

June 24, 2024

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY WELFARE DIRECTORS LETTER

This letter provides County Welfare Departments with information regarding efforts to secure Electronic Benefit Transfer (EBT) cards. First, this letter addresses the replacement of County Administrative Equipment to enable Chip/Europay, Mastercard, and Visa (EMV) and Tap card printing over the counter. Second, this letter details information on the mass card replacement of EBT cards with Chip EMV and Tap enabled EBT cards, impacting cash and food benefit programs. New County EBT Administrative Equipment is anticipated to go live in Summer 2024 with mass card replacements occurring promptly following.



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GOVERNOR

June 24, 2024

ALL COUNTY WELFARE DIRECTORS LETTER

TO: ALL COUNTY WELFARE DIRECTORS

FROM: RYAN GILLETTE, DEPUTY DIRECTOR
RESEARCH, AUTOMATION, AND DATA DIVISION

SUBJECT: EBT COUNTY ADMINISTRATIVE EQUIPMENT REPLACEMENT
AND MASS EBT CARD REPLACEMENT WITH CHIP EMV/TAP
PAY EBT CARD

REFERENCE: [ASSEMBLY BILL 120; ALL COUNTY WELFARE DIRECTORS
LETTER DATED JUNE 6, 2022](#)

The purpose of this All County Welfare Directors Letter (ACWDL) is to inform County Welfare Departments (CWD) of the activities related to two Electronic Benefit Transfer (EBT) efforts underway, the replacement of county Administrative Equipment and mass replacement of all current EBT cards, with Chip/Europay, Mastercard, and Visa (EMV) and Tap (Chip EMV/Tap) EBT cards. EBT cardholders who receive benefits through California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh, inclusive of any cash benefit program such as General Assistance or General Relief (GA/GR), Refugee Cash Assistance (RCA), Trafficking and Crime Victim Assistance Program (TCVAP), Entrant Cash Assistance (ECA), Cash Assistance Program for Immigrants (CAPI), and Low-Income Home Energy Assistance Program (LIHEAP), will soon receive a replacement card by mail. EBT cardholders will continue to have access to their benefits on their current EBT card until they receive and activate their new Chip EMV/Tap EBT card.

BACKGROUND

California EBT Card electronic benefit theft is resulting in record high fiscal losses as well as unintended lack of or delayed access to benefits for eligible California cardholders. To reduce electronic benefit theft in California, the California Department of Social Services (CDSS) will upgrade conventional magnetic stripe-only EBT cards

with Chip EMV/Tap-enabled EBT cards. In partnership with the Office of Technology and Solutions Integration (OTSI) and the EBT processor, Fidelity Information Services (FIS), CDSS is leading the nation as the first state to implement Chip EMV/Tap technology in an effort to improve EBT card security.

COUNTY ADMINISTRATIVE EQUIPMENT IMPACT

The Chip EMV/Tap implementation for EBT requires County Administrative Equipment in all the county offices to be replaced with new Chip EMV/Tap-enabled models in advance of the card mailings. County equipment deployment will occur in May 2024. County Administrative Equipment will be replaced on a one-to-one and like-for-like basis to support local over-the-counter card printing services.

During the initial deployment, the old model Card Printers will be replaced with new Card Printers. The old Personal Identification Number (PIN) / Balance Inquiry Only (BIO) devices will be replaced post go-live with new PIN/BIO devices. OTSI will work with each of the counties to deploy the new equipment, counties will be able to have either analog or Broadband capable equipment.

Printer accessories included in the box with the new printer are a cable lock, cleaning kit, two (2) ribbons, and a return label to ship the old printer back to the FIS Equipment Depot. Ordering additional supplies or equipment will follow the established administrative equipment ordering processes as outlined in the EBT County Operations Manual. The FIS team will provide OTSI with historical information regarding cardstock orders for each county office. Using this information, a predetermined amount of cardstock will be ordered for each county to support the first 60 days of over the counter issuance in the county offices following go-live. New Cardstock has been delivered to the County offices during the month of May 2024. A small number of these cards will be used to support county readiness testing in early June 2024. Counties will be informed of the specific go-live date following successful installation and testing of the equipment.

CDSS has updated [Publication 388 - California EBT Card](#) and [Publication 389 - How To Use Your EBT Card To Make A Purchase](#) informational pamphlets. Both pamphlets are available in all threshold languages for counties to order through the established ordering process.

Cardstock and equipment reserved for Disaster CalFresh will also be updated with Chip EMV/Tap technology. Counties will use existing procedures to report and request Disaster Cards and equipment post go-live.

No additional card printing process changes have been identified at this time. If a cardholder did not receive their new card or is otherwise in need of a new card replacement, counties are advised to follow the established over-the-counter card replacement process.

