

TITLE 2 PUBLIC FINANCE
CHAPTER 20 ACCOUNTING BY GOVERNMENTAL ENTITIES
PART 7 GOVERNING THE AUTOMATIC DIRECT DEPOSIT OF STATE EMPLOYEES’ SALARY AND WAGES

2.20.7.1 ISSUING AGENCY: Department of Finance and Administration.
[2.20.7.1 NMAC - N, 7/31/2013]

2.20.7.2 SCOPE: All state agencies utilizing the central payroll system operated by the financial control division of the department of finance and administration, pursuant to Section 6-5-2.1(I) NMSA 1978.
[2.20.7.2 NMAC - N, 7/31/2013]

2.20.7.3 STATUTORY AUTHORITY: Section 9-6-5(E) and Section 10-7-2(B) NMSA 1978.
[2.20.7.3 NMAC - N, 7/31/2013]

2.20.7.4 DURATION: Permanent.
[2.20.7.4 NMAC - N, 7/31/2013]

2.20.7.5 EFFECTIVE DATE: July 31, 2013.
[2.20.7.5 NMAC - N, 7/31/2013]

2.20.7.6 OBJECTIVE: The objective of this rule is to provide state employees with the convenience of the direct deposit of their salary and wages while minimizing the burden on the state’s central payroll system and human resources and protecting the state and state employees from potential fraud.
[2.20.7.6 NMAC - N, 7/31/2013]

2.20.7.7 DEFINITIONS:

A. “Direct deposit account” means a checking or savings account with a financial institution designated by a state employee to receive direct deposits of the state employee’s net salary and wages.

B. “Direct deposit” means an electronic fund transfer whereby a state employee’s net salary and wages are credited to an account designated by the employee.

C. “Division” means the financial control division of the department of finance and administration.

D. “Financial institution” means a financial institution located within the United States that is part of the electronic fund transfer network used by the division to make direct deposits.

E. “Net salary and wages” means the remainder due a state employee after all authorized payroll deductions have been taken from a state employee’s gross wages. Authorized payroll deductions include state and federal taxes paid by the state employee, state employee contributions toward retirement programs administered by the public employees retirement association and educational retirement board, and state employee premiums for group benefits offered through the risk management division of the general services department.

F. “Salary and wages” means remuneration for personal services rendered by a state employee to a state agency, payment for authorized paid leave taken by a state employee, payment for accumulated annual leave and compensatory time upon separation from employment with the state, and payment for sick leave pursuant to Section 10-7-10 NMSA 1978.

G. “State agency” means any department, institution, board, bureau, commission, district or committee of the government of the state and means every office or officer of any of the above that utilizes the central payroll system operated by the division, pursuant to Section 6-5-2.1(I) NMSA 1978.

H. “State employee” means an employee of a state agency, including a person holding an elected office.

[2.20.7.7 NMAC - N, 7/31/2013]

2.20.7.8 LIMITATIONS ON DIRECT DEPOSIT ACCOUNTS:

A. A state employee may only have one direct deposit account at a time.

B. A state employee must own, in whole or in part, the direct deposit account designated by the state employee.

C. One hundred percent of the state employee’s net salary and wages must be deposited into the direct deposit account designated by the state employee.

[2.20.7.8 NMAC - N, 7/31/2013]

2.20.7.9 DIRECT DEPOSIT ACCOUNT PROCEDURES AND RESPONSIBILITIES:

A. Upon being hired by a state agency and during such other times as may be required by the division, a state employee must either:

- (1) affirmatively decline to participate in the direct deposit program; or
- (2) designate a direct deposit account.

B. State employees shall use forms and agreements prescribed by the division to affirmatively decline to participate in the direct deposit program, designate a direct deposit account, and change their direct deposit account designation.

C. State employees shall demonstrate their ownership interest in the direct deposit account designated by them by submitting with their direct deposit account designation form a voided, preprinted check, a current statement from their financial institution, or other acceptable evidence of ownership as determined by the division.

D. State employees shall submit direct deposit forms to the designated individual within their state agency employer.

E. Pursuant to Subsection C of 2.20.5.8 NMAC, state agency chief financial officers are responsible for ensuring that direct deposit forms are filled out correctly and completely, that the state employee has demonstrated the state employee's ownership interest in the account, and that direct deposit information is properly entered into the central payroll system.

[2.20.7.9 NMAC - N, 7/31/2013]

HISTORY OF 2.20.7 NMAC: [RESERVED]