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# Where to Cash a Payroll Check Without a Bank Account

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Six and a half percent of Americans don't have a [bank account](#), according to a 2017 FDIC survey<sup>1</sup>. If you're one of the 8.4 million households without a bank account, there are alternatives available for [cashing your paycheck](#). Most of these options have associated costs that exceed the charges of some banks, so it is worth considering the feasibility of opening a bank account first.

## Where to Cash a Payroll Check

The following options are worth considering if you have decided a bank account is not appropriate given your circumstances.

### Your Employer's Bank

You may be able to cash the check through the bank your employer utilized to issue the check. If there's a local branch, stop in and ask if they will provide that service. Also, check with your employer to see if they have made arrangements with the bank issuing its checks to offer this service or a low-cost option.

According to a survey by [My BankTracker](#), Citibank doesn't impose a fee to cash a check under \$5,000 that's drawn on their bank, and Capital One will also cash a check drawn on its bank for free. Many banks charge a fee, generally ranging from \$6 to \$10, though some banks will charge a higher fee based on a percentage of the check amount.

[A few banks](#) will cash checks not generated by their bank for non-customers. Fees will generally be higher for this service. Bank of America, for example, charges \$8 per check, up to a maximum fee of \$22.50.

Most banks will only cash payroll and government checks, and not personal checks, for non-customers.

## Check Cashing Kiosks

Check cashing kiosks exist in many retail and convenience stores. Some provide 24/7 check-cashing services, while others are only open when the store's customer service center is open. Options for receiving payment include cash or payment on a store gift card at some large retailers. A disadvantage of this option is a fee structure often ranging from 1 - 5%. 7-Eleven, for example, charges .99% of the check amount at its kiosk.

## Check Cashing Services at Retail Stores

Check cashing services for payroll checks, government checks, tax checks, and money orders are available at many [Walmart](#) stores for a small fee—\$4 for checks \$1,000 or less and \$8 for checks higher than \$1,000, with a maximum check amount of \$5,000. Walmart will also cash a personal check of up to \$200 for a fee of \$6.

[KMart](#) will cash payroll, government, and personal checks (up to \$500) for \$1 in most participating locations.

Other retailers, especially grocery stores and some liquor stores, often cash paychecks. With grocery stores, you may need a store membership card to have check cashing privileges. In many cases, there is a fee associated with these services. Check with the customer service department to see what services are offered.

## Prepaid Bank Cards

Some financial institutions offer prepaid cards<sup>2</sup> which you can get without having to open a bank account. In some cases, you can load cash and checks onto your card at an ATM or via

an app on your phone. You can then use your card to withdraw money or make purchases. Note that there will be a monthly fee for these services.

## Check Cashing Stores

An expensive option for cashing checks is a check-cashing store. Check-cashing stores typically charge a percentage of the check and a flat fee. Some may impose a fee that's equal to a percentage of the check value. Others may charge a flat fee on top of a percentage fee. For instance, to cash a \$2,000 check, a \$5 fee plus 1% adds up to a \$25 deduction from your paycheck.

Check-cashing stores will often provide an advance on paychecks not yet issued for a sizeable fee, and will take the proceeds of the individual's paycheck on its delivery date. These [Payday Loans](#) are the most expensive option, and once recipients get accustomed to a schedule for advance payments, they are more likely to continually tap this service at a significant cost. According to the Consumer Federation of America, payday loans can cost \$15 to \$30 to borrow \$100 with interest adding up to 400% over the course of a year<sup>3</sup>.

## Ask Friends and Family

Some individuals without bank accounts approach their highly trusted contacts who have bank accounts and ask them to cash checks on their behalf.

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