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TO: County Welfare Department Directors

SUBJECT: Urgent Notice for California Supplemental Nutrition Assistance Program (SNAP)
Electronic Benefit Transfer (EBT) Merchants

Electronic benefit theft continues to be a significant problem, preventing EBT cardholders from accessing their benefits. To reduce electronic benefit theft in California, the California Department of Social Services (CDSS) will upgrade magnetic stripe only EBT cards to a more secure Chip/Europay, Mastercard, and Visa (EMV) and Tap Pay (Chip EMV/Tap) technology card. **SNAP EBT Chip and Tap cards are coming mid-January 2025, and you must take action to be able to continue to process EBT transactions at your Point of Sale (POS) terminals.** 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

The addition of the Chip EMV 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, if accepted by the merchant.

What You Need to Do

The implementation of Chip EMV/Tap enabled EBT cards requires retailers who wish to continue accepting EBT benefits to immediately update their POS device platform. **Failure to update POS devices may result in you not being able to process CA EBT transactions.** The State of California plans to begin issuing Chip EMV/Tap cards in **mid-January 2025** and we anticipate that the transition to the new Chip EMV/Tap cards will take several months. To ensure no disruption for your EBT customers, you or your POS provider will need to ensure that the following actions have occurred:

1. **Immediately enable the 220 Service Code.** This will ensure that your terminals fall back to magnetic stripe processing when the new cards are issued. You must also continue to accept EBT cards with 120 Service Code.
2. **Update your terminals before January to support Chip EMV/Tap cards** to process more secure EBT transactions. Merchants should start accepting the new **A000000044542** AID registered for the EBT. The California BIN 507719 is unchanged.
3. Please note that if your existing policies do not allow for magnetic stripe fall back if the AID is unknown, you will not be able to process CA EBT transactions with the new cards until your terminals accept the new AID specified above.

4. Confirm that your cash register or POS system routes the transactions for online approval instead of doing Stand-In¹ for EBT transactions. Retailers accept the liability and risk for processing transactions via Stand-In.

Please reach out **NOW** to your processor to understand their timelines for supporting Chip EMV/Tap for California EBT customers. Furthermore, Chip EMV/Tap test cards may be available through your processor or POS provider. If you are unable to get a test card through your processor or POS provider, please contact EMV.Testcards@fisglobal.com or EBTChip@nationalgrocers.org for assistance. Retailers, or their POS providers, should schedule certification with their processor/acquirer to support EMV functionality as soon as possible.

Questions

If you need help to implement the changes required to continue accepting SNAP EBT Chip EMV/Tap cards, please contact your processor. SNAP retailers fill an essential role in providing EBT cardholders with access to fresh produce and other food items. Thank you for continuing to partner with the State of California to support food access for all.

Additional information can be found on the United States Department of Agriculture Food and Nutrition Service's website: <https://www.fns.usda.gov/snap/ebt/modernization>.

¹Stand-In processing whereby the Vendor authorizes the Transaction when the processor is unable to authorize the transaction.