

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES


P.O. BOX 119, HONOLULU, HAWAII 96810-0119

October 25, 2017

COMPTROLLER'S MEMORANDUM NO. 2017-23

TO: Heads of Departments and Agencies

ATTN: Department/Jurisdiction Fiscal Offices

FROM: Roderick K. Becker, Comptroller 

SUBJECT: New Automated Clearing House (ACH) Direct Deposit Process and the Discontinuation of Credit Union Deductions

The "HawaiiPay" Project continues to progress with the implementation of our new hosted enterprise payroll system to generate payroll for over 76,000 State of Hawaii employees. Employee's net wages will be transacted via Automated Clearing House (ACH), which is an industry-standard, electronic clearing and settlement system used for financial transactions by commercial banks and other institutions across the nation.

Credit union deductions that are routed to various financial institutions will be discontinued when your agency is moved into the new enterprise payroll system. The State will provide employees with the ability to have more than one bank assignment in the new payroll system, so credit union deductions can be converted to bank assignments through ACH Direct Deposit.

Effective immediately with this communication, State Accounting Form D-60 assigning credit union deductions will no longer be accepted by DAGS, Central Payroll due to this change. However, State Accounting Form D-60 for bank assignments, and cancellations of credit union deductions and bank assignments will continue to be accepted until further notice.

Employees will soon be required to designate their bank assignments to financial institutions (bank or credit union) of their choice by using the online Employee Self Service (ESS) Portal that will be launched as part of the system modernization. Information about the new form and online access for direct deposit will be issued as they become available.

Frequently asked questions regarding these changes are attached. If you have any additional questions, please contact the HawaiiPay Project office at 586-8800 or ets.erp@hawaii.gov.

Attachment

Frequently Asked Questions for Comptroller's Memorandum Issued October 25, 2017

1. Definition of a Bank Assignment

A bank assignment is where your net pay is deposited directly with your financial institution, which may be a bank or credit union.

MXX-001 50021

EARNINGS AND DEDUCTIONS STATEMENT

CHECK DIST.	NO. EXEMPTIONS		BANK CODE	PERIOD ENDING	CHECK DATE
001	STATE	FEDERAL	190	06/30/2017	07/05/2017
TAX					
	AMOUNT	YEAR TO DATE	YEAR TO DATE		
STATE	70.64	734.66	GROSS EARNINGS		30,000.00
FED	121.25	1,261.00	GROSS PAY		2,500.00
SOC SEC	124.18	1,352.64			
MEDI-CARE	29.04	316.32			
RETIREMENT					
	AMOUNT	YEAR TO DATE	TOTAL DEDUCTIONS/REDUCTIONS		
REG					500.98
BONDS					
	NO. OF BONDS ISSUED THIS PAY PERIOD	BOND BALANCE ON HAND	NET PAY		
					1,999.02

NON-NEGOTIABLE
KEEP THIS STATEMENT FOR YOUR RECORD

2. Definition of a Credit Union Deduction

A credit union deduction is a specified amount withheld from your wages that are deposited into your designated credit union account. If you see the code CU under the Deductions/Reductions section of your pay statement, you have an active credit union deduction. An example is displayed below showing an active credit union deduction.

P STATE OF HAWAII EMPLOYEE'S E/

SOCIAL SECURITY NO. NAME POSITION NO. PAYROLL NO.

###-##-0001 ALOHA, MARK MXX 0

GROSS EARNINGS			DEDUCTIONS/REDUCTIONS			
TYPE	AMOUNT	HOURS/DAYS	TYPE	AGENT	AMOUNT DEDUCTED	YEAR TO DATE
REG-PAY	5,000.00		MR701		1,072.1	13,937.3
			VR701		3.14	40.82
			DR701		206.3	2,681.9
			SD719		2,989	29,899
			TB760		250.0	3,250.0
			CU011		40.00	280.00

