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May 3, 2024

TO: FINANCIAL INSTITUTIONS AND AUTOMATED TELLER MACHINE NETWORK PROVIDERS REDEEMING CALIFORNIA EBT CASH BENEFITS

FROM: RYAN GILLETTE, Chief Data Officer
Research, Automation, and Data Division

SUBJECT: Implementation of Chip Europay, Mastercard, and Visa/Tap Cards for California Electronic Benefit Transfer

This notice is to inform California Financial Institutions (FI) and Automated Teller Machines (ATM) Network Providers that are currently accepting the CA EBT Card for redemption of cash benefits that the California Department of Social Services (CDSS) is upgrading its magstripe EBT card to a more secure Chip/Europay, Mastercard, and Visa (EMV) and Tap Pay (Chip EMV/Tap) technology card. **This change will require that you update your ATM devices to accept Chip EMV/Tap transactions by August 1, 2024, to continue redeeming EBT cash benefits through your networks.** In partnership with the Office of Technology and Solutions Integration and the EBT vendor, Fidelity Information Services (FIS), California is leading the nation as the first state to enable the integration of Chip EMV/Tap technology to improve EBT card security and increase the protection of food and cash benefits.

Chip EMV/Tap Technology

Electronic theft of EBT benefits has increased exponentially in California. The addition of the Chip EMV/Tap technology helps safeguard EBT cardholders against electronic theft by making card transactions more secure. The embedded chip contains encrypted data which makes the card information difficult to duplicate. The addition of Tap technology gives cardholders the ability to make contactless payments using Near-Field Communication, a specialized type of radio-frequency identification technology.

Financial Institution and ATM Network Impact

The implementation of Chip EMV/Tap enabled EBT cards requires FI and ATM network owners who wish to continue redeeming EBT cash benefits to update your devices. **Failure to update your devices will result in your inability to process CA EBT Cash transactions.** The State of California plans to begin issuing Chip EMV/Tap cards in Summer 2024 and we anticipate that the transition to the new Chip EMV/Tap cards will be over several months. To ensure no disruption to your acceptance of both the Magnetic Stripe Only and Chip EMV/Tap enabled cards you will need to confirm that the following actions have occurred:

1. **Ensure that your terminals fall back to magnetic stripe processing by updating your terminals to recognize the 220 Service code by July 1, 2024.**
2. Please note that if your terminals are not able to accept the 220 Service code, you will not be able to process CA EBT transactions with the cards being planned for issue starting in Summer 2024.
3. **Update your terminals by August 1, 2024, to support EBT Chip EMV cards and Tap functionality** (if your terminal accepts TAP) for EBT transaction processing. ATM providers should start accepting the new **A000000044542** AID registered for the EBT

industry as soon as possible. California Chip EMV/Tap enabled cards will have a BIN of **507719**, will utilize the EBT industry AID **A0000000044542** with the service code **220**.

4. Please note that if your existing policies do not allow for Fall Back if the AID is unknown, you will not be able to process CA EBT transactions with the cards planned for issue starting in Summer 2024.
5. **Please note that you must continue to accept EBT cards with service code 120 to ensure EBT cards that only have magnetic stripe are recognized until all EBT cards have been upgraded.**

Please reach out **NOW** to your processor to make sure they are making the changes, so you can be ready.

FI & ATM providers fill an essential role in providing EBT cardholders with access to their Cash benefits. Thank you for continuing to partner with the State of California to support cash access for all.

For additional information: click on the link below to navigate to the FNS website:

<https://www.fns.usda.gov/snap/ebt/modernization>.