

**COMMISSION ON ENHANCING AGENCY OUTCOMES  
SUMMARY SHEET**

**Direct Deposit Follow Up (Proposal #12)**

| <b>Question:</b>  | <b>Answer:</b>   | <b>Possible Actions:</b>  |
|---|--|---|
| 1) Does the federal government require employers to furnish employees with written records of hours worked (i.e., Payroll Remittance Advice Reports)?   | <b>No.</b> There is no federal requirement that employees receive written statements of earnings with each wage payment (see Fair Labor Standards Act)   | <ul style="list-style-type: none"> <li>• Eliminate requirement from Connecticut statute (Sec. 31-13a)</li> <li>• Provide Advice/ earnings statements electronically</li> </ul>  |
| 2) Does SEBAC agreement require direct deposit to be optional?  | <b>Yes.</b> Although there is no reference to direct deposit in the SEBAC agreements, a change to <i>requiring</i> direct deposit would have to be negotiated, as it is considered a change in working conditions.   | <ul style="list-style-type: none"> <li>• Negotiate with SEBAC for mandatory direct deposit</li> <li>• Make direct deposit mandatory for all new hires (does NOT require negotiation)</li> </ul>   |
| 3) From what system are retirees paid? Are all retirees on direct deposit?<br><br>(Note: Retirees are not represented by SEBAC, and a change to mandatory direct deposit would not require negotiation with unions) | Retirees are paid through the <b>Retirement Payroll System</b> in the Office of the State Comptroller Retirement Division.<br><br><b>Retirees are given a choice of either direct deposit or paper checks</b> for their payments (77-80 percent are on direct deposit)   | <ul style="list-style-type: none"> <li>• Make direct deposit/pay cards mandatory for all current retirees</li> <li>• Make direct deposit/pay cards mandatory for all <i>new</i> retirees</li> </ul>   |
| 4) Are students who are attending one of CT's public colleges offered direct deposit?   | <b>Yes.</b> Approximately 55 percent are currently on direct deposit; however, the figure varies from college to college (e.g., 40% at WCSU vs. 70% at CCSU)   | <ul style="list-style-type: none"> <li>• Make direct deposit/pay cards mandatory for all students</li> <li>• Initial college administrator response very positive</li> </ul>  |
| 5) How is Unemployment Insurance paid?  | <ul style="list-style-type: none"> <li>• By <b>paper check</b></li> <li>• DoIT prints all checks</li> <li>• Vendor folds and stuffs envelopes</li> <li>• "Advice" only provided on line</li> <li>• CTDOL <b>currently implementing direct deposit</b> for U.I.</li> </ul>  | <ul style="list-style-type: none"> <li>• 10-yr contract signed April 2010 with JP Morgan Chase to implement direct deposit and debit cards for U.I. by August 2010</li> <li>• Projected savings of \$3.6 million annually from postage alone</li> </ul> |
| 6) Can fees be waived for state employees using direct deposit?   | <b>No.</b> According to state Banking Dept. this would unlikely be enforceable: would interfere with regular commerce of banking; would not apply to any non-state chartered financial institution; and if placed as a requirement on bank(s) the state draws its checks on, could not require a state employee to bank there. |   |

