



State of North Carolina

Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

July 5, 2007

MEMORANDUM

TO: State Employees Not on Direct Deposit

FROM: Robert L. Powell, State Controller 

SUBJECT: Mandatory Direct Deposit Policy

Most state employees working for an agency whose payroll is serviced by the Central Payroll System are paid electronically by direct deposit. This benefit has been offered to state employees since 1979. However, not all agencies and not all categories of employees have either been required to participate in direct deposit, or have been given the opportunity to do so.

Effective July 1, 2007, the Office of the State Controller will require all state employees paid through Central Payroll, unless exempted by the policy, to be paid by direct deposit. **All employees who are not already enrolled in direct deposit are required to enroll in direct deposit through their agency's Human Resources or Payroll Office by August 28, 2007.** Your agency may specify an earlier cut-off time to ensure timely enrollment.

If an employee is unable to secure an account at an eligible financial institution, or if he/she believes that enrollment in direct deposit will result in an extreme hardship, the employee may request an exemption using the exemption request form. Exemptions will only be granted at the discretion of the State Controller based on the evidence provided by the employee. Personal preference is not considered a hardship. If any employee desires to submit a "Direct Deposit Exemption Request Form," it should be submitted to OSC within 30 days of hire or re-hire. Employees should submit requests as soon as possible, but no later than August 28, 2007. OSC will respond to each submitted exemption request within 15 work days of receipt.

The "Direct Deposit Exemption Request Form" is available from your agency's Human Resources or Payroll Office. The form may also be obtained from the State Controller's Website: http://www.ncosc.net/sigdocs/sig_docs/payroll/Payroll_Forms.html.

Please note that beginning October 1, 2007, all paper checks will be mailed directly to employees from OSC instead of being delivered to the agency for distribution. **Checks will be mailed by OSC on payday.** To ensure that the Central Payroll Office has your correct mailing address, you should verify the address that was printed on your most recent paycheck. If it is

MAILING ADDRESS
1410 Mail Service Center
Raleigh, NC 27699-1410

Telephone: (919) 981-5454
Fax Number: (919) 981-5567
State Courier: 56-50-10
Website: www.ncosc.net

LOCATION
3512 Bush Street
Raleigh, NC

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incorrect, you should notify your Human Resources or Payroll Office immediately. Employees submitting an exemption request should be aware of the consequences and risks associated with the mailing of paper checks.

The policy and enrollment form are being provided to you with this memorandum. The packet is also available for you to review at the OSC's website: **http://www.ncosc.net/sigdocs/sig_docs/payroll/Payroll_Forms.html**. The North Carolina Department of Labor's position on direct deposit may be viewed at the following website: <http://www.nclabor.com/wh/fact%20sheets/dirdep.htm>.

We encourage you to talk with your agency's Human Resources and Payroll Office to learn more about the benefits of direct deposit. We also encourage you to review the educational "Frequently Asked Questions" document available on the OSC website.

Enclosures