



MasterCard Payroll Card™

Pay employees more efficiently



introducing the
MasterCard
Payroll Card

A better way to pay your employees

The MasterCard Payroll Card™ is both an innovative way to distribute pay to employees and a smart alternative to issuing payroll checks. Simply by posting employees' salaries to an account tied to their personal MasterCard Payroll Cards each payday, you can increase cost-efficiency while delivering a whole new array of benefits to workers, including greater security, convenience, and control.

The MasterCard Payroll Card is part of MasterCard Workplace Solutions®—a suite of targeted solutions designed to help companies better manage a variety of employee payment programs.

Participating employees don't need a banking relationship

Direct deposit works for some employees, but not all. For instance, large numbers of workers do not have bank accounts, while contract, temporary, youth, and part-time employees see direct deposit as cumbersome. The MasterCard Payroll Card is the convenient, safe, easy-to-use solution for all employees. And it enables your company to reduce costs, gain operational efficiencies, and provide a valuable benefit to employees that will increase loyalty and retention.

Easy to issue, easy to use

You can easily issue MasterCard Payroll Cards to anyone in your organization. Once employees' salaries are loaded onto their personal cards, they gain immediate access to their funds. Simply by taking their MasterCard Payroll Cards to any one of the over 900,000 MasterCard ATMs, employees can withdraw the amount of cash they want, up to the full amount of their salaries if they choose—protecting them from the risks involved in carrying large amounts of cash. They can also use their MasterCard Payroll Cards to make purchases at millions of stores, restaurants, and other businesses worldwide that accept MasterCard debit cards. And they can shop and pay bills online with complete security.

RESEARCH SHOWS

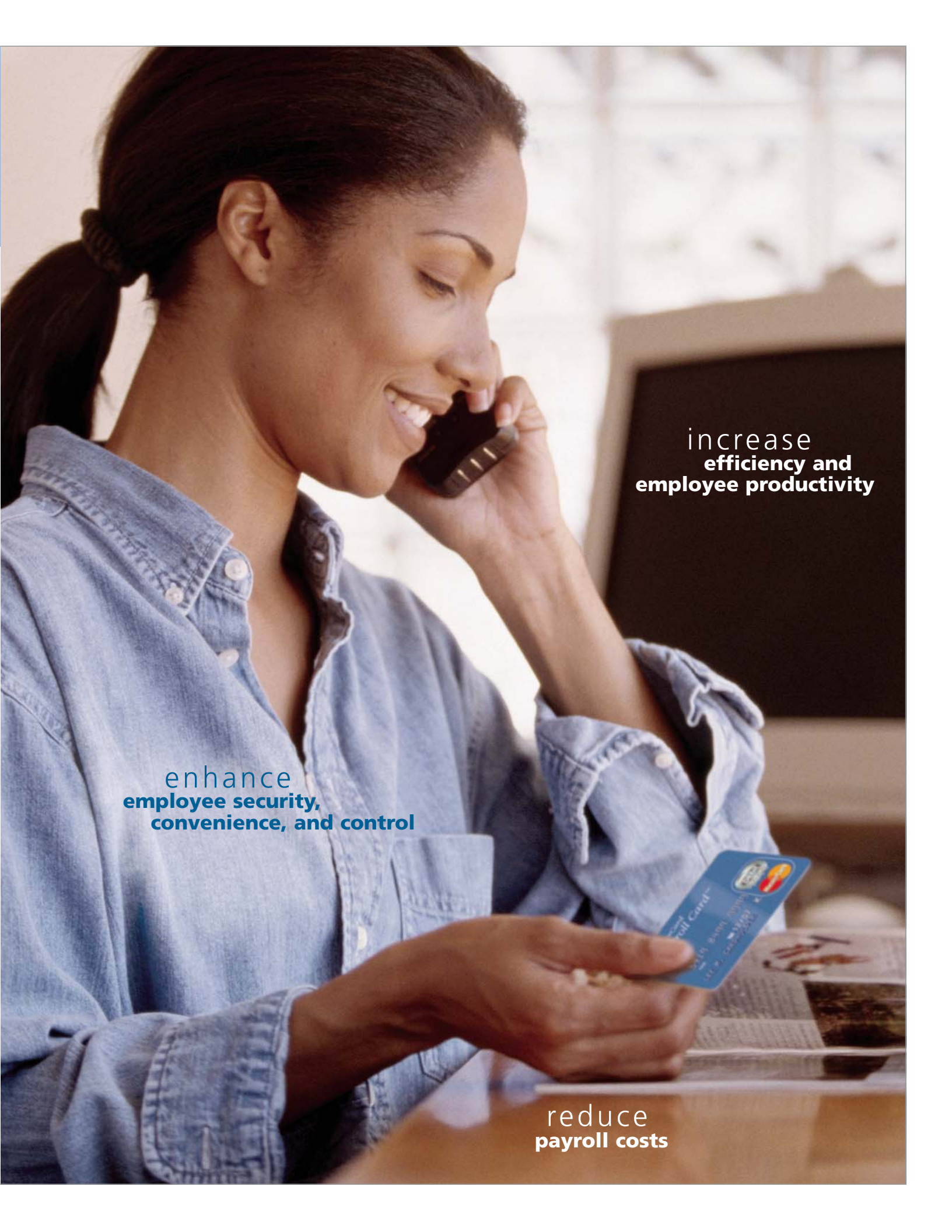
Paper payroll checks are costly for both companies and employees.

