

## Mandatory Direct Deposit of Employee Payments

# Policy

A person appointed to a position in State government is required to participate in the direct deposit program as a condition of employment. An employee may request an exemption from this requirement when the employee can demonstrate that it causes a hardship or when the employee is in an other-personal-services (OPS) position.

# Definitions

### **Agency**

Within the State of Florida, an entity of the legislative, executive, or judicial branch of state government over which the Legislature exercises full budgetary and statutory control.

### **Direct Deposit**

Electronic deposit of payments to the payee's financial institution..

### **Other-Personal-Services Position**

A position in state government that is designated for providing temporary services. The position is not considered an established position for the payment of salary and benefits and is typically used for the services of temporary employees, student or graduate assistants, persons on fellowships, part-time academic employees, board members, and consultants.

### **People First**

The State's human resources management and timekeeping system.

### **Taxpayer Identification Number**

A nine-digit number used by the Internal Revenue Service (IRS) to identify employers and taxpayers. Also referred to as TIN. This is the Social Security Number for individuals. This is the Federal Employer Identification Number (FEIN or FEID) for employers and is also referred to as the Employer Identification Number (EIN).

# Background

The State of Florida established direct deposit in 1986 to provide a secure and convenient alternative method of payment for employees and state retirees. Effective January 1, 2002 Section 7 of Public Law 2001-43, known as Service First, revised paragraph 110.113(2), Florida Statutes, to make direct deposit mandatory for all salaried employees. The exemption for persons continuously employed since before July 1, 1996 was also removed. This has greatly reduced the number of state warrants, shipping and postage costs for the State.

# Procedures

1. New employees are responsible for adding his or her account information for direct deposit into the personal information section of the People First system. The employee will complete a Direct Deposit Authorization form and submit it to the Department of Financial Services/Direct Deposit Office if their Agency is not using People First. The ***Direct Deposit Authorization form***, instructions for completing it, and contact information for questions are available on the Department of Financial Services (DFS) website at [http://www.fldfs.com/aadir/direct\\_deposit\\_web/employees.htm](http://www.fldfs.com/aadir/direct_deposit_web/employees.htm)
2. DFS will send a pre-notification transaction to the employee's financial institution in order to verify the accuracy of the direct deposit information. A pre-notification transaction will also be sent for each subsequent change to an employee's direct deposit information.
3. All employees are responsible for updating their direct deposit information in People First when their personal information (name, Taxpayer Identification Number, etc.) or financial institution information changes. The employee will complete the direct deposit form and submit to DFS if the employee's Agency is not using People First.
  - a. The name on the W-4 record must match the name on the direct deposit record when an employee changes his or her name. The direct deposit payment will not process properly if the name is not consistent with the W-4. See the Employee Name Changes policy for additional information.
  - b. The employee must update their direct deposit record on-line in People First or submit an updated direct deposit form to DFS to change account information.
  - c. An employee must request a stop on-line in People First or send a direct deposit form requesting the cancellation of the direct deposit to stop direct deposit.

4. Agencies will ensure that employees are properly using direct deposit for salary payments and expense reimbursements.

## Policy Approval Dates

Department of Financial Services                      Approved                      (insert date)

## Authority and References

Section 110.113(2), Florida Statutes

### Document Version Control

Version Number	Release Date	Version Number Description	Description of Changes