

What You May Not Know About Gift Certificates...

by Heather Hosfeld

Since we are in the gift giving season, we wanted to share with you a well kept secret about gift certificates. Have you ever been turned away from a Pennsylvania merchant because the gift certificate or gift card you were holding had expired? Did you ever misplace or lose a gift certificate? If so, you may be able to either (1) convince the merchant to honor the expired gift certificate or, if that fails, (2) recover the dollar value of the certificate from the Pennsylvania Treasury Department.

According to its website, the Treasury Department is holding more than one billion dollars in unclaimed or abandoned property on behalf of rightful owners. Unclaimed property comes from various sources, including unredeemed gift certificates, checks that haven't been cashed, and life insurance policies, to name a few. You can visit the Department's website at www.patreasury.org to search the unclaimed property database or call 1-800-222-2046 to inquire about a potential claim.

When you purchase a gift certificate, you are giving the merchant money in exchange for the merchant agreeing to "hold" your money for the benefit of the gift certificate recipient. If the recipient never redeems the gift certificate, the merchant is unjustly enriched because it has not provided goods or services and it still has your money. In order to address this

unfairness, Pennsylvania law requires that all companies issuing gift certificates in Pennsylvania turn over to the Department the value of any unredeemed gift certificates (i.e., unclaimed property) within prescribed periods of time (two years after the certificate's expiration date or, if no expiration date, five years after issuance). Once the money has been turned over to the Department, you can file a claim to recover the value of the certificate.

If you are holding an expired gift certificate and it is less than two years from the expiration date, you can ask the merchant to honor the certificate. If the merchant refuses, you can mention that you know about the Pennsylvania unclaimed property law and that (s)he can either "pay you now" or "pay you later" when you submit a claim to the State. You may be pleasantly surprised by the response.

Happy Holidays!

