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**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**

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

November 13, 2017

All Financial Institutions Receiving Employee Payroll Disbursements (Partial & Net Pay) from the State of Hawaii as an Employer

*Transmission via Email*

**Subject: State of Hawaii Payroll Automated Clearing House (“ACH”) Direct Deposit Implementation and Transfer/Conversion of Credit Union Deductions**

This letter is to inform our financial institution partners that the State of Hawaii will be asking its employees to convert their bank assignments and individual credit union deductions to ACH direct deposit accounts in preparation for the launch of the State’s new payroll system in 2018.

The State is currently undergoing a modernization of its 40-year-old payroll system. Known as the HawaiiPay Project, this initiative is being led by the Department of Accounting and General Services Accounting Division in coordination from the Office of Enterprise Technology Services and is designed to overhaul and modernize how the State processes and disburses payroll, better aligning with standard best practices and providing enhanced functionality to our employees.

As a part of this new payroll system, the State will now be able to process all employee designated disbursements of net pay through ACH direct deposit. To ensure information can be captured in the new payroll system for launch, please be advised the following are effective immediately:

- The State is not accepting any new requests for additional credit union deduction accounts.
- Employees will still be able to process changes/cancellations to all existing accounts.
- New hires will be allowed to set up a single bank assignment to any financial institution of their choice, provided that the State is able to transmit the net pay disbursement using the current non-ACH method during the conversion window.

State departments and agencies were notified of this action via a memorandum from the State Comptroller, which is available at: <http://ags.hawaii.gov/wp-content/uploads/2012/09/CM2017-23.pdf>

This will necessitate State employees obtaining their routing and account numbers for these accounts and then inputting them into the State’s new online tool known as Online Payroll Employee Self Service during a limited window of time allowed for these changes. This window of time will be announced to employees just ahead of the opening of the Online Payroll Employee Self Service tool, currently slated for early 2018. Employees will be notified of the specific window of time in which they can input these into the new system. The projected deployment schedule may be referenced at <http://ags.hawaii.gov/hawaiiipay/schedule/>.

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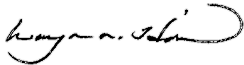
As part of our communication to our employees, we are instructing them to work with their financial institutions to ensure that they have their correct account information so that they do not miss the window of time to enter this information in the State’s Online Payroll Employee Self Service. As such, we felt it appropriate to notify our financial institution partners as there may be an increase of questions from your members.

Our goal during this account/deduction conversion process is to minimize disruption for employees and assist in the transfer of all current bank and credit union disbursements to the ACH direct deposit method.

If you have any questions or concerns related to this change and communication, please contact the HawaiiPay Project office at (808) 586-8800 or [ets.erp@hawaii.gov](mailto:ets.erp@hawaii.gov). Additional information regarding the project, as well as information specific to financial institutions will be made available on the State’s HawaiiPay website at <http://ags.hawaii.gov/hawaiipay/> in the near future.

Thank you for your continued support.

Sincerely,



Wayne Horie  
Accounting Division Chief