

FAQs: Credit Card Surcharge

What is Credit Card Surcharge?

It is our new surcharge pricing program that effectively eliminates the transaction costs of credit card acceptance for businesses.

Cardholders are asked to pay a surcharge amount during a credit card transaction. The payment system, whether it is a device or online, will clearly display the transaction total with the surcharge listed as a separate line item. The receipt provided to the cardholder will also show the surcharge fee broken out as a separate charge on the transaction. If the cardholder chooses to use a signature or PIN debit card instead, the business will be charged a flat-rate of 1% + \$0.25 per transaction payment.

What card brands can a business accept with Credit Card Surcharge?

All the major credit card brands, which includes Visa, Mastercard, American Express, and Discover. Additionally, the business will be able to accept all U.S. issued debit cards, but no surcharge is applied to debit card transactions.

EBT is also supported and will be accepted under debit card rates of 1% + \$0.25 per transaction on signature and PIN debit card payments. Surcharge will not be applied to EBT payments. The business will be responsible for the transaction costs.

Is Credit Card Surcharge only available for card present transactions?

No. Credit Card Surcharge is supported in both card present and card not present environments.

What card not present environments support Credit Card Surcharge?

Supported environments:

- Converge API, including Buy button, checkout.js, and process XML
- MOTO transactions using supported standalone or Converge payment terminal
- talech Mobile. Please consult the talech Credit Card Surcharge specific Solution Sheet for more information
- Although we offer surcharging in most states, Merchants are responsible for determining the legality of surcharging in their states, and Merchants are liable if their activities are found unlawful.

What standalone (Class A) payment terminals support Credit Card Surcharge?

The newest Ingenico Tetra terminals: Desk3500, Desk5000, and Move5000.

What payment terminals are supported with Credit Card Surcharge on Converge?

Currently, the iPP320, iSC250 and Link2500 payment terminals support Credit Card Surcharge in a Converge POS/MOTO environment.

What payment terminals are supported with Credit Card Surcharge on talech?

Currently talech Mobile offers Credit Card Surcharge and supports the Moby/5500 or Link/2500.

Which invoicing solution supports Credit Card Surcharge?

Credit Card Surcharge is currently supported through talech Invoicing on Mobile. Unfortunately, Converge Billing and Invoicing does not support Credit Card Surcharge.

Can a business have one MID for use with Converge Billing and Invoicing with ACH/eCheck (no Credit Card Surcharge) and then have a separate MID for Converge Credit Card Surcharge?

A business could have two separate MIDs in this instance since they are different payment environments. To do this, a business would need one MID for Billing and Invoicing and another for Credit Card Surcharge.

Can Converge API support Credit Card Surcharge and ACH/ eCheck transactions?

The Converge API methods that support Credit Card Surcharge are Buy button, checkout.js, and processXML. We do not offer a solution that supports surcharge for ACH transactions at this time.

Can a business surcharge at one physical location and not another?

Yes, a business with different physical locations, each with its own MID, may choose at which locations to surcharge. This is also true for businesses with sites in different states, some of which may not allow surcharge on a transaction. A business may choose to surcharge at a site in a state that allows surcharging while not surcharging at a site that is located in a state where it is unlawful to collect a credit card surcharge.



FAQs: Credit Card Surcharge

Can a business surcharge through an eCommerce site?

Yes, a business can surcharge card not present transactions through our Converge eCommerce platform. Credit Card Surcharge is currently supported by our Hosted Payment page, Virtual Terminal, XML API, and Checkout.js offerings.

Are there any restrictions on the use of Credit Card Surcharge?

The following rules must be adhered to when selling Credit Card Surcharge:

- We do not support surcharging in the states of Colorado, Connecticut, Maine and Massachusetts.
- Not supported in Puerto Rico or Canada.
- Certain state or local laws may restrict or limit the amount of the surcharge percentage. Although we offer surcharging in most states, Merchants are responsible for determining the legality of surcharging in their states, and merchants are liable if their activities are found to be unlawful.
- Not supported with Converge Mobile, Billing & Invoicing and ACH
- Debit transactions are not allowed to be assessed surcharges.
- Cannot be sold to a single MID that has a mix of terminals of which some are not able to surcharge. A business must surcharge on all terminals at the MID level, or not surcharge at all.
- Disclosures must be posted as indicated depending on the payment environment, no exceptions
- Acquirer monthly minimums apply to Credit Card Surcharge, however there are no specific Credit Card Surcharge minimums to qualify for the Credit Card Surcharge pricing.

