



January 17, 2013

GSA SMARTPAY® SMART BULLETIN

**U.S. GENERAL SERVICES ADMINISTRATION
FEDERAL ACQUISITION SERVICE
SMART BULLETIN NO. 017**

Brands (VISA/MasterCard) to Permit Merchant Surcharges

EFFECTIVE DATE:

This Smart Bulletin becomes effective upon issuance and shall remain in force until modified or rescinded.

INTRODUCTION:

This bulletin addresses surcharges that are now allowable by merchants when accepting GSA SmartPay and other charge/credit cards.

BUSINESS LINE(S) AFFECTED:

Purchase, Travel, Fleet and Integrated

SUMMARY:

Surcharges are fees that a retailer adds to the cost of a purchase when a customer uses a charge/credit card. As a result of the settlement between a class of retailers and the brands, on January 27, 2013, merchants in the United States and U.S. Territories will be permitted to impose a surcharge on cardholders when a charge/credit card is used.

It is important to note that not all merchants will impose a surcharge. In addition, some states have laws which do not allow or limit surcharges. As of January 16, 2013 the following states do not allow or limit surcharges: California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma and Texas. Cardholders who receive a surcharge or a check out fee in any of the above mentioned states should report the merchant to the state attorney general's office.

Surcharges **may not** be added to debit, prepaid or cash purchases and cardholders are required to be notified in advance of making the purchase if a merchant will impose a

surcharge. Merchants must also include the surcharge fee on any receipt(s) provided to the cardholder.

Per Visa and MasterCard guidance, there is a limit to the allowable surcharge amounts. These limits vary by brand and by merchant discount rate. Information on surcharge limitations for Visa and MasterCard can be found at:

<http://www.mastercard.us/merchants/support/surcharge-rules.html>

http://usa.visa.com/personal/using_visacards/checkout_fees/index.html

ACTION:

A/OPCs should ensure cardholders and other charge card management personnel are aware of the possibility of surcharges when making purchases using credit/charge cards. If a merchant is imposing a surcharge, the cardholder may choose to consider another merchant that offers the same or similar item(s) to avoid paying the surcharge.

David J. Shea
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If you have any questions or comments regarding this Smart Bulletin, please contact the Office of Charge Card Management at 703-605-2808 or at gsa_smartpay@gsa.gov.

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