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Consumers for Paper Options to Congress: Mandate for Direct Deposit of Social Security Benefits is Discriminatory & Poses Significant Risks for Seniors

*Coalition Files Statement with Ways & Means Committee;
Highlights Hardship & Cybersecurity Risks Associated with New Policy*

WASHINGTON, D.C. – Consumers for Paper Options, a coalition of individuals and organizations advocating for paper-based communications, filed a statement today with the U.S. House of Representatives to highlight critical problems with the Social Security Administration’s mandate that benefits be received electronically. This mandate, if left in place, will take full effect in March 2013.

The statement, filed with the House Committee on Ways and Means Subcommittee on Social Security, which is examining the issue, cites several issues with the new policy, including the fact that millions of seniors are unbanked, as well as the growing threat of identity theft and discriminatory fees associated with the Direct Express debit card alternative. In conclusion, Consumers for Paper Options encourages policymakers to make paper checks the default while maintaining the option to receive benefits electronically.

“In an apparent rush to digitize, the Social Security Administration has developed an ill-conceived policy that poses real hardships for vulnerable Americans,” John Runyan, executive director of Consumers for Paper Options, wrote in the statement. “This mandate takes for granted that Americans have bank accounts, while we know that across the U.S., 8.2 percent – or one in 12 households – are completely unbanked, and that percentage is even higher among elderly Americans. Meanwhile, seniors who already have their benefits direct deposited have experienced more than 19,000 instances of fraud in the last two months alone. Beneficiaries are not ready for this mandate, and neither is the Social Security Administration.”

Runyan continued, “The policy should be revised to make paper checks the default, while giving all beneficiaries the option to use direct deposit or Direct Express debit cards. Giving beneficiaries the option to continue receiving paper Social Security checks will make their lives easier and protect them from fraud and identity theft as well as a variety of discriminatory fees.”

To access the full statement, visit: http://www.paperoptions.org/links/CPO_Social_Security%20Statement.pdf.

About Consumers for Paper Options

Consumers for Paper Options is a new coalition of individuals and organizations who believe paper-based communications are critically important for millions of Americans, especially seniors and the 30 percent of Americans without Internet access. While regulated entities and governments at every level need to streamline services, cut costs and improve efficiencies, preserving paper-based options for information and essential services for those who need or want them should remain a crucial priority. The goal of Consumers for Paper Options is to preserve access to information in a way that neither hinders the natural evolution of technology nor discriminates against those who may not, or cannot, use it. For more information, visit www.paperoptions.org.