Can a business surcharge some areas or functions of my eCommerce site, but not others?

The rules for standalone terminals under a single MID still apply for Converge transactions. A business must either surcharge not surcharge transactions conducted under a single MID regardless of what is being paid for, where the person is coming from, or what card brand the cardholder presents.

Can a business surcharge a MOTO transaction?

Yes, however a business should consult with legal counsel on the disclosure language required to remain compliant with all state laws on surcharging. Additionally, consult Card Brand rules and guidelines on best practices and requirements for MOTO surcharging. If a business chooses to use the Converge Virtual Terminal, legal and compliance language is provided to the business since they are required to follow the process prescribed by the solution.

What should a business do if it is a mobile business that travels between states where surcharge is allowed in one but not another?

A business will need to have an alternative to surcharge when in states where surcharging is not allowed. This can be done through either a second MID, or by transitioning the primary MID to a different pricing program for the duration of a visit to a non-surcharging state.

Can a business surcharge if they are located in a restricted location but the cardholder is in a state where surcharge is not restricted?

We always recommend that a business contact their own legal counsel who can advise them on cross-state commerce and surcharging compliance. We are not a businesses' legal counsel. Based on our understanding, this makes sense, as a cardholder visiting another state is held to that state's laws and regulations, not the regulations of cardholder's home state. For card present transactions this makes a lot of sense, as a cardholder visiting another state is held to that state's rule not the cardholder's home state. However, this kind of distinction is harder to define for businesses with eCommerce traffic. There may be legal and regulatory rules to consider when using surcharge in various eCommerce scenarios.

For Converge eCommerce with surcharging: Please consult with legal counsel about the rules of surcharging when conducting business online. We're not legal counsel and cannot best advise on laws particular to a state, locality, or transaction traffic.

Can a business choose to charge different surcharges for different cards?

No, every credit card transaction authorized at a Credit Card Surcharge enabled business will be surcharged at the same set rate.



FAQs: Credit Card Surcharge

Can a business choose to only accept credit cards, or not offer the cardholder a choice to use a debit card?

No, at this time a business must be setup with credit and debit card acceptance. There are card brand programs that allow for a business to choose to accept debit-only or credit-only, but we are not supporting that option at this time with Credit Card Surcharge. If a business wishes to decline debit cards, we recommend consulting legal counsel first as that action may be unlawful in some areas.

Will cardholders still receive reward benefits from credit card companies if the card is surcharged?

Yes, cardholders will still receive points on their credit cards. A surcharge transaction does not impact credit card reward benefits.

What if a business has several MIDs at the same address? Can one MID surcharge and not the rest?

Yes, in a situation where a single address has several MIDs, each with a separate and distinct line of business, each MID may make a choice to surcharge or not. An example of this would be a gift store inside a hospital. The gift store can choose to surcharge while the hospital does not. This is also true for multi-MID scenarios where there is one device loaded with several MIDs supporting separate and distinct lines of business, such as in the case of hairdressers. Each MID may elect to use surcharge or not. However, the spirit of the rule of non-discrimination in surcharge must still be followed. A business cannot set-up one MID that does surcharge and one that does not for the sole purpose of surcharging some cards and not other cards.

How does this program work with Debit Optimization?

Debit Optimization is the logic Tetra terminals use to identify debit cards. When a debit card is presented at a Credit Card Surcharge-enabled terminal, the terminal will prompt for PIN entry and direct a cardholder to use their PIN to authorize the transaction. The cardholder has the option to PIN bypass. Either way, Credit Card Surcharge does not add a surcharge fee to a debit (signature or PIN) transaction. There is also verification logic that is applied through the authorization process for keyed and swiped transactions. Credit Card Surcharge does not change the functionality of Debit Optimization on Tetra terminals. Please refer to Debit Optimization documentation for more details on the program. Converge uses a different technical design to identify debit cards. Debit Optimization is not supported on Converge CNP at this time.

Why is a Mastercard Business Debit card being surcharged?

