

**Mandatory Direct Deposit Participation
Enforcement & Escalation Process
PCG-DDMPE**

1. POLICY:

- 1.1. As of January 1, 1996, participation in Direct Deposit is a mandatory condition of employment with the State of Delaware.
- 1.2. New employees must participate in Direct Deposit within three pay periods of their hire date.
- 1.3. Those exempt from Direct Deposit are: Grandfathered employees, attaches, student workers, tutors, aides, substitutes or casual/seasonal employees (term not to exceed two months).
- 1.4. All other employees must participate in Direct Deposit or submit a request to waive the requirement which must be approved by both the Head of the employing Department and the Secretary of Finance.

2. DEFINITIONS:

- 2.1. *Direct Deposit Waiver* – exempts an employee, with a valid and documented reason, from the mandatory requirement.
- 2.2. *Grandfathered Employee* (with regards to Direct Deposit) – any employee with an Original Hire Date prior to January 1, 1996, with no breaks in State service.

3. PROCEDURE:

- 3.1. Employees not currently enrolled in Direct Deposit are listed on the Direct Deposit Non-Participants Report (DEPRNODD). The report runs biweekly and is available on DocumentDirect the day after Pay Confirm allowing Organization representatives to monitor employee non-participation.
- 3.2. The Payroll Compliance Group (PCG) monitors a master list of all direct deposit non-participants and reviews it for any new entries. The PCG contacts the Organization regarding any employee who is not in compliance with the law.

3.3. Direct Deposit Non-Compliance Escalation Process

- 3.3.1. When new employees have not enrolled in Direct Deposit within the first three pay periods of their hire date, or employees have not re-enrolled after closing an account, the PCG contacts the Organization's Human Resource/Payroll Representative. The PCG provides a list of all employees out of compliance with the law.
- 3.3.2. If the Organization's Human Resource/Payroll Representative is not successful in having the employee enroll by the next pay period, the State Payroll Manager sends a notice to the Organization's Payroll manager. The notice lists all employees out of compliance with the law and requests that they take immediate action to enroll the employee(s) in Direct Deposit.
- 3.3.3. If the Organization's Payroll manager is not successful in having the employee enroll by the next pay period, the Director of the Division of Accounting sends a notice to the Director (or equivalent) requesting that they take appropriate action to encourage the employee to participate.
- 3.3.4. As a last resort, the Secretary of Finance sends a notice to the Department's Cabinet Secretary, or School Superintendent, requesting their involvement in the issue.

- 3.4. The PCG is available to assist Organizations at any point in this process.

ADDITIONAL CONSIDERATIONS:

Deposit Non-Participants Report-DEPRNODD (DocumentDirect)
PCG-DDWVR – Direct Deposit Waiver
PRU-DD-01 – Direct Deposit (PHRST website)
PRU-DD529-01 - Section 529 College Investment Fund (PHRST website)

SUPPORTING DOCUMENTS:

Direct Deposit Authorization Form (PHRST website)