

direct deposit [SAFETY, SNAGS, AND SIGNING UP]

HOW WOULD YOU LIKE YOUR EARNINGS AUTOMATICALLY DEPOSITED INTO YOUR ACCOUNT ON PAYDAY WITHOUT ANY OF THE USUAL HASSLES? It's called direct deposit, and you may have access to this convenient service through your employer. There are a few things to consider before signing up for direct deposit.

THE UPSIDE

Here are some of the perks of getting paid via direct deposit:

- You don't have to worry about picking up your check on payday. That's especially nice if you're sick or on vacation (preferably the latter).
- Paychecks can be lost or delayed in the mail, but direct deposit puts the money into your account right away.
- Some schools offer direct deposit as a convenient way for students to receive their financial aid. No more trekking across campus to pick up your loan check or waiting for it in the mail.
- You don't have to drive anywhere to deposit your check or stand in any long lines.
- Direct deposit is environmentally friendly because you can save gas and go paper-free. Some employers even provide online pay stubs (called e-stubs), which can save a few more trees.

THE DOWNSIDE

Here are a few common concerns about direct deposit:

- There can be problems with direct deposit. However, according to electronicpayments.org, these problems are rare. If you find a problem, contact your employer immediately so they can correct it.
- Identity theft causes some to be nervous about using direct deposit and e-stubs. According to Deborah Matthews on SouthWestern Automated Clearing House Association's website: "Some employees perceive the electronic pay stub as less secure than paper. However,

websites where electronic pay stub information is posted use SSL (secure socket layer) encryption and advanced password management to ensure the protection and integrity of all pay stub data transmissions."

GETTING INSIDE

Speak with your human resources department, payroll department, or financial aid office to find out if your company or school offers direct deposit.

- You will need to sign an authorization form, provide your account information, and, sometimes, enclose a voided check.
- You may also be allowed to have your check split up and deposited into more than one account, as long as you provide all the required account information.
- Check to make sure your paycheck is deposited correctly every month, especially if you use online bill pay to pay any of your bills automatically. If there's a glitch in the deposit of your paycheck, and some or none of it shows up, your automatic payments could overdraw your account.
- Depending on your company's payment system, direct deposit may not begin immediately after you sign up.
 - Be sure to notify your human resources or payroll department immediately if you change or close your account. **b**

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MILLION
AMERICANS USE
DIRECT DEPOSIT
FOR THEIR WAGES
OR GOVERNMENT
BENEFITS.

SOURCE: NACHA.ORG

BOTTOM LINE: There were 4.4 billion payments made by direct deposit in 2005 alone.

Whether you work at a restaurant, retail store, small business, or roadside fruit stand, check to see if you can use direct deposit.