

You and Your Paycheck



Make Payday Easy With Direct Deposit

Would your employer be able to get your paycheck to you in the event of a natural disaster or a national security emergency? This is a question that more and more workers are asking these days. Direct deposit is the best way to be sure you'll get your pay at the right time.

What is direct deposit?

It's a safe, proven, confidential method for receiving a payment. Through direct deposit, your pay will be deposited directly into your bank account.

Why should I care about direct deposit?

Direct deposit offers you many advantages over paychecks, including:

- Security - with direct deposit, you don't have to worry about losing or misplacing your check or getting a new check reissued if your paycheck is lost or stolen.
- Reliability - you don't have to wait to have your paycheck delivered to you. And you don't have to worry about getting your money if you are away from the office on payday.
- Confidentiality - because the deposit is made electronically, your payment passes through fewer hands.
- Convenience - no more waiting in line at the bank to cash your paycheck.

How does it work?

Once you notify your employer that you'd like to be paid via direct deposit, your employer will ask for your account information and then verify it. (You may be asked to provide a voided check or other proof of your account.) Once your

employer knows your account is in order, he or she will electronically transfer the exact amount of your net pay directly into your bank account. The money will be there at the same time you would have received your paper paycheck. In fact, the money often will be available to you earlier.

How does my employer know my bank account information?

You'll have to give that information to whoever handles payroll in your company

Do I have to have a bank account?

Yes. But in nearly all cases, you get to choose the bank, as well as whether you'd like the pay deposited into a checking or savings account.

How do I get access to my pay?

The same way you do now - by withdrawing the money from your bank account either by visiting the bank or by using an ATM. The money also will be there for you to draw on when you write a check to pay a bill, buy something, or make another type of payment.

Will direct deposit cost me anything?

In most cases, no. Direct deposit is a free service offered by your employer and most financial institutions.

How do I know when my pay has been deposited?

Your employer is required by law to provide you with the same information you currently receive on your pay stub, regardless of how you choose to receive your pay. Just like now, your stub will show how much was deposited in your account and how much was taken out of your pay to cover taxes and other deductions. Your employer may provide this information to you either on a paper stub or electronically. Your bank will also be able to confirm when a deposit was made. There should be a customer service line you can call to

NATIONAL PAYROLL WEEK 2013

National Payroll Week celebrates America's 156 million wage earners and the payroll professionals who pay them.

Together, through the payroll withholding system, they contribute, collect, report and deposit approximately \$1.78 trillion or 70.5% of the annual revenue of the U.S. Treasury. Go to www.nationalpayrollweek.com to learn more.

check the status of deposits into your account. The deposit also will be shown on your monthly account statement. But it's still a good idea to keep your pay stubs handy.

What if my bank statement doesn't match my pay statement?

Notify your bank and your employer immediately. You have up to 60 days from your account statement date to notify your bank in person, by telephone or in writing of an unauthorized deposit or incorrect deposit amount. (If you notify your bank in person or by telephone, you may also be required to provide a written confirmation within 10 business days.) If the institution needs more than 10 business days to investigate and resolve your situation, it must credit the amount in question to your account during the investigation.

Will my employer have access to the money in my account?

Absolutely not - except to reverse a payment it made in error. In fact, it is against the law for your employer to access your account for any other purpose and your bank will prohibit your employer from doing so.

What happens if my employer makes a mistake in my pay or if my pay isn't there on time?

Contact the same person within your company who would deal with a paper check problem. In most instances, this person will work in your employer's payroll, human resources, or finance department.

What if I change banks?

Just fill out a new authorization form with your new account number and the bank's transit routing number and provide your employer with written permission to switch accounts.

Can my money go to more than one account?

Absolutely. That's one of the biggest advantages of direct deposit, and most employers offer this opportunity. Just provide your employer with information on your various accounts and indicate how much of your pay you want to go to each account.

Does it matter whether I am paid hourly or receive a salary or if my pay varies from week to week?

That should not make any difference. Your payroll department will be able to make the necessary adjustments and deposit the proper amount into your account.

Is direct deposit offered to employees at other companies?

Yes. Banking statistics show that more than half of all workers in the U.S. receive their pay via direct deposit. Many like it so much they use it to receive other types of payments, including expense reimbursements, government benefit payments, and income tax refunds.

Can my boss require me to be paid using direct deposit?

That depends on where you work. Most states have laws requiring employees to voluntarily approve direct deposit as their preferred form of payment. But a few states allow your employer to make that decision for you.

What if I try direct deposit and I don't like it?

Just contact your payroll representative. He or she will let you know how to stop the service.

Helpful Links

Additional information about direct deposit.

MyPaycheck Web site

www.mypaycheck.org

Federal Reserve Consumer Guide

www.frbservices.org/files/eventeducation/pdf/DepositGuide.pdf

Electronic Transfer Account Locator Service

<https://www.eta-find.gov/DirectDepositFacts.cfm>

NACHA -The Electronic Payments Association

www.nacha.org

American Payroll Association

www.americanpayroll.org



The American Payroll Association is the professional society for Payroll Professionals. Founded in 1982, the American Payroll Association is dedicated to payroll education, representation of payroll and business interests in Washington, D.C., and public service education of the national work force. With more than 21,000 members across the United States, the APA represents Payroll Professionals working for companies in virtually every industry. Go to www.americanpayroll.org to learn more about the APA