

Department of Accounts

Payroll Bulletin

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The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about the bulletin, please call Cathy McGill at (804) 371-7800 or Email at cathy.mcgill@doa.virginia.gov

State Payroll Operations

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Direct Deposit Policy Changes Effective August 1, 2008

Direct Deposit as a Condition of New Hire or Rehire

§ 4-601.e.2 of the Appropriation Act (Chapter 879, 2008 Session) authorizes the Comptroller to mandate payment of wages or salaries to state employees via electronic payments. The first step toward implementing this mandate will be the requirement that all newly hired or rehired employees to the Commonwealth receive their net pay via an electronic deposit. This electronic deposit can be to a financial institution of the employee's choosing, to the Commonwealth's payroll debit card (EPPICard), or to any other personal debit/pay card that will accept electronic deposits. This applies to all employees with a hire date of August 1, 2008 or after, paid either centrally or by a decentralized higher education institution. Wage employees are included in this practice with an exception only for those who *are unbanked and will only be employed one or two pay cycles*. This exception is provided since direct deposit to the EPPICard account must process with prenotes in order to provide time for the plastic card to be created and mailed to the individual. Wage employees who bank with a financial institution, even if only employed one or two pay cycles, must receive their net pay via direct deposit. With the elimination of prenotes for regular direct deposit, length of employment of short duration does not justify an exception to this mandate.

Agencies can grant exceptions in limited circumstances after receiving approval from Lora George or Cathy McGill. Agencies are required to document all exceptions granted or may be subject to a \$5 per compliance monitoring check charge as permitted by § 4-5.04g of Chapter 847.

More information on the EPPICard can be found in Payroll Bulletin 2006-15 and on the Virginia EPPICard website found at <https://www.eppicard.com/eppicard/vacard/index.jsp>.

Non-CIPPS Agencies – Date of Policy Changes

While the effective date of the policy changes announced in this bulletin is August 1, 2008 for all agencies, non-CIPPS agencies may apply these policy changes at any time prior to August 1, 2008.

Direct Deposit Policy Changes Effective August 1, 2008, cont.

Elimination of Fixed DD if No Net DD Currently there are approximately 1,500 employees who have a portion of their earnings deposited to a financial institution but who are still receiving their net earnings in the form of a check. Not only does this not support the Commonwealth's E-Commerce initiatives, it is costing the Commonwealth more, since in addition to the cost of the printed check and check processing fees, the Commonwealth is also paying the ACH fee for the electronic transaction for the fixed amount to be deposited to a financial institution.

Effective August 1, 2008, no employee will be allowed to utilize fixed direct deposit deductions unless the employee is also having his net pay direct deposited (to include the use of the EPPICard) as well. A listing of individuals that fall into this category will be distributed to the payroll office via email in the near future. Each employee must identify a financial institution where the net pay will be deposited or cease availing themselves of the convenience of the fixed direct deposit.

After August 1, 2008 fixed direct deposits will be deactivated by DOA for any employee still receiving a net check. Employees in the prenote status for the EPPICard are considered as participating in net direct deposit even though a physical check must be produced in the interim.

Agency Specific Mandatory Direct Deposit Policy At this time DOA is not mandating Statewide direct deposit for existing employees. However, effective August 1, 2008 individual agencies will be allowed and are encouraged to invoke a mandatory direct deposit policy. Any policy developed by an agency that does not provide for a 100% mandate should be soundly documented to include rationale for excluding certain groups of employees (either by employment type or location, etc.). Similarly, any exception granted to a "mandated group" should be documented for reasonableness of employment practices.

Payline Policy Change Effective January 1, 2009

Elimination of Printed Earnings Notice Mandate Effective January 1, 2009 all employees who have access to state-issued computers and internet access will be required to use Payline and to opt out of earnings notice print. Agencies can implement this mandate by either requiring their employees to access Payline and make the appropriate elections in the user's security record (Personal Options page) or by the agency making a global election. As announced in the July 2007 Payroll Bulletin (2007-11), agency elections to eliminate earnings notice print can be applied systematically to salary only employees, hourly only employees, or all employees.

If your agency would like to explore any of these global opt-out options, please contact Lora George at lora.george@doa.virginia.gov ; Cathy McGill at cathy.mcgill@doa.virginia.gov or J.R. Rodgers at john.rodgers@doa.virginia.gov.

Payline Policy Change January 1, 2009, cont.

