

DIRECT DEPOSIT

Need more information on Direct Deposit?

Log on: <http://compnet.comp.state.md.us/cpb/>

Q. What is Direct Deposit?

A. It is the method the state uses to pay state employees by having their net pay (pay after taxes and other deductions) deposited directly into their checking account.

Q. Who can have Direct Deposit?

A. Any state employee can have Direct Deposit. Under State Treasurer regulations, all new state employees paid through the Central Payroll Bureau are required to participate in Direct Deposit unless the employee has requested an exemption from receiving net pay by Direct Deposit.

Q. How does Direct Deposit work?

A. On paydays, your net pay is deposited into your account by electronic fund transfer based on information provided by the Central Payroll Bureau to your bank through the State Treasurer's Office.

You don't have to be in your office to pick up your check, wait in line on payday to deposit your check, or make special arrangements when you are on vacation or traveling on business.

Q. How do I know how much I've been paid?

A. You still get an employee's earnings statement (pay stub), which shows your hours, earnings, taxes, and deductions just like a regular paycheck.

Instead of being attached to a check, the earnings statement is attached to a deposit advice, which tells you which bank and account number you designated to receive the Direct Deposit.

Q. Why does the State provide Direct Deposit?

A. The state provides this service to employees because it is safe, fast, and convenient. It is a valuable employee benefit.

Q. Must I use a particular bank?

A. No. You may have your pay deposited to the financial institution of your choice. While you may designate only a single "checking" account for your net pay, most financial institutions will distribute your net pay from a single checking account into one or more other accounts, such as savings, IRA, or loan payment.

Almost all financial institutions have inducements to encourage you to send your Direct Deposit to them.

If you don't have a checking account or aren't happy with your current financial institution, go to several and select the banking arrangement that is best for you in terms of convenience, safety, service, interest on your deposits, and cost of service.

Q. How do I sign up for Direct Deposit?

A. To sign up for Direct Deposit, visit your personnel or payroll office for an authorization form. This form is also available for download from our Web site: <http://compnet.comp.state.md.us/cpb/>.

Fill it out completely. Enter your account number as it appears on your check. When you have completed the authorization, make a copy for your records and send the original to Central Payroll through your personnel or payroll office, or mail it to Central Payroll at the address on the authorization.

Please turn over

Q. When does it start?

A. It takes two pay periods for Direct Deposit of your net pay to begin. For safety's sake and your protection, we go through a process called "pre-notification" to ensure that your financial institution is part of the system and that your account number properly recognized.

Q. What if I want to make a change?

A. Simply file a new authorization form. If you want to change the bank and checking account to which your net salary is deposited, check the "Change" block and enter the entire account number. This must be done even if you are remaining with the same bank but changing account numbers.

Submit the new authorization form to Central Payroll and keep your copy as a record of your request. The Direct Deposit to your old bank will stop within 21 days after Central Payroll receives your new authorization form. The Direct Deposit to your new bank and account will start after two pay periods. In the interim you will receive paychecks.

Q. What if I want to cancel Direct Deposit and receive paychecks?

A. File a new authorization form, checking the "Discontinue Direct Deposit" box. Submit the new authorization form to Central Payroll and keep your copy as a record of your request.

The Direct Deposit to your old bank will stop within 21 days after Central Payroll receives the request to cancel. You will then receive paychecks until a new direct deposit authorization is submitted.

Q. What can I do to minimize problems?

A. If you change or cancel your Direct Deposit, keep your old bank account open until you receive your first check. This will prevent your Direct Deposit from being channeled to a "closed account" on payday. Don't use payday funds in your Direct Deposit account until you receive your deposit advice from Central Payroll—pay can fluctuate!

Q. What is the risk of error?

A. The most recent error rate was .01%, which means that 99.99% of all Direct Deposit transactions have been problem-free.

Direct Deposit is extremely reliable, but it is not perfect because of the possibility of a human or machine error. If you believe that an error has occurred, contact your payroll office, which has a record of payments made and the composition of your net pay.

If you did not get a paycheck or paystub and your net pay was not directly deposited into your bank account, immediately notify the State Treasurer's Office at 410-260-7533 for assistance.

Q. How does this affect my credit union deduction?

A. Not at all. Your credit union deduction—whether it is for savings, IRA, share draft or loan payment—is not Direct Deposit. Direct Deposit is only for your *net* pay (after taxes and deductions, including any amount you may have deducted for the credit union).

You may choose the credit union as the financial institution to receive your Direct Deposit. Or, you can continue a fixed credit union deduction and send your net pay by Direct Deposit to another financial institution. Direct Deposit offers you flexibility in banking transactions.

Q. Where can I go for more information?

A. To sign up for Direct Deposit, to make a change, or if you have questions, see your personnel or payroll office. Or, call the Central Payroll Bureau at 410-260-7862.

To obtain a waiver/exemption from Direct Deposit please call the State Treasurer's Office at 410-260-7390.

On paydays, your net pay is deposited into your account by electronic fund transfer based on information provided by the Central Payroll Bureau to your bank through the State Treasurer's Office.
