



## OFFICE OF THE TREASURER

23 LINDEN STREET, BERLIN, MA 01503

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Hours: Mon thru Fri 7:30 A.M. to 11:30 A.M.

[Treasurer@TownOfBerlin.com](mailto:Treasurer@TownOfBerlin.com)

October 28, 2014

To: All New Hires

RE: Direct deposit payroll payment requirement

Greetings

Be advised that the Town of Berlin requires all employees to be paid using direct deposit. New employees must sign up for direct deposit as part of the hiring process. Employees will receive a pay stub with all information that a cashable check would have, but it will not be cashable and will indicate that funds were directly deposited in to your bank account(s).

### **About Direct Deposit**

Pay received using direct deposit is electronically deposited into an employee's account by way of the Federal ACH banking system. Every Tuesday morning, Clinton Savings Bank, our "originator", forwards the funds via the federal wire into the banks (and then accounts) designated by the employee. Employees with accounts at Clinton Savings Bank usually receive their funds in the early morning hours on Wednesday, while those banking elsewhere usually receive their funds soon after but no later than noon that day. Once an employee has registered for direct deposit, they will continue to receive the same pay stub they receive now containing the same information. *Please see the attached sheet "C" that reviews some direct deposit options.*

If you want your pay deposited into a checking account:

- *Follow the instructions on attachment "A".*

If you want your pay deposited into a savings account:

- *Follow the instructions on attachment "B".*

If you want your pay deposited into multiple accounts:

- *Follow the instructions on attachment "C".*

### **Legal Disclosure**

Massachusetts and Federal laws mandates the following involving direct deposit for employee pay:

- The employee must be allowed to choose a bank or credit union of their choice, and
- cannot be required to incur any fees to comply

I suggest you start this process sooner than later. If you have any questions, feel free to email or call me.

Regards

Dennis Fearebay  
Treasurer

# Attachment “A”

## Setting up Direct Deposit for Checking:

1. Make a copy of one of your checks
2. Write “Void” on the copy across the image of the check
3. Fill out the following:

Date: \_\_\_\_\_

To:     Treasurer

From: \_\_\_\_\_

Check one: Please deposit \_\_\_\_\_ my entire pay *or* \_\_\_\_\_ a partial amount of \$ \_\_\_\_\_ \*

into the bank and account shown on the attached copy of my voided check.

Signed: \_\_\_\_\_

\*multiple direct deposits must add up to 100% of your pay. Separate forms should be submitted for each account and amount. Once account must be a “primary” account.

4. Submit this page and your copy of the voided check to the Treasurer.  
Forms submitted by Friday will apply to your next paycheck.
5. Check to insure the funds were received by your financial institution the first pay that is direct deposited. Notify the Treasurer immediately if funds are not received by Thursday morning.
6. Call me with any questions or problems at (978)838-0344 or email me at [Treasurer@townofberlin.com](mailto:Treasurer@townofberlin.com)

# Attachment “B”

## Setting up Direct Deposit for Savings:

1. Visit your bank or credit union.
2. Fill out the bank's form a form that must show their ABA number and your savings account number.  
Most banks and credit unions have a standard form for this purpose.  
(This is particularly important at a credit union. Do not designate a “passbook” account unless the bank can guarantee they can get the funds into it electronically. A copy of a deposit slip or notes from the employee is not acceptable when providing direct deposit information for a savings account.)
3. Fill out the following:

Date: \_\_\_\_\_

To:     Treasurer

From: \_\_\_\_\_

Check one: Please deposit \_\_\_\_\_ my entire pay *or* \_\_\_\_\_ a partial amount of \$ \_\_\_\_\_ \*

into the bank and account shown on the attached copy filled out by my bank/credit union.

Signed: \_\_\_\_\_

\*multiple direct deposits must add up to 100% of your pay. Separate forms should be submitted for each account and amount. Once account must be a “primary” account.

4. Submit this page and your copy of the voided check to the Treasurer.  
Forms submitted by Friday will apply to your next paycheck.
5. Submit this page along with a copy of the form filled out by the bank or credit union to the Treasurer.  
Forms submitted by Friday will apply to your next paycheck.
6. Check to insure the funds were received by your financial institution the first pay that is direct deposited. Notify the Treasurer immediately if funds are not received by Thursday morning.
7. Call me with any questions or problems at (978)838-0344 or email me at [Treasurer@townofberlin.com](mailto:Treasurer@townofberlin.com)

# Attachment “C”

## Direct Deposit Options

Your entire pay can be directly deposited into one checking or savings account of your choice.

*or*

You can split your pay into multiple checking and/or savings accounts. For example, if you take home \$300 per pay, you could put \$50 into a savings account used by the bank for automatic car payment withdrawal, and the remainder of your pay into a checking account or savings account.

The account(s) you place funds into do not legally have to be yours. For example, one employee use to send \$50 per pay to their daughter’s checking account while she was at college on the West Coast. The employee felt more comfortable knowing their daughter had consistent funds she had available funds to go out with friends on the weekend. Another employee use to send \$25 per pay to their widowed mother to help pay off an equity loan she could not easily afford. The most popular “multiple” direct deposit accounts are for putting aside funds for real estate taxes and saving for family vacations.

***In the case of multiple direct deposits, they must all add up to 100% of your take home pay. To do this, you need to choose one account as your “primary” account and this will be the account that receives the occasional increase in take home pay (OT, retro pay, etc.) or decrease in take home pay (unpaid time off, adjustments for benefits, etc.).***

Feel free to contact the Treasurer if you need help figuring out multiple direct deposits. A separate form is required including the permission form for each direct deposit account. It is up to the employee to make payroll aware of any account closings, and in the case of a primary account a new account needs to be in place prior to closing the old account.