

Direct Deposit Requirements

This is a reminder of the requirement regarding distribution of newly hired employee salary checks. On October 13, 1994, Public Law 103-356, Federal Financial Management Reform Act of 1994, was signed into law. The Act requires direct deposit of federal wage, salary, and retirement payments by Electronic Funds Transfer (EFT) for new employees paid on or after January 1, 1995. The Administrative Office (AO) has interpreted "newly hired" to mean employees new to the judiciary; i.e., transfers from other agencies, reinstated employees, first time federal employees.

The AO has retained the authority to grant waivers for individual request and will serve as the funnel for group waivers that must be submitted to the Secretary of the Treasury for approval. Individual waiver request will be reviewed by an in-house panel and guidelines will be applied consistently in determining the applicability of the request. Group waivers will be subject to standards prescribed by the Secretary of the Treasury. A "group" is defined as a population that may meet common disadvantage criteria, such as assignment to an isolated work station or economic hardship. The definition and acceptance of criteria of these "groups" rests solely with the Secretary of the Treasury. Employees salary payments are subject to be held for personal pickup only if EFT and/or waiver conditions are not met within specified time frames.

The guidelines listed below will serve as the basis for granting individual waiver requests, but each case may contain unique conditions and will be reviewed based on individual circumstances. Employees should include any facts they consider pertinent to their request and submit signed and dated statements for the panel to review. Employees need meet only one guideline criteria to qualify for waiver consideration, but may present documentation for all that apply.

Waiver Request Guidelines

1. No banking facility readily accessible from home or office.

The employee must demonstrate and certify there are no banking establishments within a ten mile radius from either home or work. Review and concurrence of justification by the PCO may serve as demonstration to the AO.

2. Written rejection action from banking facility.

The employee must submit written confirmation from at least two banking facilities declining to open either a checking or a savings account. The bank confirmation may not be more than 30 days prior to the employee entrance on duty date. If bank declination is not available, the employee may make explanation and certify to his/her inability to obtain an account.

3. Documented religious aversion to technology and its usage.

The employee must submit written confirmation from a recognized religious organization that he/she is opposed to the use of technology based on religious beliefs and cannot morally comply with the regulation. An employee who invokes this category may not later submit a request for savings or other allotment without first changing their net check designation.

The AO is instituting standards to apply this regulation and monitor its progress as follows:

1. New employees will be given 30 days from their entry date to submit either a Direct Deposit request, Standard Form 1199 or a request for waiver consideration, to the personnel office. During the interim, all hard copy checks will be sent to the employee home address.
2. Waiver request will be accepted at time of hire or any time employee circumstances should warrant.
3. The review panel will act on requests within 30 days after receipt.
4. Approved requests will be updated to the system as routine payroll transaction.
5. Disapproved requests will be returned to the employee with an explanation of panel findings.
6. Employees may appeal a disapproval notice within 15 days of receipt by submitting a request with additional information to the panel. The appeal process will include representatives of HRD senior management as well as the original panelists.
7. Checks will continue to be mailed to the employee home address while an appeal is pending.
8. Hard copy checks created after the employee has failed to submit a direct deposit form or waiver request within 30 days from date of hire, lost an appeal, or failed to respond to a disapproval notice, will be held in the Administrative Office for personal pickup only.
9. Written documentation should be submitted to: Payroll Systems and Control Branch, One Columbus Circle, NE, Washington, D.C. 20544, ATTN: EFT Office, Suite 2-270.