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Ohio ends overdraft fees on Reliacard

Move benefits unemployed workers, but more changes needed

Beginning Wednesday, July 18, the prepaid debit card Ohio uses for unemployment compensation, the Reliacard, will no longer charge \$17 per ATM or transaction-based overdraft. Out-of-work Ohioans whose unemployment compensation is not directly deposited into their bank accounts are issued US Bank's Reliacard through the Ohio Department of Jobs and Family Services (ODJFS).

Policy Matters Ohio applauds the end of Reliacard overdraft fees.

"This is the right move for unemployed Ohioans," said David Rothstein, Policy Matters' project director for asset building. "Unemployed workers cannot afford to have any part of their compensation siphoned off. It's critical that public dollars go directly to the families."

In his [March 2012 testimony](#) before a subcommittee of the U.S. Senate Banking Committee, Rothstein questioned the practice of charging overdraft fees on public-sector-issued prepaid debit cards like the Reliacard.

It is important to note that the Reliacard still carries fees if used at an ATM that is not part of US Bank or Visa Plus networks. To remedy this problem, Policy Matters recommends that cardholders receive one free out-of-network ATM transaction per load by ODJFS. This recommendation is based on research that mapped unemployment claims and free ATM locations; Policy Matters' analysis found significant gaps in available free locations.

"Ohio now has one of the top prepaid debit cards for unemployment compensation," said Rothstein. "With a few small tweaks, it could be even better."

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Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices based in Cleveland and Columbus.