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

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| 1) Does the federal government require employers to furnish employees with written records of hours worked (i.e., Payroll Remittance Advice Reports)? | **No.** There is no federal requirement that employees receive written statements of earnings with each wage payment (see Fair Labor Standards Act) | • Eliminate requirement from Connecticut statute (Sec. 31-13a)    
• Provide Advice/ earnings statements electronically |
| 2) Does SEBAC agreement require direct deposit to be optional?           | **Yes.** Although there is no reference to direct deposit in the SEBAC agreements, a change to requiring direct deposit would have to be negotiated, as it is considered a change in working conditions. | • Negotiate with SEBAC for mandatory direct deposit                        
• Make direct deposit mandatory for all new hires (does NOT require negotiation) |
| 3) From what system are retirees paid? Are all retirees on direct deposit? | Retirees are paid through the Retirement Payroll System in the Office of the State Comptroller Retirement Division.  
Retirees are given a choice of either direct deposit or paper checks for their payments (77-80 percent are on direct deposit) | • Make direct deposit/pay cards mandatory for all current retirees  
• Make direct deposit/pay cards mandatory for all new retirees |
| 4) Are students who are attending one of CT’s public colleges offered direct deposit? | **Yes.** 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) | • Make direct deposit/pay cards mandatory for all students  
• Initial college administrator response very positive |
| 5) How is Unemployment Insurance paid?                                  | **By paper check**  
• DoIT prints all checks  
• Vendor folds and stuffs envelopes  
• “Advice” only provided on line  
• CTDOL currently implementing direct deposit for U.I. | • 10-yr contract signed April 2010 with JP Morgan Chase to implement direct deposit and debit cards for U.I. by August 2010  
• Projected savings of $3.6 million annually from postage alone |
| 6) Can fees be waived for state employees using direct deposit?          | **No.** 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. |