
Ohio Department of Administrative Services
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Payroll Letter 826

To: Payroll Officers, Personnel Officers, Labor Relations Officers and Fiscal Officers of All Departments, Institutions, Boards and Commissions

From: Jerry A. Miller, Acting State Payroll Administrator

Subject: Mandatory Direct Deposit

Recently passed Senate Bill 261, included language requiring any State of Ohio employee hired after June 15, 2002 to be paid by direct deposit. The bills language reads as follows:

Sec. 124.151. (B) The compensation of any employee whose employment commenced on or after the effective date of this amendment and who is paid by warrant of the auditor of state shall be paid by direct deposit. Each such employee shall provide to the appointing authority a written authorization for payment by direct deposit. The authorization shall include the designation of a financial institution equipped to accept direct deposits and the number of the account into which the deposit is to be made. The authorization shall remain in effect until withdrawn in writing by the employee or until dishonored by the financial institution. The director of administrative services shall provide by rule adopted under Chapter 119. of the Revised Code for the direct deposit in a financial institution of the compensation of an employee who fails to provide to the appointing authority a written authorization for payment by direct deposit.

When an employee is hired, he/she is required to sign up for direct deposit. The Department of Administrative Services is working with the Auditor of State's Office in developing business rules and procedures concerning direct deposit and new employees. A new payroll letter will be provided once these rules have been finalized.

If you have any questions concerning this issue, please contact me at (614) 466-6915.

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