



**STATE OF OKLAHOMA
OFFICE OF PERSONNEL MANAGEMENT**

"Working for Oklahoma"

OPM 07-22

DATE: May 2, 2007

TO: All Appointing Authorities

FROM: Oscar B. Jackson, Jr., IPMA-CP 
Administrator and Cabinet Secretary for Human Resources
and Administration

**RE: **Mandatory Direct Deposit Implementation and Guidelines for
Extraordinary Needs or Circumstances****

Title 74, Section 292.12 of the Oklahoma Statutes requires that all new employees hired after December, 2004 shall participate in the direct deposit system. Employees hired before December, 2004 have until June 30, 2007, to participate. As of March 2007, 55 of 126 state agencies have reached 100% participation in the direct deposit program. One of the largest state agencies, the Department of Human Services (DHS), employs more than 8,000 employees and is currently at 99.67% participation.

The primary objective of the direct deposit requirement is to promote efficiency and save money for Oklahoma state government. Employees can meet this requirement by having their pay electronically deposited either into an account (checking or savings) at a bank or credit union or on a paycard.

The Oklahoma State Employees' Direct Deposit Rules, Title 530, Chapter 20-1-4 (available on OPM's website at www.opm.ok.gov) provide that participation in the direct deposit system may be waived for temporary, seasonal or student employees. Additional exceptions to participation may be granted at the discretion of each agency director based upon the employee submitting a written application identifying "extraordinary needs or circumstances."

In consultation with representatives from the Office of the Oklahoma State Treasurer and other agencies, we have identified the following as examples of "extraordinary needs or circumstances" which might prevent an employee from participating in mandatory direct deposit. These examples are being provided for guidance purposes only and are not intended to limit the circumstances to be considered as a basis for exception by agency directors.

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- An employer may want to temporarily waive participation in the direct deposit program for an employee who has been the victim of identity theft. The waiver could extend to the period required for the employee to establish another banking relationship or be transitioned to paycard use.
- Participation might be waived if an employee is unable to establish a bank account for direct deposit and provides substantiating documentation; or, if the employee's workplace is not within 15 miles (or however many miles is deemed sufficient) of a participating bank or free ATM for paycard access. It should be noted that if an employee does not qualify for a traditional bank account, many Oklahoma community banks offer second chance banking programs.

Several agencies have utilized "default participation" to transition their employees. The agencies have obtained a paycard for each employee who does not voluntarily enroll in traditional direct deposit to a bank account before an announced date.

DHS and the Department of Environmental Quality (DEQ) have successfully implemented mandatory direct deposit. Both have volunteered to share their experiences and information should your agency want to contact them. To contact DHS, please e-mail Pam Holliday at pam.holliday@okdhs.org. To contact DEQ, please e-mail Stacy Bonner at stacy.bonner@deq.state.ok.us.

Please ensure that your respective agency payroll managers are apprised of the contents of this memorandum. Additional information regarding the paycard program, including the identification of participating bank and ATM locations, is available at www.ok.gov/paycard_shortcuts.html. Questions regarding paycard enrollment may be referred to Betty Pearson at the State Treasurer's Office - 521-6070.