NEW CARD DESIGN

The addition of the Chip EMV helps safeguard EBT cardholders against fraud by making card transactions more secure. The Chip EMV encrypts each transaction by generating unique payment information which cannot be duplicated or cloned. Tap payment technology gives cardholders the ability to make contactless payments using Near-Field Communication (NFC), a specialized type of radio-frequency identification technology. Tap facilitates payments by sending a secure, single-use token to the payment Point-of-Sale (POS) terminal. Like with Chip EMV, each Tap transaction generates unique payment information and cannot be duplicated or cloned. The new card design sustains the magnetic stripe with the hidden CAV/CVV which will support interoperability with other States. For more information on the limits of magnetic interoperability in the event retailers or financial institutions have not updated their devices, see the section below on Retailer and Financial Institutions Impact.

New card security features include:

- Addition of Chip EMV for insert payments.
- Addition of NFC Tap for contactless payments.
- Addition of three-digit Card Security Code to secure online transactions.
- Addition of Expiration Date.

In addition, personal cardholder information such as the name, card number, and State Unique Identifier have been moved to the back of the card.

IMPACT TO CARDHOLDERS

With the addition of Chip EMV/Tap for payments, cardholders will need to be aware of how to use the card at various types of POS devices. Not all retailers have devices supporting Chip EMV/ Tap, in which case, they will need to use the magstripe located on the back of the card.

AUTOMATED CARD REPLACEMENTS

Promptly following CWD go-live in Summer 2024, all active cardholders will receive a replacement EBT card with Chip EMV/Tap functionality. For the purposes of this card replacement effort, “Active” is defined as EBT cards attached to a food or cash benefit account that have conducted transactions within the last nine months. Inactive cases with active cards will receive replacement cards according to program participation. Chip EMV/Tap card mailings will be prioritized according to program participation.

Chip EMV/Tap card replacements will occur in the following phases:

Phase 1: Cardholders and Authorized Representative(s) with existing “Active” EBT cards linked with combination CalWORKs and CalFresh cases. This includes CalFresh cases linked with any cash benefit program, such as GA/GR,

RCA, TCVAP, ECA, CAPI, and LIHEAP.

Phase 2: Cardholders and Authorized Representative(s) with existing “Active” EBT cards linked with cash-only benefit cases.

Phase 3: Cardholders and Authorized Representative(s) with existing “Active” EBT cards linked with food-only benefit cases.

Note: Cardholders’ existing PIN and existing balances will carry over to the new card. Benefit load amounts will not be impacted.

County staff can view updated card information in the “Card Details” screen on their [ebtEDGE WebADMIN](#) account. Host-to-host messaging will be updated with our California Statewide Automated Welfare System partners shortly following Chip EMV/Tap card go-live. Cardholders will be able to view updated card information in ebtEDGE if they created an account and added their existing card in the application.

Note: Pandemic EBT (P-EBT), Sun Bucks, and Women, Infants, and Children (WIC) EBT cards are excluded from this work effort.

CARDHOLDER OUTREACH

Replacement EBT card mailings will include the new EBT card, an updated EBT card mailer. In addition, CDSS revised [Pub 388](#) and [Pub 389](#) to include information on Chip EMV/Tap card activation and updated information on benefit theft prevention. Pub 388 and Pub 389 will continue to be mailed with new card issuances in the householder’s preferred language.

Informational banners will be provided on BenefitsCal and ebtEDGE to cardholders, informing them of forthcoming card replacement in the coming months.

Counties should direct cardholders to begin using their replacement cards as soon as the new card is received by mail. A successful transaction (administrative, such as a PIN change or a financial transaction using either food or cash) using the new card will activate it and automatically deactivate the old card. Cardholders will have approximately 45 days after issuance to activate the replacement card before the magnetic stripe-only card becomes unusable.

In addition, CDSS will monitor card activation data and conduct direct outreach to cardholders who have been mailed a replacement card but have not yet activated their new card. Furthermore, OTSI and CDSS will monitor replacement card activation rates and returned undeliverable cards. OTSI and CDSS will review this data frequently to determine if additional outreach or action is needed.

Counties should refer cardholders to the EBT Customer Service Center and include information on the Interactive Voice Response system when receiving EBT card replacement related calls from cardholders. EBT Customer Service Representatives are prepared for this change and can address cardholder questions regarding card replacements. Following completion of mass replacement activities, any remaining magnetic stripe-only cards that were not “Active” will be deactivated. Cardholders who have inactive benefit cases and did not receive a replacement card can request a Chip EMV/Tap card through EBT Customer Service or their county office. Remaining benefits will be expunged in accordance with established program rules.

RETAILER AND FINANCIAL INSTITUTIONS IMPACT

During the initial migration of magnetic stripe-only to Chip EMV/Tap cards, some EBT retailers and financial institutions accepting CalFresh and/or CalWORKs benefits may not be able to accept Chip EMV/Tap features according to the terminal. In most situations where a terminal is not yet updated to accept Chip EMV/Tap, the EBT card may have to fall back to a magnetic stripe or manual key-in transaction.

