Employer loads your salary or wages onto a prearranged prepaid card where you can access the funds	▪ More secure than cash or checks ▪ Has full federal protections in case of unauthorized transfers or other errors (the same as checking and savings accounts) ▪ Funds can usually be accessed in a variety of ways, such using the card at merchants or at ATMs, at the card provider's branches, through an online bill pay service, and sometimes by check	▪ Potential service or inactivity fees, meaning you might have to pay to access your wages in certain ways (ask your employer about these) ▪ Have to go to an ATM (could pay a fee) or get cash back at a merchant to receive cash, if there are no convenient branch locations, ▪ Some cards limit how many times you can access an ATM in 24 hours	
Government benefits card A government agency loads your benefits onto a prearranged prepaid card where you can access the funds	▪ More secure than cash or checks ▪ Has full federal consumer protections in case of unauthorized transfers or other errors (includes needs-tested programs administered by the federal government, like SSI) ▪ Funds can usually be accessed in a variety of ways, such as by using the card at merchants or at ATMs, and possibly through an online bill pay service	▪ Potential service or inactivity fees, meaning you might have to pay to access your benefits in certain ways (read the cardholder agreement to check for these) ▪ If cash access is permitted, have to go to an ATM (could pay a fee) or get cash back at a merchant to receive cash	

METHOD	✓ BENEFITS	! RISKS	? QUESTIONS
Electronic benefits transfer (EBT) cards A certain type of government benefits card (replacing paper-based benefits) used for needs-based programs such as Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), and other programs (availability, fees, and other terms vary by state and program)	- More secure than cash or check - For some EBT cards, funds can usually be accessed in a variety of ways, such using the card at merchants or at ATMs, and possibly through an online bill pay service	- There may be limits on where you can use the card or what you can purchase with it - May not have protections for returning funds taken through unauthorized transactions or other errors - If cash access is permitted, have to go to an ATM (could pay a fee) or get cash back at a merchant to receive cash - Some benefits can expire if they aren't used within a certain amount of time (ask if this applies to your benefit and keep track of your balance to avoid losing benefits); ask to have cash benefits sent to your bank account or your own prepaid card instead to avoid this	

This tool is included in the Bureau of Consumer Financial Protection's Your Money, Your Goals: A financial empowerment toolkit. The Bureau has prepared this material as a resource for the public. This material is provided for educational and information purposes only. It is not a replacement for the guidance or advice of an accountant, certified financial advisor, or otherwise qualified professional. The Bureau is not responsible for the advice or actions of the individuals or entities from which you received the Bureau educational materials. The Bureau's educational efforts are limited to the materials that the Bureau has prepared.

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