



Plastic that pays you

The best rewards cards for cash, miles, and more

If shopping itself isn't rewarding enough, some credit cards give you a bonus in the form of cash back, airline miles, or points that you can use to buy even more stuff. But some cards are more rewarding than others, according to our new analysis. The best ones we found are listed below.

Just keep in mind that rewards cards tend to have higher interest rates than standard cards. If you carry a balance, you could end up paying more in interest than you're getting back in rewards. Our advice: Use those cards only if you pay off your balance each month. Here are some tips to help you choose the best reward card for you.

■ **Watch for sneaky fees.** About 20 percent of credit cards have annual fees. But depending on the card and your spending, the annual fee might be more than offset by your rewards. None of the cards listed here charges

an annual fee the first year. But be alert for fees on balance transfers, cash advances, and foreign transactions.

■ **Go for cash rewards.** With cash-back cards, you don't have to calculate the value of the reward. And you might be less tempted to spend points on things you don't need at card issuers' online malls.

■ **Get paid for loyalty.** See whether your favorite retailer has a good rewards program. Amazon.com's Rewards Visa card, for example, carries no annual fee and pays you \$30 within days of your first purchase. You get three points for every \$1 spent at Amazon; two points for every \$1 spent at gas stations, restaurants, and drugstores; and one point for every other \$1 spent. Points are unlimited, never expire, and can be converted to cash.

■ **Look out for fine-print gotchas.**

Buried deep in the terms and conditions of some credit-card

agreements are clauses that could make you lose out on rewards. For instance, Discover pays only 0.25 percent rewards at discount or warehouse stores, including Walmart, rather than its standard 1 percent back. The Chase Freedom card rotates its 5 percent bonus categories quarterly, and you have to opt in every quarter to get those rewards. Other cards might cut off your rewards after you reach a certain cap in monthly spending in a category, such as gas or restaurants. Also, see how much you can buy with the points; 25,000 on one card might not get you the same stuff as that balance on another card.



REWARDS CARD	APR	WHAT YOU GET
American Express Blue Cash	0% for 6 months, then 17.24-21.24%	After \$6,500 in annual spending, 5% cash back at supermarkets, drugstores, and gas stations; 1.25% elsewhere. Until \$6,500 spent, 1% and 0.5% rewards, respectively.
American Express Costco TrueEarnings	0% for 6 months, then 15.24%	3% cash back at gas stations and restaurants (drops to 1% at gas stations after \$3,000 is spent), 2% on travel, 1% elsewhere. No annual fee with Costco membership.
Capital One No Hassle Cash Rewards	0% until March 2011, then 14.9%	2% cash back on gas and at major grocery stores, 1% on everything else. Rewards never expire and can be redeemed anytime. No balance-transfer fee.
Capital One Venture	13.9%	2 miles per \$1 spent; 10,000-mile sign-up offer when you spend \$1,000 in the first three months; \$59 annual fee is waived first year. No foreign-transaction fee. VentureOne is a no-annual-fee version, with 1.25 miles per \$1.
Chase Freedom	0% for 6 months, then 12.99-22.99%	5% cash back in rotating seasonal categories such as gas, groceries, home improvement, etc.; 1% on all other purchases. Cash-back points never expire.
Fidelity Rewards American Express	13.99%	2 points for each \$1 spent. You do not need a brokerage account to have the card. You need a brokerage account only to redeem points for cash deposits to your account.
PenFed Premium Travel Rewards American Express	13.24%	5 points per \$1 spent on airfare, 3 per \$1 on dining and hotels until Dec. 31, 2010, 1 per \$1 elsewhere; 20,000-point sign-up offer when \$650 is spent in first three months. No foreign-transaction fee. Good balance-transfer offer. Military families join free; others pay a onetime \$20 fee.
PenFed Visa Platinum Cashback Rewards	13.99%	5% cash back on gas purchases paid at the pump, 2% at supermarkets, 1% elsewhere. Good balance-transfer offer. Military families join free; others pay a onetime \$20 fee.