

## **25.95**

# **Mandatory Direct Deposit**

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### **Introduction**

PL 2008, Chapter 539 states that all payroll related payments and employee reimbursements issued through the State Controller's Office must be made by electronic funds transfer.

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### **25.95.10 Requirement of Direct Deposit**

All State employees paid by a payroll center administered by the Office of the State Controller (OSC) are required to use the direct deposit feature to receive payroll related payments. In accordance with federal requirements regarding direct deposit of payroll, the employee may select the financial institution of his/her choice to accommodate the receipt of direct deposit payments.

All employees employed prior to January 1, 2008 receiving their pay by direct deposit shall continue to be enrolled in the direct deposit feature.

All employees employed prior to January 1, 2008 who are receiving their pay by paper warrant (check) shall be required to enroll in the direct deposit feature by completing the appropriate enrollment form by July 1, 2008. Any such employee who does not complete the appropriate direct deposit enrollment form and who is not granted an exemption as provided for herein may be subject to dismissal.

All newly hired or rehired employees on or after January 1, 2008 shall be required to enroll in the direct deposit feature. Any such employee who does not complete the appropriate direct deposit enrollment form and who is not granted an exemption as provided for herein may be subject to dismissal.

In his/her role of prescribing the manner in which agencies make disbursements, the State Controller has exclusive authority to grant any exemption from the direct deposit requirement.

For those employees who are granted an exemption, the State Controller may secure and offer other payment methods as options, other than paper check, when such options may become available.

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## **25.95.20 Business Exemptions**

The following circumstances constitute an exemption to the direct deposit rule and may be applied as though a specific exemption had been granted by the State Controller's Office.

- The first paycheck of an employee shall be a warrant.
- An employee's last paycheck may be warrant to facilitate the checkout process and insure that the State of Maine property is returned prior to departure. The preferred method will still be by direct deposit.
- Payments made to prisoners of the Maine State Prison and paid through the payroll system shall be paid by warrant
- The State Controller may allow for a business exemption for direct deposit to accommodate the special business needs and requirements as determined by Central Payroll.

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## **25.95.30 Personal Exemptions**

Employees not covered under a business exemption may request an exemption on the "Application for Exemption from Direct Deposit" form. Exemptions from Direct Deposit are:

- The employee has a physical or mental disability, as documented by a health care professional licensed in this state that would impede the employee's ability to gain access to electronically deposited funds.
- The employee certifies that his or her religious convictions preclude the use of direct deposits.
- The employee requests the State Controller to consider an exemption for hardship.

All exemptions must be approved by the Office of the State Controller.