

The National Grocers Association (NGA) represents 21,000 independent community grocers and wholesalers across the United States. Independent community grocers account for 33 percent of all grocery sales, exceeding \$250 billion, and more than 1 million American jobs.

Background

The United States has moved to eliminate the penny, minting the last pennies in June 2025. The Federal Reserve distributes these coins throughout the nation and reported that many distribution centers have already run out of pennies. Many more are expected to run out in the weeks and months ahead.

What are your options?

- ✦ Rounding refers to adjusting the total price, after tax, to the nearest 5 cents, thus avoiding the need to give pennies as change to a cash paying customer.
- ✦ Canada, Australia, New Zealand, and many EU countries have also eliminated their lowest coin currency and round cash totals to the nearest 5 cents.
- ✦ There are no federal laws governing rounding transaction totals nor is there any guidance from the Federal Reserve. However, there are potential legal issues with rounding.
- ✦ The Federal Reserve Bank of Richmond issued [this economic brief](#) and referred to a common rounding practice, but it was not an official statement of policy.
- ✦ **NGA encourages you to make right decision for your business at this time and communicate that information with your customers.**

What are potential legal issues with rounding?

- ✦ Rounding is not explicitly prohibited by any federal law or regulation, however there are instances where it becomes a liability for retailers.
 - **SNAP Transactions:** The equal treatment clause governing SNAP requires SNAP customers be treated the same as other customers. That means rounding the price of food for a cash customer and not SNAP customers risks creating a violation.
 - **Check Cashing:** The law dictates that retailers cash the exact amount on the check.
 - **State Taxes:** States require that tax calculations be rounded to the nearest cent.
 - **Pharmacy:** Pricing agreements and regulations prevent rounding in pharmacy transactions.
 - **Liquor Sales:** State liquor control boards set pricing for liquor sold in the state and would need to change their regulations to allow for rounding.

At the **HEART** of the community

The End of the Penny

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What is NGA doing?

NGA is pushing for clarity, guidance, and legislation to provide you with certainty moving forward.

- ◆ NGA recently sent a [letter](#) to the Senate Banking and House Financial Services Committees detailing the challenges posed by this rapidly developing situation and urged the passage of the legislation to solve this issue.
- ◆ The Common Cents Act (H.R. 3074/S. 1525) allows for rounding to the nearest nickel, but we made it clear to Congress that any legislation must also address SNAP and check cashing.
- ◆ NGA is also continuing outreach to the Federal Reserve, Treasury Department, and USDA for additional guidance.

What's Next?

We need NGA members to tell us what you're hearing from your banks, coin providers, and customers. We're also kindly requesting that you share any educational materials that you have developed for your customers to inform them of the change in pricing.

For additional information from the Federal Reserve on impacted coin distribution locations, please visit www.frbervices.org/campaigns/sept-2025-faq.

Please reach out to the NGA team at gr@nationalgrocers.org if you have further questions.

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