



Committee Report

To: Warden and
Members of the Corporate Services Committee

From: Edward Henley
Director of Corporate Services

Date: December 5, 2019

Re: Royal Bank of Canada Right Pay Reloadable Payment Card Program

Staff Recommendation:

That the Treasurer and Deputy Treasurer be authorized to sign the agreements to establish the Royal Bank of Canada Right Pay™ Visa Reloadable Payment Card Program which includes opening a bank account at Royal Bank of Canada, and,

That the Treasurer shall bring a Royal Bank of Canada borrowing by-law to establish an overdraft facility for the Royal Bank of Canada bank account.

Background:

The Ministry of Children, Community and Social Services (MCCSS) entered into a contract for the Right Pay™ Visa Reloadable Payment Card Program for Social Assistance with the Royal Bank of Canada (RBC) effective February 21, 2019.

The Reloadable Payment Card (RPC) is a new electronic method of payment specifically for Ontario Works clients who are unable to open or maintain a bank account, and who therefore cannot access their Ontario Works benefit payments through Direct Bank Deposit (DBD). DBD will remain the preferred method of payment for clients who have bank accounts as it is the most efficient.

Clients who do not have bank accounts currently receive benefits through paper cheques that are either mailed to them or that they pick up in person. The RPC initiative is a component of province-wide Social Assistance modernization efforts to reduce paperwork and administrative burden for municipalities.

The initiative began in April 2016 with Ontario Disability Support Program (ODSP) clients across the province. In March 2017, the City of Toronto began implementation and in Fall 2019 the first group of municipalities outside of Toronto began implementation of the RPC program. Bruce County is currently in the third group of municipalities, along with 8 others, who are introducing the initiative. Grey County is also in this third group moving forward with implementation.

How it Works

Clients who are unable to participate in Direct Bank Deposit (DBD) will have the option of signing up for a Reloadable Payment Card (RPC). It is not mandatory; however, clients will be encouraged to sign on. Once the client agrees to participate, they are issued a card. The client will then be required to create and use a Personal Identification Number (PIN) for transactions (there is no “tap” payment option).

Ontario Works payments are loaded electronically on the card from the Bruce County RBC account once approved. All Ontario Works participation and eligibility criteria remain in effect.

The RBC Right Pay™ Visa prepaid card looks like an RBC Visa credit card. Clients will be able to use the card to:

- Withdraw cash at RBC ATMs (4 per month with no charge) or non-RBC ATMs (fees from other institutions would apply);
- Make direct purchases in store or online where Visa is accepted (for other stores a cash withdrawal will be required in advance of making the purchase);
- Pay bills by phone or online; and
- Set up pre-authorized payment with vendors.

For lost or stolen cards, clients are required to contact RBC Right Pay cardholder support or their Bruce County Case Worker immediately. RBC will immediately close the card to prevent unauthorized transactions and issue a replacement card by mail. Clients who are unable to wait for delivery of a new card will be advised to contact their caseworker for immediate card replacement through the local office.

Clients are not responsible for unauthorized charges or fraudulent activity provided they can establish that reasonable steps were taken to protect their card and safeguard their PIN and other security codes, and that they did not contribute to unauthorized card use in any way. The client must also fully cooperate with RBC's investigation. Bruce County would only be responsible for unauthorized charges or fraudulent activity if it were determined that County staff were involved in the activity. Otherwise all financial responsibility would remain with RBC.

The maximum ATM cash withdrawal amount per transaction is \$500. The maximum withdrawal amount per card per calendar day is \$2,000. The maximum purchase amount per card per calendar day is \$4,000 (i.e. for direct purchases).

Key Benefits

In 2019, the County of Bruce has issued an average of approximately 56 cheques per month to Ontario Works clients for their monthly benefits (approximately 11% of current caseload receiving cheques). The remaining clients receive DBD payments.

The key benefits of the RPC program are that:

- It is financially beneficial for clients who currently rely on costly cheque cashing services when they don't have a bank account;
- Clients have instant access to their benefit payments when they are loaded onto the card, there is no wait time or gap between receiving the cheque and cashing it;
- It is anticipated to reduce administrative cost, burden, and paperwork for the County of Bruce; and
- The RBC will provide call centre and consumer website support for questions that clients may have with regards to their cards or related payments.

Key Timelines:

Upon Council approval, the Treasurer and Deputy Treasurer would prepare and sign initial documents with RBC in December 2019. The RBC account would be opened by January 2020 and local site testing would begin in partnership with MCCSS. In January 2020, the Treasurer would bring a borrowing by-law forward to establish an overdraft facility for the RBC account. Final account and systems set up would take place between January to March 2020.

It is anticipated that clients would be able to begin participating in the RPC program by March 2020. It is not anticipated that there will be a large majority of clients signing up for the program at the outset. This will allow staff time to monitor implementation and address issues that may arise. Staff will also draw on the experience of other municipalities who have implemented the program.

Financial/Staffing/Legal/IT Considerations:

A bank account will be required to be opened at RBC to facilitate the program payments. Administrative savings are anticipated, however, there are some fees associated with the program as outlined below. The County will pay:

- \$16 per card package registered one-time fee
- \$5 per replacement card issued
- \$2 monthly load fee per active card

Costs will be covered through the Human Services/Income and Employment Supports proposed 2020 budget. Provincial data shows that the administrative costs of the RPC are lower than the costs of producing paper cheques over the life of a social assistance case.

Interdepartmental Consultation:

Consultation took place with the Human Services Department, Income and Employment Supports Division.

Link to Strategic Goals and Elements:

The RPC program forms part of the Human Services Department, Income and Employment Supports Division Business Plan for 2019 and 2020 as part of Social Assistance Modernization and improved client service. It was brought forward to the Executive Committee as part of

the Human Services Q3 2019 Business Plan on November 7, 2019 and Corporate Services Committee on November 14, 2019 as part of the 2020 Business Plan.

Approved by:

A handwritten signature in dark ink, reading "Bettyanne Cobean". The signature is written in a cursive, flowing style.

Bettyanne Cobean
Acting Chief Administrative Officer