

Fact Sheet:

Deposit Return System: Handling Fees

In an effort to reduce litter and increase recycling, a growing number of jurisdictions are establishing deposit return systems (DRSs) for the recovery of beverage containers. These programs add a small fee to the purchase price of certain beverage containers, which is returned to the consumer when he/she returns the empty container to a designated collection point for recycling and/or reuse.

This fact sheet will focus on how DRSs finance collection. DRSs offer unit handling fees, which is an amount paid to retailers or redemption centers as compensation for collecting, sorting, and packaging empty beverage containers to be taken back to the bottler or distributor. On a long-term basis, handling fees also cover expenses related to investments in reverse vending machines (RVMs), electricity costs, space requirements, and additional personnel required to handle the containers. The fee is often paid by the bottler or distributor, system operator, and in some cases is paid by the state (e.g. California).

The presence of a handling fee is a critical part of what makes DRSs work and makes them financially attractive for retailers or redemption centers. In jurisdictions where handling fees have remained the same for decades, the level of compensation provided to retailers/redemption centers is often not enough to cover the cost of managing the containers, which has forced some to go out of business.¹

Like deposits, handling fees can vary by container type. They can also vary based on the type of facility that receives the containers (i.e. redemption center or retailer), whether containers are commingled, compacted, and whether collection is done manually or automatically using RVMs.

In order to provide an understanding of how the different systems work, **Table 1** provides a summary of handling fees paid to retailers and redemption centers in as many jurisdictions that we could get our hands on. In some jurisdictions, such as British Columbia (Canada), handling fees are privately negotiated and proprietary, and therefore are not publicly available. In general, handling fees paid to stand alone redemption centers or “depots” which are more commonplace in Canadian and American programs, are much higher because they must compensate the entire costs of the facility and labour. Retail fees are significantly lower because the costs represent only a marginal cost increase for the retail store, in terms of dedicated space, labour, etc.



Jurisdiction	Handling Fee Amount (per container)	Notes
Croatia	<ul style="list-style-type: none"> RVM accepted containers: 0.12 HRK (€0.02, USD\$0.02) Manually accepted containers: 0.10 HRK (€0.01, USD\$0.01) 	<ul style="list-style-type: none"> 25% VAT included
Denmark	<ul style="list-style-type: none"> Manually accepted containers or RVM accepted containers without compaction: <ul style="list-style-type: none"> Metal: 0.087 DKK (€0.012, USD\$0.013) Plastic < 1L: 0.081 DKK (€0.01, USD\$0.012) Plastic > 1L: 0.108 DKK (€0.014, USD\$0.016) Glass: 0.138 DKK (€0.018, USD\$0.0206) RVM accepted containers with compaction: <ul style="list-style-type: none"> Metal: 0.009 DKK (€0.0012, USD\$0.0013) Plastic <1L: 0.013 DKK (€0.0017, USD\$0.0019) Plastic > 1L: 0.018 DKK (€0.0024, USD\$0.0027) Glass: 0.063 DKK (€0.0084, USD\$0.0094) 	
Estonia	<ul style="list-style-type: none"> Manually accepted containers or RVM accepted containers without compaction: <ul style="list-style-type: none"> Plastic, metal: €0.029 (USD\$0.03) Glass: 0.022€ (USD\$0.02) 	<ul style="list-style-type: none"> Does not include VAT
Finland	<ul style="list-style-type: none"> Manually accepted containers or RVM accepted containers without compaction: <ul style="list-style-type: none"> Metal, plastic, glass: €0.027 (USD\$0.030) RVM accepted containers with compaction: <ul style="list-style-type: none"> Metal, plastic, glass: €0.03 (USD\$0.033) 	
Germany	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> No handling fee, but retailer owns the material
Iceland	<ul style="list-style-type: none"> N/A 	
Lithuania	<ul style="list-style-type: none"> Manually accepted containers or RVM accepted containers with compaction: €0.028 (USD\$0.03) RVM accepted containers without compaction: €0.015 (USD\$0.02) 	
Netherlands	<ul style="list-style-type: none"> None 	
Norway	<ul style="list-style-type: none"> Manually accepted containers or RVM accepted containers without compaction: <ul style="list-style-type: none"> Metal: 0.05 NOK (€0.0063, USD\$0.01) Plastic: 0.10 NOK (€0.013, USD\$0.01) RVM accepted containers with compaction: <ul style="list-style-type: none"> Metal: 0.20 NOK (€0.025) Plastic: 0.25 NOK (€0.031) 	
Sweden	<ul style="list-style-type: none"> Manually accepted containers: <ul style="list-style-type: none"> Metal: 0 SEK (€0.00, USD\$0.00) Plastic: 0.2 SEK (€0.023, USD\$0.02) RVM accepted containers without compaction: <ul style="list-style-type: none"> Metal, Plastic: 0.2 SEK (€0.023, USD\$0.02) RVM accepted containers with compaction: <ul style="list-style-type: none"> Metal: 0.15 SEK (€0.017, USD\$0.02) Plastic <1L: 0.38 SEK (€0.043, USD\$0.045) Plastic >1L: 0.42 SEK (€0.048, USD\$0.049) 	

