



**New York State Association of
Area Agencies on Aging**

272 Broadway
Albany, NY 12204-2717
Ph. 518-449-7080
Fax 518-449-7055
office@nysaaaa.org
www.nysaaaa.org

Memorandum in Support of S. 7267 and A. 10430-A

May 27, 2010

Legislation to Prohibit the Imposition of Debit Surcharges by Retailers

The New York State Association of Area Agencies on Aging supports S.7267/A.10430-A, legislation to prohibit the imposition of debit surcharges by retailers.

This important legislation will protect consumers and those receiving public benefits from unfair surcharges on purchases made with debit cards, which studies have shown are used for over half of all noncash transactions. It is already illegal for retailers to impose a surcharge on *credit card* purchases; the proposed legislation will extend equal protection to millions of consumers making purchases with *debit cards*.

This legislation is particularly important because government benefits, such as Social Security payments, are increasingly distributed using debit cards. By 2013 most federal benefits, including Social Security, will be distributed by direct deposit or by prepaid debit card for those who do not have bank accounts. Consumers who receive their Social Security payments in the form of a debit card should not be required to pay surcharges when using these cards at the checkout.

In the absence of this legislation, if retailers are allowed to start imposing surcharges on debit card purchases, it will further burden seniors and other vulnerable consumers receiving government benefits, as well as disproportionately affect debit card users. This legislation is needed to ensure strong consumer protections for those on fixed incomes.

As government benefits are distributed using debit cards, it is vitally important to pass S. 7267 and A. 10430-A into law to protect consumers and ensure that retailers cannot impose surcharges on purchases made using a debit card.

Sincerely,

Crystal J. Carter

Crystal Carter
President

Laura J. Cameron

Laura A. Cameron
Executive Director