
Temporary Assistance for Needy Families Program Instruction

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Family Assistance
Washington, DC 20201

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Date: April 26, 2016

TO: State agencies (hereafter, states) administering the Temporary Assistance for Needy Families (TANF) Program and other interested parties

SUBJECT: Additional guidance on adequate access provisions of 45 CFR Parts 264 and 265

REFERENCES: Section 4004(c) of Pub. L. 112-96; 45 CFR Parts 264 and 265

PURPOSE: This Program Instruction (PI) provides information to TANF agencies to help states ensure that TANF recipients have adequate access to their cash assistance and access to using or withdrawing assistance with minimal or no fees or charges.

BACKGROUND:

Section 4004 of Pub. L. 112-96, the Middle Class Tax Relief and Job Creation Act of 2012, requires states to maintain policies and practices that prevent TANF-funded assistance from being used in any electronic benefit transfer transaction in any liquor store, casino, gambling casino, or gaming establishment, or any retail establishment that provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment. Public Law 112-96 also requires states to include in their state TANF plans an explanation of how the state will ensure that recipients of TANF assistance: have adequate access to their cash assistance; have access to using or withdrawing assistance with minimal fees or charges, including an opportunity to access assistance with no fees or charges; and are provided information on applicable fees and surcharges that apply to electronic fund transactions involving the assistance. The state must also ensure that such information is made publicly available.

This guidance provides examples of strategies that states may use to ensure access to cash assistance and minimize or eliminate fees for recipients, as required by law.

POLICY:

ACF will review state TANF plans to make sure that the state is working to ensure that TANF recipients have adequate access to their cash assistance in accordance with the law. A state's consideration of what constitutes adequate access should take into account state-specific factors, such as the geography of the state, access to transportation services, characteristics of the recipients to be served, and other factors.

We have outlined below three principal areas of adequate access and we have provided examples of specific strategies that states might employ within each area. We remind states that there are

several mechanisms through which TANF agencies can ensure that recipients of assistance have adequate access to their benefits. This list should not be considered exhaustive, but rather is illustrative of ideas and existing practices that other states may replicate.

1. States should maximize the flexibility for recipients to access cash withdrawals.

- **Share information about and encourage cash-back opportunities at point-of-sale (POS) terminals with or without a purchase requirement.** Retailers can allow recipients to access their assistance through cash-back transactions, even without a purchase. Some states have included this as part of their EBT contracts. If states adopt this strategy, it is important that TANF recipients be provided with clear information about where they can access cash-back. For example:
 - In Indiana, there are about 1,600 point-of-sale merchants who offer surcharge-free cash-only EBT transactions. The state provides TANF withdrawal and surcharge information to recipients through their EBT brochure. This information has been boxed in an “Avoid Fees & Additional Charges” section with pictures so it is easy to understand.
 - In New York, the EBT vendor maintains a database of retailers that provide cash back on EBT purchases made at POS terminals and cash back without a purchase requirement for EBT cardholders. The state informs recipients of this option through their Cardholder Account Website, and they also maintain a toll-free customer service helpline, which is available in Spanish or English 24 hours a day, 7 days a week.
- **Minimize or eliminate restrictions on the frequency or number of cash withdrawals and the amount that a recipient may withdraw at any one time.** Acknowledging that TANF recipients will have varying needs to access their benefits throughout the month, it is important that states provide flexibility to recipients to withdraw their funds in a manner that meets their needs. For example, a family may need access to much or all of its monthly cash assistance at one time to pay for rent or a car repair. A daily limit on cash assistance via ATM withdrawals would prevent a needy TANF family from having adequate access to its cash assistance and impose an additional burden by requiring multiple trips to an ATM to access assistance.
- **Allow direct deposit of benefits into personal bank accounts.** States could allow recipients to opt to have TANF cash assistance direct-deposited into a personal bank account of their choice rather than provided through EBT cards. States should allow a recipient to enroll in such a program online, by phone, or in-person and should also allow the recipient to opt in or opt out at any time during the TANF application or afterward. With direct deposit, TANF recipients can access their benefits through withdrawals at the bank or through use of bank-issued automated teller machine (ATM) cards, which typically allow fee-free withdrawals from ATMs in the bank’s network. We remind states that they must provide notice to recipients receiving TANF cash assistance through direct deposit to a private bank account that they cannot access their TANF funds from a prohibited location.

- **Work with EBT vendors to allow for the ability to check balances without a fee.** States can ensure their EBT contracts allow recipients to check their balances or view their transaction history for free.

2. States should strive to minimize or eliminate withdrawal fees and ATM surcharges for TANF recipients, and must provide recipients an opportunity to access assistance with no fees or charges.

