SUBJECT:	DIRECT DEPOSIT OF RETIREMENT BENEFIT PAYMENTS	**Section:** 2-47
		Date Adopted/Revised: 7/22/2016
SYSTEM(S): JOINT		**Approved:**
		[signature]
		Retirement Administrator

POLICY

With the exception of CFRS issued rollover checks, it is the policy of the Boards to require retirement benefit payments to be made through electronic means, including but not limited to direct deposit, or through similar means, such as reloadable debit cards, and thereby to avoid the issuance of paper checks. The Retirement Boards have adopted the written legal opinion of Board counsel, dated April 25, 2016, in which it was concluded that each Retirement Board possessed the authority to adopt this mandate.

PROCEDURE

Retirement staff shall take the following steps to implement this policy.

1. Staff shall periodically notify members of each system through the system newsletter or otherwise of the existence of this policy mandate.

2. Staff shall make reasonable efforts to obtain the information necessary to effect direct deposit of retirement benefit payments for: (a) active employees nearing retirement and coming in for retirement counseling; (b) alternate payees prior to receiving benefits under a DRO; (c) survivors of retirees prior to receiving benefits; (d) other beneficiaries prior to receiving benefits; and (e) payees currently receiving retirement benefit payments by check.

3. For those individuals who refuse to comply with this mandate, staff shall (a) send a written notice to the individual by certified mail and by first class mail of the direct deposit requirement and the consequences of non-compliance and (b) no sooner than fifteen business days after the date of the notice and assuming continued non-cooperation from the individual, initiate paperwork to establish an electronic payment method, including but not limited to a reloadable debit card in the name of the individual.

4. For those individuals who have not complied, an annual letter shall be sent to them requesting compliance with the Boards' policy.

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1. *Adopted 7/22/2016*