



Skylight® PayOptions™ | JCPenney

Increasing Operational Efficiencies



JCPenney

JCPenney's venture into paycards is a success on multiple levels.

Client: JCPenney

Challenge: To make the payroll process more efficient and better accommodate employees with non-traditional financial needs, as well as become a more paper-conscious organization.

Solution: The Skylight® PayOptions™ Program

Results: "The cost savings was approximately \$40,000 / month, just in the processing, printing and delivery of paper checks."
– Jennifer Sobczak, Payroll Manager

The Challenge

In search of a Paycard solution that would help impact the company's bottom line, JCPenney wanted to achieve two objectives. One was to make the overall payroll process more efficient by cutting down on the cost and time associated with printing and delivering checks, and specifically the redistribution of replacement checks. The second was to better accommodate employees with non-traditional financial needs. **What they got was a program that went beyond their expectations.**

The Situation

In an effort to move away from paper throughout the organization, JCPenney looked to the Payroll Department to make a sizable impact. Employees were provided flexibility in how they were to receive their pay wages, and in addition to its paper paycheck option, JCPenney offered two electronic payroll processes, direct deposit to a traditional bank account or to a Skylight ONE Paycard from Netspend.

Rollout: Well planned and supported

The program was deployed in 3 phases:

1. The Pilot Program introduced in one state-wide market.
2. A larger Pilot Program expanded the payroll options into multiple markets.
3. Finally, the full program rollout was conducted in two waves, half of the country at a time.

The Pilot Program was integral in working through logistical concerns and developing commonly asked questions to prepare for the larger rollout.

JCPenney had already made an internal effort to increase the number of their employees who chose direct deposit, so they hoped the addition of the Skylight PayOptions Program would help bolster that effort.

A key to success: Communication

The Netspend team created an educational guide for Managers, who in turn took the time to review it with employees – detailing how the program would work and how the organization would make the best use of the electronic payroll choices. The details were delivered over a variety of different channels.

- Communication to Managers was key and provided them timelines for implementation so they could prepare employees.
- Inserts were provided with paychecks and advised employees on how to enroll and use the Paycard.
- JCPenney worked closely with the contact centers to provide coaching so that employee questions could be easily answered.

In their words: Manager insights

"Netspend helped us prepare scripts/directions for Managers to use for educational purposes."

"The overall simplicity of the program helped with the Manager/employee buy-in and adoption."

"Netspend provided a great sales person who had as many conversations as we needed to fully understand the program."



IMPLEMENTATION
8 weeks



ELECTRONIC PAY ADOPTION
97%



COST SAVINGS
\$40,000/mo.

The Solution

The results for JCPenney have been excellent, and the number of JCPenney employees receiving electronic forms of pay has increased from 76% to 97%, which has greatly streamlined the entire process for the business, saving considerable time and money.

Benefits: For the company and the employees

- Since the rollout, 97% of employees have opted to convert to electronic pay (direct deposit and Skylight ONE Card) – and the Paycard has become the choice for many temporary employees.
- Since the introduction of Skylight PayOptions, mailing charges have been greatly reduced since paychecks were no longer overnighted to the stores.
- JCPenney reports that Netspend’s customer service with employees has improved morale because when there is a payroll issue, it can be solved and money can be issued sooner than waiting for another check to be delivered.

- JCPenney was able to easily accommodate new employees during peak hiring seasons, (e.g. during holidays) and is now part of the Onboarding process.
- Employees can use their card anywhere Visa® debit or Debit Mastercard® is accepted, in-person, online or over the phone.
- If employees need cash, there are surcharge-free ATMs* and by using a Skylight Check (included in the program) they can withdraw their money at participating banks with no check cashing fees once they’ve activated their card and verified their identity.
- The Skylight Online Account Center, Mobile App and dedicated customer service are easy for employees to use to manage their funds.

Providing positive results: JCPenney was printing 10,000-12,000 checks per week, and with the introduction of electronic payment options, that has now been reduced to 1,000 per week. Company banking fees have also been dramatically reduced due to fewer paper checks being printed, and there has been a significant cost savings by virtually eliminating the escheatment process for paper checks.

Netspend provides implementation and ongoing support to ensure program goals are met and continue to improve.

“Because of the program’s flexibility, we were able to quickly enroll JCPenney employees and get them up to speed during the rollout.”

– Jennifer Sobczak of JCPenney

Netspend is a leading provider of Visa® Prepaid debit cards, Prepaid Debit Mastercard®, and commercial prepaid card solutions in the U.S.

In addition to JCPenney, Netspend provides Paycard programs for over 7,200 clients, nationwide.

We serve the estimated 68 million underbanked consumers who do not have a traditional bank account or who rely on alternative financial services, by offering products that are flexible with powerful features designed just for them.

For more information, visit: www.netspend.com/business/paycard/

TO LEARN MORE

about the Skylight PayOptions program, contact us at 1.800.421.5613 or skylightpayoptions@netspend.com. You can also visit www.netspend.com/business/paycard/.

The Skylight ONE Prepaid Visa Card is issued by BofI Federal Bank pursuant to a license from Visa U.S.A., Inc., and can be used everywhere Visa debit cards are accepted. The Skylight ONE Prepaid Mastercard is issued by BofI Federal Bank pursuant to a license by Mastercard International Incorporated. BofI Federal Bank, Member FDIC. Netspend, a TSYS® Company, is a registered agent of BofI Federal Bank. The Skylight ONE Visa Prepaid Card may be used everywhere Visa debit cards are accepted. The Skylight ONE Prepaid Mastercard may be used everywhere Debit Mastercard is accepted. Certain products and services may be licensed under U.S. Patent Nos. 6,000,608 and 6,189,787. Use of the Card Account is subject to activation, ID verification and funds availability. Transaction fees, terms, and conditions apply to the use and reloading of the Card Account. See the Cardholder Agreement for details.

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* Surcharge free ATM options will vary by card program. An ATM Cash Withdrawal Fee applies at ATMs outside the surcharge free network specified in the Cardholder Agreement. A separate ATM owner fee may also apply.