- Average cost to process a check: **\$1.85***
- Average cost to produce a check: **\$1.50***
- Average cost to distribute a check: **\$1.90†**
- Annual cost to replace lost or stolen payroll checks: **\$50 million†**
- Estimated U.S. households that have no banking relationship: **10 million†**
- Check-cashing businesses cash about 180 million checks each year totaling **\$55 billion‡**

* Nacha, 2002

† Celent: Payroll Card—A Direct Deposit Solution for the Unbanked, 12/02

‡ The Pelorus Group 21st Century Currency, 2003



increase
efficiency and
employee productivity

enhance
employee security,
convenience, and control

reduce
payroll costs

Sam works in shipping at a large retail store.



Problem

Since he does not have a checking account, Sam cashes his weekly paycheck with a local check-cashing service. Not only must he wait in long lines each week, taking time away from his job, Sam must also pay a check-cashing fee which reduces his take-home pay.

Solution

Sam enrolled in his company's new MasterCard Payroll Card program. Now he can easily and conveniently purchase goods

and services using his Payroll Card. In instances where only cash will do, Sam can access his salary from any one of the over 900,000 ATMs within the MasterCard ATM Network. By arranging for a duplicate card, Sam's wife can also use his new Payroll Card to pay bills and buy groceries and other items their family needs. Sam's employer benefits too. The company eliminates the costs involved in issuing paper payroll checks while also reducing reconciliation costs against the company's payroll disbursement account.

Bottom line

The MasterCard Payroll Card saves Sam time and money. It provides the convenience of accessing cash when and where he needs it, while allowing him to pay bills and make purchases with greater ease and security. And, thanks to his monthly statement, Sam can easily see how his salary is being spent, giving him a new level of control over his finances.

Ask yourself these questions...

and see how much your company can benefit by introducing a MasterCard Payroll Card program.

- What percentage of your company's payroll is paid out by paper checks?
- How much time and money does your company spend each year replacing lost or stolen payroll checks?
- How many of your employees have no banking relationship?
- How many of your workers are temporary or contracted?
- What is your average annual employee turnover?

Increase cost-efficiency and productivity

By replacing the paper-based distribution of payroll funds with a card-based system, the MasterCard Payroll Card helps you streamline costly and time-consuming payroll administration. This efficient process complements the traditional services of your payroll processor, allowing your company to:

- Reduce reconciliation costs against your payroll disbursement account.
- Eliminate the costs associated with the production of paper checks and the replacement of lost or stolen checks.
- Eliminate the costs of special disbursements, such as final payout.
- Increase employee productivity by eliminating time-consuming, off-site trips to cash paychecks.
- Simplify payroll distribution for unbanked, contract, temporary, and remotely located employees.
- Increase satisfaction, build loyalty, and encourage retention by paying employees quickly and efficiently, every payday.

Employees with no banking relationship...

can benefit from Payroll Cards. In today's economy, people without direct deposit are excluded from a wide range of important benefits. These workers:

- Pay fees to check-cashing services that average 1.5% to 10% of the face value of the check.*
- Rely on friends or family members to cash their checks.
- Carry a lot of cash, making them vulnerable to theft.
- Receive no financial statements to help them manage expenses.