- **Provide a certain number of transactions to recipients each month that are free from withdrawal fees.** The operator of the state’s EBT or electronic payment card (EPC) services may impose withdrawal fees on recipients for ATM use; however, a state can eliminate or minimize these fees through its contract negotiations with the operator. For example:
 - Texas allows for withdrawals of less than \$50 with no fees, and allows for two fee-free withdrawals of over \$50 per month. For the third and subsequent TANF cash withdrawals of \$50 or more in a calendar month, a retailer has the option to charge recipients a fee of \$0.50 per transaction. Retailers are not permitted to charge a TANF recipient any other fees or surcharges in connection with the client’s use of their TANF benefit account.
 - California provides four transactions per month that are fee-free, excluding certain ATM surcharges. Beginning with the fifth ATM cash withdrawal, an 80-cent fee is assessed.
- **Provide a surcharge-free ATM network.** States can strive to ensure that TANF recipients do not incur surcharges from the contracted in-network ATM provider. Even if the state TANF program provides fee-free transactions, recipients may still be subject to ATM surcharges imposed by the ATM network owner. The examples below illustrate steps States have taken to address surcharges. States could also explore requiring the EBT or EPC operator to provide reimbursements for fees incurred for at least two withdrawals from out-of-network ATMs. For example:
 - Florida works with one ATM company, Presto!, which serves Publix grocery stores, to provide unlimited surcharge-free transactions throughout the state for TANF recipients when using Presto! ATMs.
 - In West Virginia, JPMorgan Chase—the state’s EBT vendor—has made Chase ATMs throughout the state surcharge-free to EBT cardholders.
- **Provide clear information about ATM fees and surcharges, including easily accessible information on ATMs that are surcharge-free.** Under the statute, states must provide information on applicable ATM fees and surcharges and make this information publicly available. States should make this information available to recipients, including information about surcharge-free ATMs, by creating a map that is accessible via smart phone, providing text-back services, posting on the state’s TANF website, sharing in county TANF offices, operating a toll-free phone line, sending mailers, and/or implementing other appropriate approaches. For example:
 - Idaho provides its recipients with a brochure that informs recipients about which types of transactions involve no withdrawal fees or ATM surcharges, which types of transactions involve these costs, and where they can access or withdraw their cash benefits.
 - California sends a mailer along with all new EBT cards that helps recipients identify ATMs where they can make surcharge free transactions and also provides information about where recipients can access a complete list of free ATMs. Specifically, the mailer

tells recipients to look for the “Money Pass” sign and shows the symbol, and then directs them to the EBT client website where they can find a list of surcharge free ATMs.

- **Provide education to TANF recipients on withdrawal fees and ATM surcharges, and options available to minimize or eliminate these charges, such as utilizing surcharge free ATMs, withdrawing more cash at each transaction, or using cash back options at POS terminals.** This information, minimally, could be available to the recipient upon application and subsequent redeterminations, online, and through the state's EBT Call Center. For example:
 - Massachusetts has partnered with a nonprofit, full-service credit counseling agency, funded through a large banking institution’s nonprofit foundation, to offer financial literacy and credit counseling workshops. These workshops are available statewide at no cost to assist TANF recipients in their development of short and long-term financial planning. The workshop curriculum addresses how recipients can reduce or eliminate fees associated with using their EBT cards or otherwise access their TANF benefits through direct deposit or direct vendor payments for costs such as rent and utilities.

3. Maximize geographic distribution of ATMs and/or provide other cash access points.

- **Work with the EBT service provider to maximize geographic distribution.** EBT contracts should ensure that cash assistance recipients throughout the state are able to access their benefits at locations near their homes and where they regularly do business (e.g., grocery stores). States must ensure that all recipients have an opportunity to access their assistance free of any charges. For example:
 - New York requires its EBT vendor to identify at least one bank or non-bank-owned ATM within the borders of a zip code or an adjacent zip code whose residents, in total, are receiving less than \$5,000 daily through TANF EBT cash issuance. For zip codes with issuance amounts greater than \$5,000, three banks or non-bank-owned ATMs must be identified within the borders of a zip code or an adjacent zip code; and one additional ATM location must be identified for each additional increment of \$5,000 in daily cash issuance.
- **Provide a customer service mechanism for recipients with unique circumstances, including providing appropriate accommodations for people with disabilities.** We acknowledge that despite a state’s best efforts to ensure adequate access and an opportunity for free access, certain individuals with unique circumstances may still encounter difficulties. Providing a venue for recipients to address any access concerns, and exploring creative solutions, could help alleviate access challenges. For example:
 - In Indiana, if an EBT cardholder contacts the state with concerns that there are no ATMs/POSS available in his or her area to access cash benefits, the state works with its EBT vendor, Xerox, to set up a POS device in the cardholder’s area or work with local banks in the area to determine a solution for increased accessibility.

INQUIRIES: Please direct inquiries to the Office of Family Assistance TANF Program Manager in your region.

/s/
Susan Golonka
Acting Director
Office of Family Assistance