



The Great Switch To Paperless Benefits

Uncle Sam doesn't mean to nag. But for nearly three years he has asked beneficiaries of Social Security,

Veterans Affairs and other government programs to sign up by March 1, 2013, to get their monthly benefits electronically instead of by paper check. ■ However, several million retirees and other recipients still haven't made the switch. If you're among them, you'll still collect your monthly benefit by check. But until you sign up to have your benefit deposited directly into a bank or credit union account—or loaded onto a prepaid debit card, such as the government's Direct Express or a privately issued card that meets requirements for loading government benefits—expect stern warnings. ■ “No one's payment will be interrupted,” says Treasury official Walt Henderson. But recipients who haven't made the switch “will hear from Treasury via mail about their options for complying with the law.” ■ Collecting payments electronically minimizes the risk for identity theft because there are no checks to be stolen from a mailbox. With benefits on a prepaid card, you can get cash withdrawals at a bank or make purchases. ■ However, you may incur fees with a debit card. For example, with the Direct Express card, you get one free ATM withdrawal with each deposit to your card, but after that, you pay 90 cents each time you tap into your account. ■ The government has a compelling reason to go paperless: It'll save a whopping \$1 billion over 10 years. ■ To sign up for electronic payments, go to GoDirect.org or call 800-333-1795. —Carole Fleck