



The Office Of
State Treasurer
Denise L. Nappier

Statement

FOR IMMEDIATE RELEASE

January 31, 2012

Connecticut State Treasurer Denise L. Nappier issued the following statement today regarding the contract implementing the use of debit cards for tax refunds:

“The State Treasurer’s Office, as part of the technical assistance routinely provided to state agencies in the procurement of banking services, worked with the Department of Revenue Services, at its request, over the past year to conduct a competitive search for a bank that could process tax refunds via debit card in addition to the current check and direct deposit services. While nine banks showed initial interest in proposing their services, two proposals were submitted, and JPMorgan Chase, in partnership with Bridgeport-based People’s United Bank, presented the winning bid. This new contract, at an annual cost to the State of approximately \$25,000, will yield estimated annual savings of \$290,000 in administrative costs and bank fees.

The State has already realized measurable savings with direct deposit and debit card issued by the Connecticut Department of Labor for unemployment benefit payments. Those services, which have been well received, are estimated to save the State more than \$4 million in annual costs.

With that said, the goal of the State Treasurer’s Office is to assist agencies in effectively and efficiently managing disbursements, and as part of that we also consider the impact of new technology on state government and customer service. Based on our due diligence, overall debit cards are more efficient and a cheaper method of disbursing tax refund payments, and the increased convenience and lower cost of debit cards should also benefit the unbanked and those who have not elected direct deposit.”

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