

Number 12.11 - DIRECT DEPOSIT

Effective Date: July 1, 2009

Applicable To: All classified employees, as well as exempt, appointed, and temporary, and contractual, within the Executive Branch of the State of Vermont. In addition, applies to all employees paid through the State of Vermont Payroll System, including all employees and elected or appointed officials of the Judicial and Legislative Branches.

Issued By: Department of Human Resources

Approved By: Neale F. Lunderville, Secretary of Administration

PURPOSE:

The purpose of this policy is to provide guidelines and establish procedures for the Direct Deposit program and for application for a waiver of the requirement that all employees of the State of Vermont receive payment of wages by direct deposit.

POLICY STATEMENT:

Pursuant to Section 101 of Act #4 of the Legislative Acts of 2009, all employees of the State of Vermont are required to receive their pay via Direct Deposit. Only those employees who have submitted a *Request for Waiver of Direct Deposit* form that has been approved by the Commissioner of the Department of Finance and Management, or the appropriate leadership of the other employing branches of government, will be allowed to receive payment for wages by check.

DEFINITIONS:

Direct Deposit: The payment of wages via electronic transfer from the State of Vermont to a financial institution designated by the employee.

Employee: For this Policy only, the term employee extends to every individual providing services who is compensated through the State of Vermont Payroll System.

PROCEDURE

1. All employees must complete a *State of Vermont Employee Request for Direct Deposit* form at the time of hire, or at such other time as directed by an appointing authority.
2. If an employee declines to complete the *State of Vermont Employee Request for Direct Deposit* form at the time of hire, or such other time as requested by an appointing authority, he or she must complete a *Request for Waiver of Direct Deposit* form. The Request for Waiver of Direct Deposit form and all necessary supporting documentation must be submitted to the Department of Finance and

Management within 30 days of hire, or the date when directed to request Direct Deposit, as applicable.

3. For employees of the executive branch of government, the Commissioner of Finance and Management will act on all completed *Request for Waiver of Direct Deposit* forms within fifteen days of receipt. The legislative and judicial branches will process request forms in accordance with their own policies. A Request for Waiver of Direct Deposit application to the Commissioner of Finance and Management is complete only when accompanied by the required documentation. Waivers will be granted for the following reasons:
 - a. **Written rejection action from banking facility.**

The employee must submit written confirmation from at least two banks and/or credit unions declining to open either a checking or a savings account. The bank confirmation must be dated within 30 days of the request for waiver.
 - b. **Documented religious aversion to technology and its usage.**

The employee must submit written confirmation that he or she has a bona fide religious belief and that compliance with the Direct Deposit Policy is contrary to his or her religious faith. The documentation must include a copy of any writings that indicate an objection to the use of technology that would prohibit compliance with the Policy. If the claim of conflict is based upon the laws or tenets of a religious organization, the documentation must include information that would allow a representative of the State of Vermont to contact a representative of the religious organization in order to verify the validity and sincerity of the employee's religious belief.
4. The Department of Finance and Management will, to the extent permitted by law, treat the application for waiver and associated documents as confidential, personal documents as provided by 1 V.S.A. § 317(c)(7). The response to the individual seeking a waiver of Direct Deposit will state only that the waiver is granted or denied. The decision of the Commissioner shall be final.
5. An employee may apply for a waiver while employed and already receiving pay by Direct Deposit if a basis for a waiver, as identified in Paragraph 3 above, arises. If an employee's account is closed, he or she must provide a new *State of Vermont Employee Request for Direct Deposit* form within 30 calendar days, or submit a properly documented *Request for Waiver of Direct Deposit* form within the same period.
6. A personal aversion to dealing with banks, mistrust of financial institutions, or concerns about the security of the Payroll system and/or communications between Payroll and financial institutions are examples of reasons that will not be accepted as the valid basis for a waiver of this requirement.

