

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

checks will no longer arrive by mail.

Jan. 18, 2013

Ready or not, millions of U.S. seniors are being pushed into the age of digital banking. Starting March 1, in a cost-cutting move by the U.S. Treasury, most Social Security checks will no longer arrive by mail.

Like IRS forms and U.S. savings bonds before them, it's bye-bye paper. That means some 5 million Americans who still get a Social Security, disability or other federal benefit check in their mailbox must switch to electronic payments: direct deposit into their bank account or onto a Treasury-issued debit card.

For those unaccustomed to ATMs or online banking, the prospect is a bit unnerving.

"Older seniors like having that check in their hand," said Patricia Beal, executive director of the Senior Center of Elk Grove. "As we age, we lose control over a lot of things and this is just one more."

And it's got some people riled up.

Eddie Ritchey, a retired documentation specialist, wondered where the change would leave her and her 12-year-old computer.

"They're going to buy me a computer?" the 67-year-old Los Banos resident asked. "Paperless is fine if you have a computer."

Ritchey said living on a fixed income prevents her from buying a new computer. The one she has now is running on outdated software and she doubts it would work with the paperless system, she said.

Retired bus driver Betty Savery, 86, said she doesn't know how to use a computer.

“My daughter will have to do it for me,” Savery of Los Banos said, adding she lives

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

In testimony to a House committee last year, he said it's unfair to force seniors to navigate “a new and potentially confusing world full of PINs, ATMs and online statements.” He also pointed to instances of direct-deposit-related fraud with Social Security payments.

The Treasury Department, however, says that, unlike paper checks that can be lost or stolen, electronic payments are easily traced and quickly restored in the rare instance of fraud.

Safer, easier cost-cutter

The Treasury's paperless campaign is primarily billed as a federal cost-cutter, saving an estimated \$1 billion in check-processing and mailing costs over 10 years. It also is touted to be safer, easier and more convenient.

Currently, 65 million federal benefit recipients — or 93 percent — receive their payments electronically. That includes Social Security, SSI, veterans' and railroad retirement, all of which are subject to the switch.

In California, roughly 6 percent of the 6.5 million Social Security and SSI recipients still get paper checks, according to the Social Security Administration. California has the largest number of residents — roughly 399,000 — receiving a benefit check by mail, followed by New York (308,000), Texas (300,000) and Florida (196,000).

In California alone, the Treasury estimates it will save \$4 million a year in printing and mailing costs.

There are some exemptions to the paperless requirement, such as those who are age 91 or older. Those who ignore or miss the mandatory deadline won't get cut off or face penalties.

“We can’t stop sending their payments. They depend on them,” said Walt

Hello. It looks like you’re using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

the change, most of them are resilient and will adapt.

“They’ve already been through so much transition in their lives — the Depression, world wars, the loss of spouses, the loss of children — that is far bigger than this. They’ll adjust, but it’ll take time.”

Certainly, not every senior is upset by the change.

At 82, Sacramento resident Frances Comstock said she has had her monthly Social Security check automatically deposited into her bank account for nearly 20 years.

“I was so afraid someone would steal it from my mailbox. (With direct deposit,) I didn’t have to go to the bank to cash my check. You always know your money is there. It’s peace of mind,” said Comstock, a former Aerojet telephone operator.

She predicts that once paperless payments go into effect for all Americans on March 1, “They’re going to kick themselves: ‘Why didn’t I do this before?’ “

Copyright 2013 – Los Banos Enterprise (Los Banos, Calif.)

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved