

BANK CARD DISCOUNT RATE PROGRAM FOR PMA CANADA MEMBERS

Rates in effect as of June 1, 2006.

PMA Canada deals with two financial institutions on merchant discount rates to give members some banking alternatives as well as the best rates possible based on group volume. The program options, in effect now are outlined below. **New or current members** who want to access any of these programs may contact the PMA Canada office at PO Box 81191, Ancaster Ontario L9G 4X2 or call 905-304-8800 or fax 905-304-7700 for more details.

PAYMENTECH – VISA / MASTERCARD / DEBIT TRANSACTIONS

Recently, Paymentech Canada acquired the responsibility for the merchant agreement and account for Scotiabank including the processing of PMAI members credit card and debit transactions.

The program that Paymentech is making available to all PMA Canada Members in good standing includes the following: **Visa Discount Rate of 1.85%**, a **MasterCard Discount Rate of 1.95%** for electronic swipe transactions and also **Interac Transaction Fee of \$0.13 per transaction**.

All money can be deposited into the members current business account. More details are available by calling Paymentech Client Services at 1 877 552-5533.

MONERIS (BANK OF MONTREAL) - MASTERCARD

- ◆ The current discharge rate charged to all PMA members is based on the merchant using an electronic terminal for the deposits. This is a preferential rate for PMA members and is set at **2.25%** of retail sale. By using electronic processing, the funds can be deposited to any financial institution in Canada. The merchant does not have to start another account.

Electronic Processing Solutions

- ◆ The Bank of Montreal offers the **Flash 400 and Shark** point of sale terminals, which are capable of processing debit and credit card transactions. These terminals include the terminal, printer and pin pad and cost \$35.00 per month, plus applicable taxes. There is also a charge of \$.15 for every debit transaction and \$.10 for each credit card transaction other than MasterCard.
- ◆ Also available is the **Instalink 727** terminal, which processes all credit cards and includes the terminal and printer at a cost of \$15.00 per month or at \$10.00 per month without a printer (plus all applicable taxes).
- ◆ Still available to any members currently using it is **IVR** (Interactive Voice Response) which is an interactive voice response authorization and draft capture application that only requires a touch-tone telephone. This service is capable of processing MasterCard, Visa and American Express. The discount rate charged is 3.75% plus there is an additional cost of \$.50 per authorization.

For any merchants still using paper or manual depositing, the discount will be the same as IVR which is 3.75%. Discount rates are assessed every month, based on volume and average ticket (transaction) size.

Why should you want to take part in this program that is only available to PMA members?

- ◆ Let us assume that you are currently not using an electronic terminal because of cost and your retail sales are \$150,000 per annum and one half of that amount is done with a credit card ie: \$75,000 per annum or approximately \$7000 per month. Normally in the photo retail business the average transaction falls in the category of \$0.00 to \$40.00
- ◆ Therefore your best discount rate with paper transaction is 5.99%. Based on these figures it would cost your business \$420 a month or approximately \$4490 a year in credit card charges to handle that paper.
- ◆ If you were to take advantage of the PMA member rates and use an electronic terminal your costs would be as follows:

		Paper Transactions	POS Annual Costs
Terminal	\$20.00 per month	\$0.00	\$240.00
Paper Transaction rate	3.75% of \$200,000.00	\$7,500.00	
POS Discount rate	2.25% of \$200,000.00		\$4,500.00
PMA Membership			<u>\$120.00</u>
Annual Costs		<u>\$7,500.00</u>	<u>\$4,860.00</u>

Savings by using a Members advantage \$2,640.00 per annum

CONCLUSION:

As your retail sales number and credit card transactions increase your business can save more money by using the advantages PMA membership brings your way. For more information please contact the PMA Canada office at PO Box 81191, Ancaster Ontario L9G 4X2 or call 905-304-8800 or fax 905-304-7700.