Mastercard Business Debit cards are classified as a credit product by Mastercard. While this nomenclature versus classification can be misleading, our systems are able to accurately recognize a card's eligibility for surcharge using the BIN range and comparing it to the classifications issued by the card brands. While a Business Debit card may have a PIN, it is still classified as a credit card because it draws funds from a credit line, and will be surcharged as a result. In cases such as this, the credit card is configured with PIN authorization, which most card issuers in Europe and Canada already do, credit with PIN authorization. Debit Optimization has made PIN prompting the recommended path for debit card authorization, and debit cards will not be surcharged, regardless of whether a PIN is entered or not. In contrast to that, credit cards will always be surcharged regardless of whether a PIN is entered or not.

Does Credit Card Surcharge work with tip functionality on the Tetra devices?

Yes, the cost of the transaction with tip will vary based on the tip capture model:

- Tip entered at time of sale: the surcharge is applied to the total transaction including tip. The surcharge fees applies to the full payment amount (sale, tax and tip)
- Tip adjust after card payment accepted: The surcharge is applied to the sale and tax amount only. The business is responsible for the processing costs of the tip. This means that the business will pay the surcharged percentage applied to the tip portion only.

What additional services is Credit Card Surcharge compatible with on the Tetra devices?

This is not a holistic list. For specific inquiries not covered here, please contact your Sales Support Manager .

- Safe-T
- Debit Optimization
- Gift Card
- Dynamic Currency Conversion



FAQs: Credit Card Surcharge

Are there additional fees for processing?

All standard fees and compliance fees still apply. For instance, PCI DSS program fees will still be charged, and all additional services are still at a-la-carte pricing. Assessments will be turned off so that the processing rates are the pass-through surcharge fees for credit card transactions, and a flat rate of 1% + \$0.25 per transaction on signature and PIN debit card payments.

What do the card brands require for a business to be compliant with their surcharge rules?*

Visa and Mastercard require a 30-day notification of a businesses' intent to surcharge. It is an easy online form that the business fills out once they decide to surcharge. We deploy the terminal when the boarding application is complete. Card brands also require a business to post notices to cardholders of the businesses' surcharge program. We provide a set of stickers with each Credit Card Surcharge deployment, one sticker for the point-of-entry and one for point-of-sale, which are compliant with card brand language requirements.

Please note that businesses who use an email address with a general domain name such as yahoo, Hotmail, Gmail, etc., will not be able to do so successfully when notifying Mastercard. Businesses without a business-specific domain should email Mastercard directly with the answers requested in the registration form. The email address is: Registration_Merchant_Surcharge@Mastercard.com

Will the surcharge amount be reflected in the batch file or Payments Insider report section?

No, under the Merchant Managed surcharge program the surcharge amount will not be shown in a separate line item. Only the full transaction amount will be reflected in the report. So if a business has a \$100 transaction, and charges \$3.00 for surcharge, the statement will reflect a \$103 transaction in the report. The funding file will also reflect a fund of \$103. If a business is setup on daily discount or on our surcharge program, then the statement and funding file will reflect only the \$100 base transaction value.

How are the surcharge fees collected?

A business can choose whether they want to manage collecting and passing through the surcharge fee at the end of the billing period, or to just have the surcharge fees taken out before funds are pushed to their account after each batch.

- **Merchant Managed:** The surcharge fees a business collects will be funded to their DDA as part of their funding file for a batched submission. At the end of the billing period, they will see a debit against their account for total surcharge fees collected, and were funded for, over the course of the billing cycle.
- **Acquirer Managed:** The processor removes the surcharge fees a business collected prior to sending the funding file to their DDA. No debit of the surcharge fees will appear on their account at the end of the period.

How is this different than Daily Discount?

Daily Discount takes all of that day's transaction fees out of the funding payment before it is sent to a DDA. This includes all credit and debit cards acceptance costs, instead of just the surcharge fees like under the acquirer managed program. It is possible to have daily discount and one of the fee management programs.

Can a business switch between the two managed plans?

Yes. A business can switch from the Merchant Managed to the Acquirer Managed and vice versa if desired. However, the requested change will take effect on their next billing cycle. (changes made less than 3 days before the end of a billing cycle may result in the change being delayed an additional billing cycle).

Can a business change their surcharge rate?

Yes. A business can switch from one rate to another if desired. A new terminal file will need to be created and downloaded when ready. It is recommended that the business download the new terminal package as soon as it is ready to ensure the rate and price plan stay in sync with each other.

*rates quoted are as of 3/21/22