Elimination of Earnings Notice Print Mandate

Listed below are those agencies that have already made the global opt-out election and are embracing this cost savings option.

- ✓ Blue Ridge Community College
- ✓ Cooperative Extension and Agricultural Research Services
- ✓ Department of Accounts
- ✓ Department of Alcoholic Beverage Control
- ✓ Department of Environmental Quality
- ✓ Department of Forensic Science
- ✓ Department of Taxation
- ✓ Department of the Treasury
- ✓ Lieutenant Governor
- ✓ Norfolk State University
- ✓ Office for Substance Abuse Prevention
- ✓ Office of Commonwealth Preparedness
- ✓ Office of the Governor
- ✓ Richard Bland College - Salaried only
- ✓ Secretary of Administration
- ✓ Secretary of Agriculture and Forestry
- ✓ Secretary of Commerce and Trade
- ✓ Secretary of Education
- ✓ Secretary of Finance
- ✓ Secretary of Health and Human Resources
- ✓ Secretary of Public Safety
- ✓ Secretary of Technology
- ✓ Secretary of the Commonwealth
- ✓ Secretary of Transportation
- ✓ State Corporation Commission
- ✓ Virginia Information Technologies Agency
- ✓ Virginia Israel Advisory Board
- ✓ Virginia State University

Direct Deposit Promotional Ideas

Direct Deposit Promotional Ideas

To prepare for these policy changes, each agency should develop promotional campaigns to encourage ALL employees to enroll in direct deposit. The web site <http://www.electronicpayments.org> has various resources you can use to educate your employees about Direct Deposit and its benefits. This website has many facts and answers to questions like these:

- ✓ 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? The best way to keep transactions confidential from a joint account holder is to open another single account. Employees can split deposits among multiple accounts.
- ✓ Does Direct Deposit cost me any money? No. Direct Deposit should not cost you anything. In fact, many financial institutions offer free checking to consumers using Direct Deposit.

Direct Deposit Promotional Ideas, cont.

Additional DD Promotion Ideas

Here are some additional ideas to help promote Direct Deposit at your agency:

- Provide “Top Ten List of Reasons to Have Direct Deposit” or other posters to be displayed in Payroll, HR, cafeteria, break areas. Marketing materials, including color posters are at <http://www.electronicpayments.org/businesses/bs.marketing-resources.collateral.php>
- Stage departmental challenges.
- Include testimonials in newsletters.
- Make getting a paycheck inconvenient, only hand out at certain times of the day.
- Make employee come and pick up their check. While there, discuss DD one on one with them.
- Promote that by using Payline and eliminating the printing of the earnings notice, employees can not only save the State money, but also see their earnings statement information before payday.
- Recruit banks to attend benefits fairs and DD informational sessions to offer free banking and other incentives to employees. At the benefit fair or DD sessions:
 1. Solicit promotional items to be used as door prizes from local banks and the Virginia Credit Union.
 2. Provide refreshments...“feed them, they will come”
 3. Provide one on one time.
- Stamp paycheck envelopes that say “If you had direct deposit your money would already be in the bank”, or “If you had the new paycard, your money would already be in your wallet”.
- Ensure that your staff and supervisors are aware that when an employee does not qualify and cannot open an account at a traditional bank, they can often qualify to open an account with the Virginia Credit Union.
- All employees over the age of 18 are eligible for the Virginia Eppicard Paycard. Details for our plan are located at <https://www.eppicard.com/>

Accurate Direct Deposit Processing

There is nothing worse than promoting Direct Deposit and then experiencing errors with processing it! It is a good idea to put in place extra controls/tools that will assist your team in catching errors prior to the payroll deadline. One method you might use is to print the screens after data entry and then compare that information with the paperwork filed by the employee.

Direct Deposit Promotional Ideas, cont.

**Key points to
make when
promoting
Direct Deposit**

- Direct Deposit is Convenient. You don't have to go to the bank to cash your check.
- Direct Deposit is Safe. No more lost, stolen or misplaced checks. Did you know that nearly four million paychecks are lost or stolen each year?
- Direct Deposit is Reliable. Your money will be available on payday.
- Your paycheck gets deposited even when you are out sick or out of town – you are reassured that the checks you've written will clear.
- Direct Deposit helps you manage your money. You can have your paycheck deposited directly into more than one account (such as a checking and a savings account), thus helping you set up a savings plan.