

Soon the government check won't be in the mail

December 21 2010, By MARTIN CRUTSINGER , AP Economics Writer

(AP) -- Before too long, the government check will no longer be in the mail. Officials have settled on the dates when millions of people will no longer be able to get their Social Security and other benefit checks by mail.

New recipients of benefits will have to accept paperless payments starting on May 1 of next year, three months later than first proposed.

Those already on [Social Security](#) will have until March 1, 2013 to make the switch to direct deposits or a [debit card](#).

More than 58 million retirees, disabled people and surviving family members receive Social Security or Supplemental Security benefits. Already eight out of 10 people getting federal benefits receive those payments electronically, officials say.

The switch to electronic payments will eliminate the problem of lost or stolen checks and also the problems faced by people displaced from their homes who have to worry about getting their checks mailed to them, said Richard L. Gregg, the Treasury Department's assistant fiscal secretary.

"Even though we have done a good job of encouraging people to switch over, we still are making 120 million payments by [mail](#) for Social Security every year and another 15 million annually for veterans and

other types of benefits," Gregg said.

Every year, the government has to process about 600,000 claims for lost or stolen checks. Social Security will save \$1 billion over the next decade from phasing out paper checks, he said.

The final rules, scheduled to be unveiled Tuesday, are very similar to the proposal the government put forward in June.

But in response to public comments, the government has decided to allow people who are 90 and over and are still getting Social Security benefit checks to continue to receive their benefits the same way. The government estimates there are 275,000 people who fall into that category.

For people who do not have accounts at a bank or credit union, the government has an option that allows them to use a Direct Express debit MasterCard issued by Comerica Bank, Treasury's financial agent. More than 1.5 million people have obtained these cards, which were first issued in 2008.

In addition to the automatic waiver from electronic payments for those 90 and over, people living in remote areas who might have trouble getting to a bank can also petition for a waiver from the new rules. Gregg said that the government expects fewer than 1 percent of current benefit recipients will petition for a waiver.

Social Security Commissioner Michael J. Astrue said that people should not wait until the deadlines to make the switch to electronic payments.

"Switching now eliminates the risks of lost and stolen checks and provides immediate access to your money on payment day," Astrue said.

The new deadlines for the switchover were announced by Treasury's Financial Management Service, the agency that processes payments for the federal government.

Congress passed a law in 1996 giving the agency the power to halt mailing paper checks for all government payments outside of refund checks from the Internal Revenue Service.

To help with the switchover for those still getting paper checks, the government has created a website, <http://www.GoDirect.org> and a toll-free phone number, 1-800-333-1795, that people can call for assistance.

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