

City of Philadelphia  
Office of the Treasurer

## Direct Deposit FAQ's



**GOAL:** 100% enrollment for all Employees

- **Both you and your money are safer with Direct Deposit.**

When you use Direct Deposit, you can rest assured that your money is safe. Your money goes directly into the bank in the form of an electronic transfer and therefore eliminates the risk of a check being lost or stolen.

**Direct Deposit can be:**

- **Simple**
- **Safe**
- **Secure**
- **Convenient**

**Q.** What is direct deposit and how does it work?

**A.** Direct deposit delivers your payroll check into your bank, savings and loan or credit union's account quickly and safely through an electronic payment service. The Office of the Director of Finance –Payroll Unit sends an electronic message to your bank, savings and loan or credit union crediting your account with the exact amount of your payroll check. **You have immediate use of your money.** You can withdraw money, put some in savings or pay bills and the things you do with your money now. The difference is, your check isn't printed by the City Treasurer, or is a printed check hand delivered or mailed to you. However, a receipt resembling a check stub "Statement of Earnings and Deductions" is printed for your records.

**Q.** Why should I sign up?

**A.** The benefits of using direct deposit are:

- There are no paper checks to be lost or stolen.
- You'll get your pay on time, even if you're out of town, sick or unable to get to the bank.

- Waiting in lines at your bank or cash-checking establishment on paydays to deposit your check can be eliminated. If you choose to make access to your cash needs more convenient, cash withdrawals could be made from an ATM or by using a debit card for purchases. Please be advised that if you need to add this feature to your account, find out in advance from your banking/savings institution what type of fees might apply to these types of transactions.
- Better personal financial management can result. It provides a better understanding of your personal cash inflow and outflows. An entry on your bank statement will be recorded for the full amount of your paycheck each pay period.
- You are safeguarded against misplaced paper pay checks. Believe it or not some employees put a check somewhere, or throw it away by mistake or just plain forget about it. Did you know that a misplaced un-cashed paper check is the employee's responsibility and eventually can become property of the State of Pennsylvania? However, with the electronic transfer of direct deposit of your pay check the City Treasurer's Office is alerted immediately when a paycheck fails to be transferred to your designated account and in turn you are contacted through your Human Resources/Payroll unit that the deposit was not made to your designated account.

**Q.** What is a "Statement of Earnings and Deductions"?

**A.** A paper receipt resembling a check stub is printed on plain white paper for your records and distributed each pay period. The net amount payable is the amount deposited to your direct deposit account. You can use this receipt just like a "deposit slip" to confirm the amount deposited.

**Q.** What amount can I have deposited under Direct Deposit?

**A.** The deposit must be your remaining net pay after all deductions.

**Q.** Do I have to use direct deposit?

**A.** The City Treasurer's Office strongly encourages all employees to receive their payroll checks by direct deposit. The U.S. banking system is moving away from paper check transactions to reduce cost and increase security. A paperless electronic transfer also offers benefits for both employees and the City by getting your money to you more quickly, safely and effectively.

- As of January 2004 about 65 percent of all city employees have enrolled for direct deposit of their pay checks, with deposits

going directed to over 140 different banks, credit unions and saving institutions through out the country.

**Q.** Is Direct Deposit right for me? What should I do?

**A.** If you are interested in signing up for direct deposit but think you need more information, you can do one of the following:

- First consult with your Human Resource/Payroll Unit. They will have the answers to many of your questions.
- If you have an account, go to your bank, savings and loan or credit union. They can also answer questions about direct deposit.
- If you don't have an account, consider opening one and sign up for direct deposit at that time. Most banks, savings and loans and credit unions offer a variety of accounts, some with little or no fees. Look for one that meets your needs.

**Q.** How do I sign up for direct deposit?

**A.** E-Z STEPS:

- 1) **COMPLETE FORM:** Obtain an Authorization form 71-380 from your Human Resources/Payroll Unit. On the Form check the “INITIAL” authorization box at the top of the form and complete all boxes. (This Form 71-380 can also be used to change your designated direct deposit account). Remember to Sign and date the form.
- 2) **BANK ACCOUNT:** You must already have a checking or savings account. If you don't have an account, most banks, credit union, or savings and loan offer a variety of accounts, some with little or no fees. Some financial institutions offer low-cost Electronic Transfer Accounts (ETA) with a limited number of withdrawals per month. Look for one that meets your needs.
- 3) **ACCOUNT CONFIRMED:** To ensure that your account is properly entered, you may be asked to include a sample check that is blank. The code at the bottom of the check provides the routing number of the bank and the account number. As a safeguard to you write the word “**Void**” across the face of the check. If a check is not available the account number can just be written onto the form 71-380, especially if it is a savings account. However, a copy of the header of your bank statement (blacking out the details of any transactions) may be required to confirm that that an account exists.

- 4) **ENROLLED:** The Human Resource/Unit forwards the completed form to the Office of the Director of Finance-Payroll Division for enrollment to direct deposit. You will be enrolled by the Payroll Division, which will enable an electronic transfer for direct deposit to the account you designated.

**Q.** How long does it take before my money is directly deposited to my account?

**A.** When you sign up for direct deposit it usually takes just one pay period for it to become active. When you receive an electronic check pay stub on your pay day, entitled “**Statement of Earning and Deductions**”, your direct deposit has been activated and your pay was sent to the bank account you designated.

**Q.** What happens when there is a problem with my direct deposit?

**A.** Most problems with direct deposit are usually resolved within the same day or next day. However, if your account number, and routing information is no longer valid, a replacement of your payment will be a paper check. If you have other problems or concerns notify your Human Resource/Pay unit immediately.

**Q.** How do I know when my money is in my account so I can pay my bills or withdraw cash?

**A.** Your money is deposited on the day you're scheduled to receive your pay check.

**Q.** Can I use Direct Deposit to deposit my remaining net pay to more than one financial institution or more than one account?

**A.** Not at this time. **Direct Deposit is limited to a single financial institution;** however, your financial institution may be willing to distribute funds to multiple accounts after the Direct Deposit is received.

**Q.** When I retire may I receive my retirement benefit payments by Direct Deposit?

**A.** Yes, however a new enrollment is required. When you apply for retirement, the Board of Pensions will provide you with Direct Deposit enrollment information for the retirement system. Your Payroll Direct Deposit will be automatically canceled, and your final pay settlement may result in a paper check.