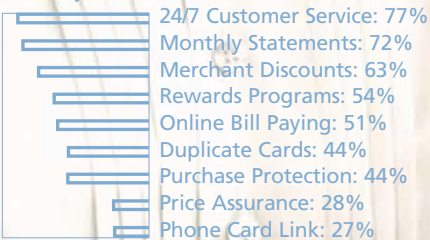
* The Pelorus Group 21st Century Currency, 2003





RESEARCH SHOWS

Employers believe that their employees consider customer service, monthly statements, and merchant discounts the most important features and benefits of a Payroll Card.



MasterCard APA Payroll Card Market Research,
September 2003

Enhance employee security, convenience, and control

Safer than cash and more convenient, the MasterCard Payroll Card also gives employees greater control over their finances. Not only can they obtain up-to-the-minute balance information, 24/7/365, but bank-issued statements help employees track spending and improve the management of their personal finances. Easily and efficiently, the MasterCard Payroll Card also delivers additional safety and convenience to every employee:

- Access to funds on payday, even if an employee is not at the workplace.
- Protection against fraudulent purchases posted against an employee's account when their MasterCard Payroll Card is lost, stolen, or used without their consent, via the MasterCard zero liability policy in the U.S.
- Lost or stolen payroll cards replaced with the full remaining value.
- Secure, PIN-based card solution can be issued if needed for use at PIN-based locations worldwide.

Getting started

The MasterCard Payroll Card is not only easy to implement, it allows you to use existing payroll processing systems. And getting started is as simple as following these three easy steps:

STEP 1 Planning and execution

Standard benefits

You and your bank will develop your company's MasterCard Payroll Card program by choosing a debit or prepaid platform based on your requirements. Whichever platform you choose, your company's MasterCard Payroll Cards will provide a comprehensive array of standard features to your employees. MasterCard Payroll Card standard benefits include:

- Purchasing capability up to the balance available on the account
- Access to cash via the MasterCard ATM network, bank branches, and select point-of-service locations (bank-determined fees may apply)
- Protection against loss, theft, or unauthorized usage via MasterCard Zero Liability Policy (in the U.S.)
- Availability of monthly employee account statement via paper or the Internet
- Around-the-clock customer service support
- Discounts at selected merchants

Customized benefits

Your issuing bank can also help you customize your MasterCard Payroll Card program by incorporating additional benefits. Once you have identified your requirements, your bank will streamline your existing payroll processes with a card solution targeted to your individual needs. MasterCard Payroll Card customized benefits include:

- Additional PIN-based security for select POS purchases
- Convenience checks
- Electronic bill payment
- Purchase protection and travel assistance benefits
- Duplicate cards for family members
- Employee loads of additional personal funds
- Prepaid phone program
- Overdraft capability
- Rewards

Availability and fees for additional benefits will be determined by your bank.

STEP 2 Employee notification and sign-up

Employee education is key to the success of your payroll card program. Clearly communicating how the MasterCard Payroll Card works and how it benefits your employees will build support, encourage sign-up, and help your workers make the most of their new MasterCard Payroll Card benefit. To support you in this effort, MasterCard has created key promotional materials, including:

- Posters and brochures, in both English and Spanish, that educate employees, promote acceptance, and facilitate enrollment
- A training video in both English and Spanish that educates employees on card usage
- A program administrator CD-ROM that will provide your company with all the support needed to launch and manage a program

STEP 3 Program management

Once your MasterCard Payroll Card program is established, your bank will continue to partner with you, helping you to maintain your program's efficiency and effectiveness. As part of this ongoing support, you can look to your bank to:

- Assist in processing enrollment forms.
- Distribute MasterCard Payroll Cards to your company or mail them directly to individual employees.
- Generate PINs.
- Provide detailed instructions to guide employees.
- Deliver ongoing customer service support for account balances, reporting lost or stolen cards, emergency card replacements, and processing disputes.
- Establish the appropriate connection with your company's payroll system.

MasterCard Workplace Solutions > Payroll Card

Workplace Solutions MasterCard Workplace Solutions MasterCard Workplace Solutions MasterCard Workplace

To learn more about how the MasterCard Payroll Card can help you streamline the way you pay employees, contact your MasterCard representative at **1-888-321-9119** today. Or visit us on the web at **www.mastercardbusiness.com/workplacesolutions**.

*MasterCard
International*



MasterCard International requires submission of a Special Issuing Application for each Workplace Solutions program.