

## **Frequently Asked Questions (FAQs) Pertaining to Direct Deposit Maine Office of the State Controller**

### **General Questions**

**Q: What is Direct Deposit?**

**A:** Direct Deposit is an electronic payment method the State uses to pay all state employees employed by an agency serviced by a payroll system administered by the Office of the State Controller, by having their net pay (pay after taxes and other deductions) deposited directly into a bank or other financial institution of their choice.

**Q: How does Direct Deposit Work?**

**A:** On payday, your net pay is deposited directly into your account by electronic fund transfer based on information provided by you when you enroll. Funds are deposited directly to your checking or savings account.

**Q: Why does the State provide Direct Deposit?**

**A:** The State provides this service to employees because it is safe, fast, and convenient.

**Q: What are some of the advantages of utilizing Direct Deposit instead of paper check?**

**A:** Safety and convenience are big factors, as the pay is deposited directly to your account in a timely manner, even if you are absent from work on payday. You do not have to take time to go to the bank and wait in line to deposit your check. You no longer have to deal with the potential of a lost or stolen paper check, and associated stop payment. Withdrawals of your pay can normally be made at ATMs and check cashing fees are avoided.

**Q: When can I withdraw money from payments deposited to my account using Direct Deposit?**

**A:** Most financial institutions make the funds available for withdrawal when it opens for business on payday.

**Q: Do I have to use a particular financial institution for Direct Deposit?**

**A:** No. You may use any financial institution in the United States that is a member of the ACH Network. Eligible institutions include banks, credit unions, and savings banks.

**Q: What if I do not have a bank account?**

**A:** If you do not have a checking or savings account, go to several financial institutions and select the banking arrangement that is best for you in terms of convenience, safety, service, interest on your deposits, and cost of service. Many financial institutions now offer either a free or an economy type banking account to employees who receive their pay by Direct Deposit.

**Q: How do I sign up for Direct Deposit?**

**A:** To sign up for Direct Deposit, you may enter your information in ESS, a self service link through MS-Tams or contact your Human Resources or Payroll Office and they will provide you with the appropriate Direct Deposit Enrollment Form and forward to your agency payroll officer. The form may be downloaded from the State Controller's Website – <http://inet.state.me.us/osc/payroll/securityapp.htm> .

**Q: When is Direct Deposit effective after I enroll?**

**A:** The first payment made by Direct Deposit will depend upon when the enrollment form is completed and submitted, and how often you are paid. Upon enrollment, the State initiates a test transaction, called a "pre-notification." This test transaction ensures that the bank account information provided on and keyed are valid numbers. If the test transaction is successful, your next scheduled pay will be by Direct Deposit.

**Q: As a new enrollee, how will my first payment be made?**

**A:** As a new enrollee, the first payment may be made by paper check, depending upon when you enroll, and depending upon how often you are paid. This is due to the need for a test transaction to be initiated before a Direct Deposit transaction can be made.

**Q: I don't want the joint owner of my checking account to know how much money I make. How can I participate in Direct Deposit?**

**A:** The best way to keep transactions confidential from a joint owner is to open another single account.

**Questions About OSC's Mandatory Direct Deposit Policy**

**Q: What types of exemptions are recognized?**

**A:** There are two types of exemptions recognized by the policy: 1) Business; and 2) Personal.

**Q: What is a business exemption?**

**A:** The State Controller may allow for a "business exemption" from Direct Deposit to accommodate the payroll center's special needs, such as payment cancellations and re-writes, limited employment periods, categories of employees not eligible for Direct Deposit, etc.

**Q: What is a personal exemption?**

**A:** The State Controller may allow for a "personal exemption" from Direct Deposit. The policy is as follows:

- A. The employee has a physical or mental disability that would impede the employee's ability to gain access to electronically deposited funds;**
- B. The employee has religious convictions that preclude the use of direct deposits; or**
- C. The facts of the specific hardship warrant a waiver of the mandatory direct deposit of the employee's wages or salary.**

**Q: Can an agency grant an exemption?**

**A:** No. Exemptions can only be granted by, and are at the discretion of, the State Controller based on the evidence provided by the employee.

**Q: Why would an employee not be able to acquire a bank account?**

**A:** The personal exemption provision is primarily to accommodate those employees considered to be "unbanked" and are unable to obtain a bank account.

**Q: What is considered an extreme hardship?**

**A:** There may be unique unforeseen reasons that an employee may encounter that dictate special consideration by the State Controller. Such reasons should be rare. Personal preference is not considered an extreme hardship.

**Q: Is not wanting to pay the costs associated with having a bank account considered an extreme hardship?**

**A:** No. There are many financial institutions that offer either free or economy bank accounts to accommodate Direct Deposit. Such bank accounts normally limit the transaction activity. Additionally, any banking costs incurred for having a bank account are normally much less than the fees charged by check-cashing companies.

**Q: Is not wanting my spouse or other joint account holder to know how much I am paid considered an extreme hardship?**

**A:** No.

**Q: When should I submit a Direct Deposit Exemption Request Form?**

**A:** If you elect to submit a "Direct Deposit Exemption Request Form," it should be submitted to the Office of the State Controller (OSC) within 5 days of hire or re-hire. Existing employees should submit requests as soon as possible, but not later than May 1, 2008.

**Q: What evidence should be submitted with the Direct Deposit Exemption Request Form?**

**A:** If your request is due to not having a bank account and the inability to obtain an account, you should obtain a letter or other documentation from a local financial institution stating that you have been denied an account. If your request is due to a specific extreme hardship, you should address a letter to the State Controller explaining why you believe you should be granted a personal exemption. In either case, a letter/documentation should be attached to the request form.

**Q: When will the OSC respond to my Direct Deposit Exemption Request Form?**

**A:** OSC will respond directly to the employee within 15 work days of receipt of the request form. The earlier a request form is submitted the earlier the response will be made, allowing the employee to plan accordingly.

**Q: If I am granted a personal exemption from Direct Deposit, how will I be paid?**

**A:** You will be paid by paper check. The check will be mailed by OSC to the address specified by you in the HR Payroll system. The employee is advised that the State assumes no responsibility for the delay in receiving a paper check via the United States mail or its equivalent. Should a paper check have to be reissued due to a lost check, employee may have to wait up to seven days before a replacement check can be issued and mailed.

**Q: If I am denied a personal exemption from Direct Deposit, can I still enroll in Direct Deposit?**

**A:** Yes.

**Q: How will I know how much I've been paid by Direct Deposit?**

**A:** You may view your Advice of Deposit, which shows your hours, earnings, taxes, and deductions on MS TAMS under My Pay.

**Q: What if I don't have access to a computer?**

**A:** A paper Advice of Deposit will be generated and mailed to the employee.

**Q: Can I access employee self service from my home computer?**

**A:** Only computers that can access the State's intranet can get to employee self service.

**Q: If my department doesn't use MS-TAMS will I be able to access employee self service?**

**A:** Yes, OSC and OIT will create a process for Non-MS-TAMS users to access employee self-service.

**Q: How many direct deposit accounts can I have?**

**A:** You may have two Savings and two Checking Accounts.