



The Facts on Prepaid Cellphones

FACT SHEET

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Prepaid cellphones are an alternative to more traditional wireless plans or contracts. They work well for individuals who do not use their phone often or do not need or want to pay for extra features, such as video streaming or a mobile hotspot. Prepaid plans don't require a contract or a credit check and don't slap customers with exit or overage fees.

If you need a cellphone for basic communications like texting and calling, or if your credit is a barrier to signing a contract, a basic phone paired with a prepaid calling plan might work for you.

What are My Prepaid Plan Options?

Consumers typically have three prepaid options.

Monthly: Monthly prepaid customers pay a set monthly fee for a specific amount of data/minutes/texts that expire after about 30 days. If you hit your prepaid usage limit before the end of the 30-day cycle, your service shuts off. In that case, you can pay for more usage, or wait until your pay period renews.

Such plans typically have automated monthly billing, but consumers can usually stop payments at any time without penalties.

Pay-as-you-go: With these plans, the consumer "refills" the phone as necessary. Unlike prepaid monthly plans, the talk, text and data you purchase on a pay-as-you-go offer lasts much longer than 30 days—sometimes up to a year—and can be used anytime until they expire.

Pay-as-you-go does not have automated billing: You refill your phone at your discretion.

Pay-by-the-day: Users with this type of plan pay a basic fee to keep the phone line active. Then, on days when they intend to use the phone, they would pay an additional charge—typically around \$1 to \$5 a day—to use it on an unlimited basis during that day.

Remember: Not all plans are available through every carrier. Research available plans before committing to a carrier.

Is a Prepaid Plan Right for Me?

With plans as low as a few bucks a month, a prepaid cellphone could be right for consumers who:

- Only want a phone for emergencies;
- Don't want the latest high-tech devices; or
- Don't want the hassle of credit checks.

Prepaid plans can be competitive with typical offers from the major wireless carriers and are appealing to a wide audience. Remember, many prepaid plans use the same cellular network as major carriers and offer comparable service. (**Tip:** If you have a smartphone and want your prepaid minutes to last longer, you can access WiFi calling without eating up data or minutes available on your plan.)

For some consumers who need multiple phones or a family plan, a major carrier's offer may be cheaper than a prepaid plan, because it allows customers to add phones (or lines) for as low as \$10 per phone. Another factor to consider: While they tend to be cheaper than devices from the major carriers, prepaid phones often need to be purchased in full. Some people prefer a free phone upfront with a two-year contract, or to pay monthly installment fees for their device.

What Companies Offer Prepaid Plans?

Most major carriers (AT&T, T-Mobile, Verizon and Sprint) offer prepaid plans, but there are many smaller carriers, like Boost, Cricket and GreatCall, that have prepaid options too. Prepaid plans are sold at wireless provider stores, convenience stores, and major retailers such as Target and Walmart. You can also order them online or over the phone.

What are the Pitfalls of a Prepaid Plan?

There are hundreds of prepaid plans and companies to choose from. Whichever you choose, make sure to read the fine print. Some plans offer a low per-minute rate but charge daily "access fees." Others charge higher per-minute rates with no access fee. Beware that with some deals, purchased minutes expire after a certain period of time if a customer doesn't buy more. Also, check the company's coverage map to make sure that your area has service.

Can I Keep My Phone and Number?

Most plans allow you to keep your phone and your phone number, but check before signing up for a plan

Do These Plans Include International Calling?

No, most prepaid carriers charge an additional fee for international calling, such as Prepaid T-Mobile's fee of \$15 per month for international calls. (**Note:** You can make international calls for free through an internet connection and apps such as WhatsApp, Skype, Facebook Messenger, GoogleHangouts, and FaceTime.)

Sample Prepaid Cellphone Plans

CUB included these examples of prepaid plans to give the reader an idea of the offers in the market. CUB does not recommend or endorse any plan. Do your homework to determine the plan that is best for you, and always call the company to verify prices.

Carrier	Details
<p>Boost I (866) 402-7366</p>	<p>Plan: Boost Unlimited Price (Monthly): \$50 Plan at a glance: Unlimited minutes, text and high-speed data</p>
<p>Boost I (866) 402-7366</p>	<p>Plan: Boost Mobile Unlimited Price (Monthly, FOUR lines): \$120 Plan at a glance: Unlimited talk, text and data, plus 30GB of mobile hotspot and HD video streaming.</p>
<p>T-Mobile I (800) 937-8997</p>	<p>Plan: T-Mobile Simply Prepaid 10GB Plan Price (Monthly): \$40 Plan at a glance: Mobile hotspot access, unlimited music streaming, and 10GB of data.</p>
<p>Cricket Wireless I (800) 274-2538</p>	<p>Plan: Cricket Core Unlimited (with Group discount) Price (Monthly, FOUR lines): \$100 Plan at a glance: Unlimited talk, text and data.</p>
<p>Republic Wireless help@republicwireless.com</p>	<p>Plan: Republic Wireless No Data Price (Monthly): \$15 Plan at a glance: Unlimited minutes and text messages. Not available on iPhones.</p>
<p>Ting I (855) 846-4389</p>	<p>Plan: Ting Small (no data) Price (Monthly): \$12 per month Plan at a glance: 100 minutes, 100 text messages.</p>
<p>T-Mobile I (800) 937-8997</p>	<p>Plan: T-Mobile (via Ultra Mobile) PayGo Price (Monthly): \$3 Plan at a glance: Includes any combination of 30 minutes of calling or 30 texts; 10 cents per minute or message over the limit. (Recommended for seniors who don't receive or make calls daily)</p>
<p>AT&T I (800) 288-2020</p>	<p>Plan: AT&T GoPhone Daily Plan (No data) Price (Monthly): \$2 per day of use Plan at a glance: Unlimited minutes and texts. You pay nothing if you don't use any that day. (Recommended for seniors who want an emergency phone)</p>