

Michigan Civil Service Commission

Regulation 5.17

Subject: Electronic Funds Transfer		
SPDOC No.: 22-15	Effective Date: January 1, 2023	Replaces: Reg. 5.17 (SPDOC 16-06, January 1, 2017)

1. Purpose

This regulation establishes standards to pay employees hired after October 1, 2002.

2. CSC Rule References

5-15 Electronic Funds Transfer

The salary or wages of an employee hired after October 1, 2002, shall be paid by means of an electronic funds transfer (EFT) into an account at a financial institution designated by the employee. The appointing authority may waive the requirement of payment by an EFT if payment by an EFT causes an undue hardship for the employee.

3. Standards

A. Payment.

1. Net salary or wages are directly deposited by electronic funds transfer (EFT).
2. The appointing authority shall inform all newly hired employees that direct deposit by EFT is mandatory and a condition of continuing employment.
3. The appointing authority shall provide all newly hired employees necessary information and the requisite form or online application.
4. The employee shall designate the financial institution routing number and account number where the employee's payments will be deposited.

The appointing authority shall not disseminate this information without the employee's written authorization.

5. The employee shall complete the online direct-deposit application in HRMN, return a completed form to the appointing authority, or request an exception under § 3.C.2, by the end of the first pay period of employment.
6. The appointing authority shall verify the on-line application process or enter the necessary information from the form into HRMN during the first pay period of employment.

B. Effective Date. Direct deposit of the employee's net pay by EFT begins with the second payday after employment starts.

C. Exceptions.

1. The appointing authority may waive the requirement of direct deposit payment by EFT if it causes an undue hardship to the employee or the employee's position is expected to last under four-weeks.
2. An employee seeking to waive direct deposit payment by EFT must submit a written request to the appointing authority. The appointing authority must provide a written response to the request.
3. The appointing authority shall retain waiver documentation in the personnel file.
4. Exceptions are subject to civil service audit.

D. Compliance.

1. The appointing authority shall notify any employee who fails to comply with § 3.A.5 that failure to do so by the end of the first full pay period after notification will result in separation for just cause as provided in rule 2-6.
2. The appointing authority shall notify any employee hired after October 1, 2002 who cancels an EFT that failure to reapply online or by submitting a direct deposit form, or to request a waiver by the end of the first full pay period after notification will result in discipline, up to and including separation.
3. EFT records are subject to Civil Service audit.

CONTACT

Questions on this regulation may be directed to Compensation, Civil Service Commission, P.O. Box 30002, 400 South Pine Street, Lansing, Michigan 48909; 517-241-0837; or MCSC-Compensation@mi.gov.