

United Airlines Settles Travel Benefit Payments through Pay ConnexionSM

Consumer payment solutions case study

Overview

One benefit of working at United Airlines is access to discounted flights while employed at, or retired from, United. Its Employee Pass group is responsible for collecting service charges and applicable taxes for these flights, which are billed to travelers who cannot pay through payroll deductions (e.g. retirees). Traditionally, an eligible traveler would book a personal flight, and the Employee Pass group would bill them or deduct the amount due from their payroll at a later date. Those who were billed would then mail payment back to United within 90 days of receiving an invoice. However, if a traveler did not pay their bill by the 90-day deadline, then the travel privilege could be lost.

Challenge

Approximately 15,000 non-payroll United travel benefit payments per month are collected through a combination of JPMorgan's wholesale lockbox and United's Employee Pass group. The billing process is complex because many travelers have multiple invoices outstanding, each with a different 90-day billing cycle. Historically, there has been nowhere for those who are invoiced to view their total outstanding balance. They have traditionally been required to collect, manage, and mail in payment with the original invoice to maintain their travel privileges. Due to the traveling nature of this group, this process can be cumbersome. These travelers expressed a desire to manage this process online.

Solution

The United Employee Pass department realized that offering an Internet payment option could dramatically simplify the billing process and reduce the risk of United employees/retirees losing their travel privileges. This department led the United and JPMorgan initiative to provide the ability to view, manage and pay travel fees online via eCheck (ACH) or credit card through JPMorgan's Pay Connexion solution. United's technical team built a front-end interface for Pay Connexion that enables the system to sum up multiple invoices. Pay Connexion provides United employees/retirees the ability to pay the sum of these invoices. In addition, United and JPMorgan teams worked closely together to create a phased approach for system implementation, with the eCheck payment platform going live first, and the credit card platform following two months later. Immediately after launch, 10% of United's outstanding invoices were paid through the online system. In the six months following launch, United employee/retiree adoption has grown to more than 12%.

Client

United is the world's second largest airline, operating more than 3,500 flights a day on United, United Express and TED to more than 200 U.S. domestic and international destinations. United is also a founding member of Star Alliance, which provides connections for customers to more than 700 destinations in over 130 countries worldwide. United's nearly 62,000 employees reside in every state in the U.S. and in many countries around the world. Visit united.com for more United information.

Challenge

- · Add more convenient and timely travel benefit payment options for United employees who cannot pay through payroll deductions (e.g. retirees)
- Enable them to pay multiple travel invoices and avoid losing their travel privileges

Solution

United implemented online eCheck payments through Pay Connexion in 60 days, with online credit card payments going live as a part of phase II 60 days later.

- · Reduction in United's remittance processing costs
- Increased satisfaction among United employees - ability to manage and pay invoices remotely and quickly
- Immediate 10% adoption with 25% transaction growth in first six months
- · Improved collections through increased payment options
- Contact us to learn more, or visit us at jpmorganchase.com/ts.