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California	<ul style="list-style-type: none"> USD\$0.01046 (€0.01) 	<ul style="list-style-type: none"> Paid by the state to convenience zone recyclers
Connecticut	<ul style="list-style-type: none"> Beer or malt containers: USD\$0.015 (€0.01) All other containers: USD\$0.02 (€0.02) 	
Hawaii	<ul style="list-style-type: none"> USD\$0.02 (€0.02) to USD\$0.04 (€0.04) 	<ul style="list-style-type: none"> Paid to redemption centers from the Deposit Beverage Container Fund
Iowa	<ul style="list-style-type: none"> USD\$0.01 (€0.01) 	<ul style="list-style-type: none"> Paid by deposit initiator to retailers and redemption centers
Maine	<ul style="list-style-type: none"> Brand-sorted containers: USD\$0.04 (€0.04) Containers that are part of a commingling agreement: USD\$0.035 (€0.03) 	<ul style="list-style-type: none"> Differential rates incentivize commingling agreements
Massachusetts	<ul style="list-style-type: none"> Containers returned to retailers: USD\$0.0225 (€0.02) Containers returned to redemption centers: USD\$0.0325 (€0.03) 	<ul style="list-style-type: none"> Retailers receive free pick-up of containers by deposit initiators Redemption centers must deliver redeemed containers to a central processing facility
Michigan	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> While there is no handling fee per se, 25% of unredeemed deposits are available to retailers to cover handling costs
New York	<ul style="list-style-type: none"> USD\$0.035 (€0.03) 	<ul style="list-style-type: none"> Paid by the distributor or deposit initiator
Oregon	<ul style="list-style-type: none"> None 	
Vermont	<ul style="list-style-type: none"> Brand-sorted containers: USD\$0.04 (€0.04) Containers that are part of a commingling agreement: USD\$0.035 (€0.03) 	
Alberta	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.0464 (€0.031, USD\$0.031) All other containers: CAD\$0.0317 (€0.021, USD\$0.023) to CAD\$0.2279 (€0.167, USD\$0.167) 	<ul style="list-style-type: none"> Regulated by government and payable by a manufacturer or collection system agent to collection depots
British Columbia	<ul style="list-style-type: none"> Refillable beer bottles: Bottle depots independently negotiate HFs directly with the beer industry. The average rate is about CAD\$0.29/dozen (€0.194, USD\$0.21) or CAD\$0.0242/bottle (€0.016, USD\$0.016) All other containers: CAD\$0.027 (€0.018, USD\$0.02) to CAD\$0.1127 (€0.075, USD\$0.083) 	<ul style="list-style-type: none"> Paid by Encorp Pacific (Canada) and Brewers Distributors Ltd. to authorized depots and contracted retailers. HFs fluctuate depending on the cost to collect and process each type of container.
Manitoba	<ul style="list-style-type: none"> Beer cans: CAD\$0.0204 (€0.014, USD\$0.015) Refillable beer bottles: CAD\$0.0267 (€0.018, USD\$0.02) 	
Newfoundland and Labrador	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.05 (USD\$0.04) All other containers: CAD\$0.0425 (USD\$0.03) 	<ul style="list-style-type: none"> The HF on refillable beer is charged at the back-end from the refund.
New Brunswick	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.0290 (€0.019, USD\$0.021) All other containers: CAD\$0.0406 (€0.027, USD\$0.03) 	

Jurisdiction	Handling Fee Amount (per container)	Notes
Northwest Territories	<ul style="list-style-type: none"> Refillable beer bottles: none All other containers: CAD\$0.022 (€0.015, USD\$0.016) to CAD\$0.045 (€0.03, USD\$0.033) 	
Nova Scotia	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.0274 (€0.018, USD\$0.02) Moosehead brand bottle: CAD\$0.0257 (€0.017, USD\$0.019) All other containers: CAD\$0.0427 (€0.029, USD\$0.031) 	
Ontario	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Proprietary
Prince Edward Island	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.0281 (€0.019, USD\$0.021) All other containers: CAD\$0.0405 (€0.027, USD\$0.03) 	
Quebec	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.005 (€0.003, USD\$0.004) All other containers: CAD\$0.02 (€0.013, USD\$0.015) 	
Saskatchewan	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.026 (€0.017, USD\$0.019) All other containers: none 	<ul style="list-style-type: none"> SK does not charge handling fees. SARCAN depots are paid a contracted rate per year, which is generated through the Environmental Handling Charge (EHC). A handling fee on refillable beer is charged at the back-end from the refund. It is 5-cents at SARCAN depots and 2-cents at SLGA stores who also receive an additional subsidy of 2.6-cents per refillable bottle from Brewers.
Yukon	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.025 (€0.017, USD\$0.018) All other containers: CAD\$0.025 (€0.02, USD\$0.018) to CAD\$0.075 (€0.05, USD\$0.055) 	
Northern Territory	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Handling fees are negotiated. Depots may be compensated for reasonable costs" related to handling the containers by the deposit scheme coordinator to whom they deliver the container.
South Australia	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Negotiated between producer/super collector
Israel	<ul style="list-style-type: none"> 0.07 ILS (€0.02, USD\$0.28) 	<ul style="list-style-type: none"> Paid to retailers only
Kosrae (Federated States of Micronesia)	<ul style="list-style-type: none"> USD\$0.01 	
Kiribati	<ul style="list-style-type: none"> AUD\$0.01 (€0.01, USD\$0.01) 	<ul style="list-style-type: none"> Retained by the Koaki Mange operator for operating costs
Palau	<ul style="list-style-type: none"> USD\$0.025 to redemption centers 	

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	<ul style="list-style-type: none"> <li data-bbox="320 271 879 331">USD\$0.025 to the national government for administrative costs 	

Table 1: Handling Fees in 38 Jurisdictions Around The World (as of May 2017)

*Currency conversion on May 17, 2017

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ⁱ Turmelle, L. 01/06/2016. "Redemption centers seek fee increase after more than 30 years." *New Haven Register*. <www.nhregister.com/article/NH/20160106/NEWS/160109702>