STATE EMPLOYEE PAYROLL DEDUCTION PROGRAM
Act 190 of 1991

AN ACT to provide for the direct deposit of state employee payrolls, state university payments, and state retirement benefit payments into financial institutions; to allow any financial institution to participate in a state employee payroll deduction program; and to prescribe the powers and duties of certain state agencies and officials.

History: 1991, Act 190, Imd. Eff. Dec. 27, 1991.

The People of the State of Michigan enact:

487.2101 Definitions.

Sec. 1. As used in this act:

(a) "College or university" means a state-supported college or university.

(b) "Department" means the department of treasury.

(c) "Financial institution" means a state or nationally chartered bank, a state or federally chartered savings and loan association or savings bank, or a state or federally chartered credit union.

(d) "Person" means an individual, partnership, association, corporation, governmental entity, or any other legal entity.

(e) "State employee" means a classified or unclassified member of the state civil service or an unclassified employee of the executive, legislative, or judicial branch of state government.

History: 1991, Act 190, Imd. Eff. Dec. 27, 1991.

487.2102 Enrollment in distribution system for direct deposit of retirement benefit with financial institution; electronic fund transfer of state college and university payments.

Sec. 2. (1) The bureau of retirement systems in the department of management and budget shall enroll recipients of a state retirement benefit who elect enrollment in a distribution system that directs the entire net amount of the monthly retirement benefit to be directly deposited by the department into 1 or more accounts maintained by the recipient of a state retirement benefit with 1 or more financial institutions.

(2) The department shall maintain a distribution system by which all state college and university monthly state payments will be made by electronic funds transfer on the next business day following the fifteenth of the month during a month a payment is scheduled to be made.

(3) The department shall enroll active state employees who elect enrollment in a distribution system that directly deposits their net payroll amount into 1 or more accounts at 1 or more financial institutions.

History: 1991, Act 190, Imd. Eff. Dec. 27, 1991;—Am. 2000, Act 495, Imd. Eff. Jan. 11, 2001.

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487.2103 Establishment of criteria and distribution system for participation by financial institution.

Sec. 3. The department and the department of management and budget shall establish criteria and the distribution system by which a financial institution may participate in a state payroll deduction program.

History: 1991, Act 190, Imd. Eff. Dec. 27, 1991;—Am. 2000, Act 495, Imd. Eff. Jan. 11, 2001.

487.2104 Rules; participation prohibited under certain conditions.

Sec. 4. (1) The department shall promulgate rules to implement this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(2) The promulgated rules shall include the terms and conditions of any agreements under this act between the participating financial institutions and the department or between the employee, university, or retirement recipient and the department.

(3) A university shall not participate in the direct deposit program unless the university electronically pays to the state its sales, use, and withholding taxes.

History: 1991, Act 190, Imd. Eff. Dec. 27, 1991;—Am. 1993, Act 100, Imd. Eff. July 13, 1993.

487.2105 Fee; limitation; prohibition.

Sec. 5. (1) Beginning January 1, 1994, the department may charge a participating financial institution a reasonable fee not greater than the actual costs of administering the direct deposit program or a fee of 25 cents, whichever is less, for each transaction and prenotification. The department shall not charge or impose any fee on a participating state employee, state college or university, or state retirement recipient.

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(2) A financial institution that electronically pays to the state its sales, use, and withholding taxes shall not be charged a fee to participate in a program under this act.

History: Add. 1993, Act 100, Imd. Eff. July 13, 1993;—Am. 2000, Act 495, Imd. Eff. Jan. 11, 2001.

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