

Understanding the Government and Higher Education Payment Program

Rules for Cardholder Fees (Visa® and MasterCard® only – Discover does not participate in program)

	Visa (Tax payments and Non-Tax Payments)	MasterCard
Merchant Registration Requirements	Merchants are required to register. Your merchant services sales or service professional can assist.	Merchants are not required to register as of 03/2015.
Eligible Payment Types	<ul style="list-style-type: none"> • For tax and non-tax payments, Visa has initiated a service charge in place of a convenience fee • The merchant must accept Visa as a means of payment in all channels where payments are accepted (example: face-to-face, mail/phone, and Internet environments, as applicable.) • Can be assessed in both card-present and non-card-present environments • Federal personal income tax • State personal income taxes • Property Taxes • Real Estate property taxes • Other property taxes • Federal and State business income taxes • Local, state and federal courts of law that administer and process court fees, alimony and child support payments • Government entities that administer and process local, state and federal fines • Local, state and federal entities that engage in financial administration of taxation • Government services: Merchants that provide general support services for the government • Colleges, Universities, professional schools and junior colleges for tuition and related fees and school maintained room and board 	<ul style="list-style-type: none"> • The fee must be properly disclosed to the cardholder in advance by clearly and conspicuously disclosing to the cardholder the amount of convenience fee at the time of payment and afford the cardholder an opportunity to provide another form of payment or to opt out of the sale. • Clearly disclose customer service number for both the payment and the convenience fee collected. • A convenience fee must not be advertised or otherwise communicated as an offset to the merchant discount rate. • Does not discriminate against or discourage the use of MasterCard cards in favor or any acceptance brand deemed by MasterCard to be a competitive brand. • MasterCard strongly recommends that the convenience fee charged be processed as a separate transaction and not be included in the total amount for the product or obligation paid for. • Elementary and Secondary schools for tuition and related fees and school-maintained room and board • Colleges, Universities, professional schools and junior colleges for tuition and related fees and school-maintained room and board • Local, state and federal courts of law that administer and process court fees, alimony and child support payments • Government entities that administer and process local, state and federal fines • Local, state and federal entities that engage in financial administration of taxation • Government services: Merchant that provide general support services for the government



Fee Calculation to Cardholder	<ul style="list-style-type: none"> The cardholder fee may be variable and may be calculated as a percent of the transaction amount or a flat/fixed service fee for consumer credit card and commercial card payments. 	<ul style="list-style-type: none"> The cardholder fee may be tiered, calculated as a percent or a fixed dollar amount on consumer credit card and commercial card payments.
Fee Calculation to Consumer Debit	<ul style="list-style-type: none"> The cardholder fee may be variable and may be calculated as a percent of the transaction amount or a flat/fixed service fee for debit card payments. 	<ul style="list-style-type: none"> Currently, MasterCard does not differentiate between what a Merchant may charge for credit versus debit cards. The fee charged on a MasterCard Transaction cannot be higher than any other card-based payment made through the same payment channel.
Cardholder Fee Assessment	<ul style="list-style-type: none"> The cardholder fee must be a separate transaction from the payment. The transaction must include the merchant or service provider name followed by * and the words "service fee", customer support phone number and state of service provider as part of the transaction record. 	<ul style="list-style-type: none"> The cardholder fee is strongly recommended to be a separate transaction from the tax payment. The fee must be clearly identified on the transaction document or a separate document should be created.
Cardholder Fee Disclosure	<ul style="list-style-type: none"> The cardholder fee must be disclosed to the cardholder in advance of the payment. The cardholder must be given the opportunity to cancel the payment if they do not want to pay the fee. 	<ul style="list-style-type: none"> The cardholder fee must be disclosed to the cardholder in advance of the payment. The cardholder must be given the opportunity to cancel the payment if they do not want to pay the fee.
Applicable Cardholder Fees Across Brands	<ul style="list-style-type: none"> The cardholder fee cannot be more than the fee assessed to the cardholder of another payment brand. The service charge must also apply to all payments offered in the service channel regardless of the payment method (example: ACH, credit/debit). 	<ul style="list-style-type: none"> The cardholder fee cannot be more than the fee assessed to the cardholder of another payment brand.
Acceptance Environment Where Cardholder Fee can be Assessed	<ul style="list-style-type: none"> Any environment including face-to-face and card-not present 	<ul style="list-style-type: none"> Any environment including face-to-face and card-not-present



Third Party Service Providers (Example: web-hosting, checkout providers, database management)	<ul style="list-style-type: none"> • Third party providers can assess the fees on behalf of the merchant. 	<ul style="list-style-type: none"> • Third party providers can assess the fees on behalf of the merchant.
Registration of Third Party Service Providers	<ul style="list-style-type: none"> • All third party companies working with a given Merchant who store, process or transmit cardholder data must be registered with Visa as a third-party, non-member agent of the acquirer (M&T). There is a fee for this registration if M&T is the first acquirer to register the third party with Visa. Visa provides due diligence guidance, which includes, among other things, a financial review and the PCI status of the third party. 	<ul style="list-style-type: none"> • All third party companies working with a given Merchant who stores, processes, or transmits cardholder data, must be registered with MasterCard as a third-party, non-member agent of the acquirer (M&T Bank).

