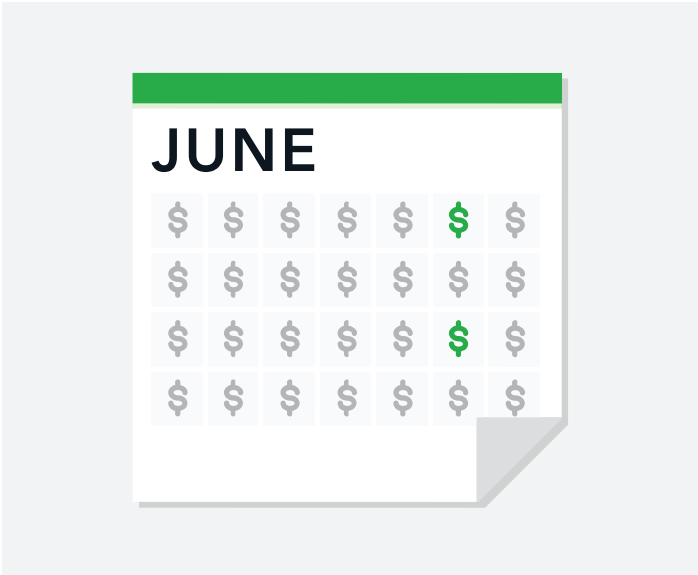


Ways to receive your money

You can receive money in different ways. For example, if you work and earn money, you can be paid in cash, paper paychecks, direct deposit, or with a payroll card.

Each of these ways to receive money has some potential benefits and risks, especially when it comes to fees, security, and convenience. Knowing how these products work, how much it costs to use them, and when you’ll be charged extra fees can help you make the most of your money.



Cash

Definition	Benefits	Risks
Cash is money that you have in hand. Tip: Avoid carrying around or leaving in your home large amounts of cash.	▪ Accepted almost everywhere. ▪ When you use cash, you are not creating debt that you have to repay.	▪ Difficult or impossible to get back any money that is lost or stolen. ▪ Can be hard to keep track of how much you’re spending. ▪ You don’t have a record of payment, which can be important for bills. ▪ Cannot pay many types of bills or make purchases online with cash.

Paper paychecks

Definition	Benefits	Risks
Paycheck is a check for your salary or wages made out to you.	▪ You can deposit into a checking or a savings account for free. ▪ A bank or credit union where you have an account generally cashes your paycheck for free. ▪ Safer than carrying cash. If lost or stolen, your employer may cancel and reissue the check if you report it quickly enough.	▪ If you don't have a bank account, you might have to pay to cash your paychecks. ▪ If you deposit a paycheck in a bank or credit union account, you might not be able to access all the money immediately, and you might have to pay overdraft fees if you withdraw more money than you have in your account.

Direct deposit: Checking or savings account

Definition	Benefits	Risks
Your salary or wages are sent straight to your bank or credit union account electronically without the use of a paper check. May not be offered by all employers. Tip: Ask your employer how to arrange for direct deposit. Generally, if you receive your pay through direct deposit, your money will be available to withdraw at least as soon as if you had deposited a paper check, and often sooner. In many cases, your money is available on your payday.	▪ Reduces your risk of loss or theft, compared to carrying cash or getting a check. ▪ You have protections if money is taken from your account by electronic error or theft. ▪ Money is usually available to you immediately. ▪ Money can be withdrawn from your account using a debit card, ATM card, or personal checks. ▪ Many employers allow you to split your deposit between a checking and savings account. This can help you build savings. ▪ There are no fees to deposit your check. Many banks and credit unions also offer checking and savings accounts with no monthly fees when you set up direct deposit.	▪ Keeping your money in a bank account generally requires you to go to an ATM, bank branch, or storefront location to withdraw cash when cash is needed. ▪ You might have to pay overdraft fees if you withdraw more money than you have in your account. ▪ There may be fees if you don't use ATMs from your own bank or credit union.

Payroll cards

Definition	Benefits	Risks
A prepaid debit card arranged by your employer. Your salary or wages are automatically sent to your payroll card electronically, without the use of a paper check. Tip: Your employer can't require you to receive your wages on a payroll card. They have to give you at least one other option, like a paycheck, cash, or direct deposit to your bank or credit union account.	▪ Reduces your risk of loss or theft, compared to carrying cash or checks. ▪ You have protections if money is taken from your debit card account by electronic error or theft.	▪ Many cards charge fees for inactivity, purchases, ATM use, monthly fees, and more. ▪ You have to go to an ATM to withdraw cash when cash is needed. ▪ There may also be fees if you don't use ATMs from the bank or credit union that issued the card. ▪ You may not be able to deposit money from other sources onto the card.

Prepaid cards

Definition	Benefits	Risks
Your salary or wages are electronically sent to a prepaid card you have chosen, without the use of a paper check. You provide the card information to your employer so they can transfer money to the card.	▪ May be safer and more secure than carrying cash or checks. ▪ If you register your card and it's verified, it has the same consumer protections as a checking account or payroll card for funds taken by electronic error or theft.	▪ Many cards charge fees for inactivity, purchases, ATM use, monthly fees, and more. ▪ If you do not register your card, it does not have the same consumer protections as a checking account or payroll card for funds taken by electronic error or theft. ▪ You might be limited in the types of transactions you can use the card for. For example, you might not be able to use your prepaid card to pay bills. ▪ You have to go to an ATM to withdraw cash when you need cash.

About us

The Consumer Financial Protection Bureau is a 21st century agency that implements and enforces federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive.

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