Although highly encouraged, EBT retailers and financial institutions are not currently federally required to accept Chip EMV/Tap payment to accept EBT benefits. Cardholders will use the magnetic stripe until their retailer of choice has updated their payment systems to allow for secure Chip EMV/Tap transactions for EBT.

ADDITIONAL RESOURCES

Enclosed with this letter is a questions and answers document which addresses frequently asked questions. Please share this document with all CWD staff.

If you have any questions or need additional guidance regarding the information in this letter, contact the CDSS EBT Modernization and Automation Support Unit by email at DAI@dss.ca.gov.

Attachment

EBT Card Replacement Frequently Asked Questions (FAQ)

COUNTY ADMINISTRATIVE EQUIPMENT

Q: What is the timeline of the roll-out for CWD equipment replacement?

A: OTSI will provide county contact(s) with the specific go-live date following successful installation and testing.

Q: What will happen with “old” equipment and materials?

A: Administrative Equipment will need to be returned to FIS using the packaging from the new equipment and the provided pre-paid return shipping labels. Magnetic stripe-only cardstock will need to be destroyed securely. OTSI will communicate a plan for the secure destruction of the remaining magnetic stripe-only cardstock.

CARD REPLACEMENT ISSUANCE BY MAIL

Q: Who will receive a replacement card?

A: All active California Golden State Advantage cardholders will receive a replacement card by mail. “Active card” is defined as those cards attached to a food or cash benefit account with transactions within the last nine months of the go-live date.

Q: What is the timeline of the roll-out?

A: EBT replacement card packages will be mailed in Summer 2024 and will include the new EBT card with Chip EMV/Tap technology and educational publications. EBT cardholders will have approximately 45 days after issuance to use the replacement card before their old card becomes inoperable.

Q: Will cardholders who are unhoused have replacement cards mailed to county offices?

A: OTSI will provide counties with a list of cardholders who have their mailing address listed as the CWD for triage. In addition, CDSS will conduct an outreach campaign to provide contact to cardholders who have been issued new cards but have not received them yet.

REPLACEMENT CARD

Q: Are cardholders able to receive a replacement card at their local county office?

A: Yes, cardholders are able to be issued a replacement card at their local county office if they present all the required information. FIS will be running a weekly report and

remove cardholders from the mailing distribution who receive over the counter replacement cards.

Q: Will cardholders receiving a replacement card be issued a new PIN?

A: The existing PIN will carry over to the new card.

Q: Will cardholders have to activate the new card?

A: Yes, the new card must be activated. Activation can be done through [ebtEDGE Cardholder Portal](#), EBT Customer Service Center, or simply using it to complete a food or cash transaction. Activating the new card will automatically deactivate the old, magnetic stripe-only EBT card.

Q: Will cardholders be prompted to enter a PIN when they Tap the card into a device?

A: Yes, the terminal will prompt for the cardholder to enter a PIN for all transactions.

MAGNETIC STRIPE-ONLY EBT CARD

Q: When will the old card be deactivated?

A: The magnetic stripe-only EBT card will be automatically deactivated after the new Chip EMV/Tap EBT card is activated in a successful transaction.

Q: What transactions will deactivate the old card?

A: Any successful transaction on a POS machine includes purchase, withdrawal, balance inquiry, reversal, and return. Any successful transaction on an ATM. Any successful transaction via the Internet including balance inquiry and purchase. Successful balance inquiry via BIO device or PIN Select via PIN select device at the County Office. Successful PIN Select via Automated Response Unit Successful PIN Select via [ebtEDGE Cardholder Portal](#) and mobile application.

CHIP READ FAILURE

Q: What is a manual entry for SNAP transactions?

A: Manual entry for Supplemental Nutrition Assistance Program transactions requires the EBT card information to be input into the point-of-sale device to complete the transaction if the card itself cannot be read through any other means. This sometimes occurs if the card has been damaged.

GENERAL QUESTIONS

Q: When will any remaining magnetic stripe-only cards that were not “Active” be deactivated?

A: Any remaining magnetic stripe-only cards will be deactivated approximately 60 days after mass replacement is complete.

Q: How will counties need to respond if they get calls from cardholders?

A: Counties should follow current protocols for connecting cardholders to the EBT Customer Service Center. No county process changes are anticipated at this time. If a client needs a new card replacement, counties should follow current process for this request.

Q: Can the California SUN Bucks, also called Summer EBT, be added to the ebtEDGE?

A: Yes, cardholders can add their SUN Bucks via [ebtEDGE Cardholder Portal](#) and mobile application. **Note:** Pandemic EBT, Summer EBT, and WICEBT cards are excluded from this work effort.