DEDUCTIONS/REDUCTIONS-TYPE CODES

AF	ANNUITY PLAN ADMINISTRATION FEE	FD	DEPENDENT CARE FSA	FS	PUBLIC SCHOOLS/STATE LIBRARY FOUNDATIONS
AP	ANNUITY PLAN PREMIUM	FW	MEDICAL FSA	SB	U.S. SAVINGS BONDS
AR	ADDITIONAL RETIREMENT & RETROACTIVE FICA	GA	LAWFULLY ORDERED PAYMENT	SD	STATUTORY DUES
CR	COTTAGE RENTAL	HA	HAWAIIAN HOME LANDS	TB	TRANSPORTATION BENEFIT
CS	529 COLLEGE SAVINGS PLAN	LP	LICENSING/OTHER FEES	UD	UNION ADULT DENTAL PREMIUM CONV. PLAN
CU	CREDIT UNION	ND	STATE MEDICAL PLAN	UF	COMMUNITY FUND DONATION
DC	DEFERRED COMPENSATION	NR	MEDICAL PREMIUM CONV. PLAN	UH	U. OF H. FOUNDATION DONATION
DD	ADULT DENTAL PLAN	NV	MOTOR VEHICLE INSURANCE	UM	UNION MEDICAL PREMIUM CONV. PLAN
DR	ADULT DENTAL PREMIUM CONV. PLAN	OP	SALARY OVERPAYMENT RECOVERY	UP	UNION PRESCRIPTION DRUG PREMIUM CONV. PLAN
DT	DELINQUENT TAX ASSESSMENT	OS	COURT-ORDERED SUPPORT (VOLUNTARY)	US	CIVIL SERVICE RELATED DEDUCTIONS
EI	EARNED INCOME CREDIT	PE	PRE-EMPLOYMENT EXAM	UV	UNION VISION CARE PREMIUM CONV. PLAN
EO	EMPLOYEE ORGANIZATION	PF	PARKING FEE	VC	VISION CARE PLAN
FA	FLEX SPENDING ADMIN FEE	PP	PRIORITY PAYROLL ADVANCE	VK	VISION CARE PREMIUM CONV. PLAN
		PR	PRESCRIPTION DRUG PREMIUM CONV. PLAN	WR	WORKERS' COMPENSATION RETIREMENT

3. What do I do If I have a Bank Assignment?

You will soon be required to designate your bank assignment as an ACH direct deposit to the financial institution of your choice by using the online Employee Self Service (ESS) Portal that will be launched as part of the new payroll system. You will receive instructions on the timing of when this action needs to happen. You can prepare now by obtaining your routing number and account number for your account(s), so when ESS is available, you will be ready to enter this information.

4. What do I need to do if I have a Bank Assignment and a Credit Union Deduction(s)?

You will soon be required to designate your bank assignment and your credit union deduction(s) as ACH direct deposits to the financial institutions of your choice by using the online Employee Self Service (ESS) Portal that will be launched as part of the new payroll system. You will receive instructions on the timing of when this action needs to happen. You can prepare now by obtaining your routing number and account number for your account(s), so when ESS is available, you will be ready to enter this information.

5. What do I do if I have 1 or more Credit Union Deductions?

If you have a credit union deduction, you will have the option to setup your credit union deductions as an ACH direct deposit in addition to your existing bank assignment by using the online Employee Self Service (ESS) Portal. You will receive instructions on the timing of when this action needs to happen. You can prepare now by obtaining your routing number and account number for your account(s), so when ESS is available, you will be ready to enter this information.

6. Where can I find the Routing Number and Account Number for my Bank Assignment and/or Credit Union Deduction(s)?

Your routing number and account number will be listed on your checks for your checking account, such as in the example below.

The image shows a sample check form with the following fields and information:

- Employee Name**: _____
- Home Address**: Honolulu, HI 96813
- DATE**: _____
- 1001** (in the top right corner)
- PAY TO THE ORDER OF**: _____ \$ _____
- DOLLARS**: _____
- BANK NAME**: _____
- Memo**: _____

At the bottom of the check, three numbers are highlighted with brackets and labeled:

- Routing Number**: 121301028
- Account Number**: 111222333
- Check Number**: 1001

Your routing number and account number may also be found online through online banking with your financial institution or you may work with your financial institution to obtain this information.

7. What if I have a Bank Assignment and I don't take any action?

You are required to take action in order to receive your net pay through ACH direct deposit.

8. What happens if I have 1 or more Credit Union Deductions and I don't take any action?

You are required to take action in order to update your credit union deductions as an ACH direct deposit. If you do not setup your credit union deduction(s) as an ACH direct deposit(s), they will be automatically discontinued when your agency is moved into the new enterprise payroll system. Your credit union deduction(s) will end and the deduction amount(s) will be included with your net pay.

9. What happens if I have a Bank Assignment and 1 or more Credit Union Deductions and I don't take any action?

You are required to take action in order to receive your payroll through ACH direct deposit. If you do not designate your credit union deduction(s) as ACH direct deposit(s) in the new payroll system, your credit union deduction(s) will end and the deduction amount(s) will be included with your net pay.

10. How do I stop my Credit Union Deductions?

You can stop your credit union deductions at any time by completing the State Accounting Form D-60 and submitting it to your payroll office prior to the new payroll system being implemented.

11. What if I receive a hard copy paper check and do not have a Bank Assignment or a Credit Union Deduction?

You will need to setup an ACH direct deposit to the financial institution of your choice by using the online Employee Self Service (ESS) Portal that will be launched as part of the new payroll system to receive your net pay through ACH direct deposit. You will receive instructions on the timing of when this action needs to happen.

12. What if I have additional questions, who do I contact?

If you have any additional questions, please contact the HawaiiPay Project office at 586-8800 or ets.erp@hawaii.gov.