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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 Kulk K Tor

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.

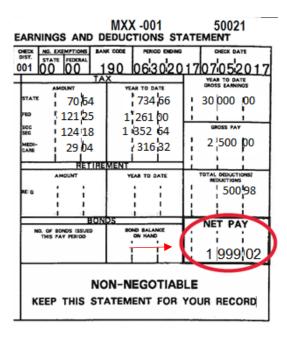
Frequently asked questions regarding these changes are attached. If you have any additional questions, please contact the HawaiiPay Project office at 586-8800 or ets.erp@hawaii.gov.

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.



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.

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

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

Employee Name				1001
Home Address Honolulu, HI 96813			DATE	
PAY TO THE				
ORDER OF				\$
				DOLLARS
BANK NAME				
Memo:				
1: 1213010281: 1	L11222333 II =	1001		
Routing	Account	Check		
Number	Number	Number		

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

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.

- 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. <u>What if I receive a hard copy paper check and do not have a Bank Assignment or a Credit</u> <u>Union Deduction?</u>

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.