

PMRS Accepts PA Treasury Direct Deposit Change Notifications **Effective Date: January 1, 2017**

The Pennsylvania Treasury (Treasury) is responsible for issuing all payments made from the Pennsylvania Municipal Retirement System (PMRS). For all individuals who have retired after August 31, 2016 (and others who have chosen on their own), these payments are made by direct deposit. Very few pension payments continue to be made by paper check.

Since July of 2014, Treasury has notified PMRS anytime the Direct Deposit instructions on file at PMRS differ from what a member's financial institution reports to Treasury. From November of 2015 to December of 2016, there were 726 reported discrepancies between the information in PMRS records and the information for the member bank accounts receiving direct deposit information. This is largely due to bank acquisitions and mergers.

Types of Direct Deposit Discrepancies Reported by the PA Treasury

- Routing Number
- Bank Account Number
- Account Type (i.e. Checking / Savings)

Current Method

When PMRS is notified by Treasury that our payment instructions do not match information provided by a member's bank, we notify each member in writing, asking them to confirm that the information provided to us by Treasury is correct. Once we have member confirmation, we make the changes in our records to ensure payments continue to be received by the member in good order. Failure to keep accurate information may result in a delay of payments and even refusal of payments by the member's bank. For that reason, we have streamlined our method of updating the member's payment instructions.

Current Method of Updating Pension Payment Instructions Following Notification from Treasury

1. Send a confirmation letter to the member for their signature of validation.
2. If nothing is received, send a second confirmation letter.
3. If nothing is received after the second letter, send a final confirmation letter.
4. If nothing is received after the final confirmation letter, PMRS will do nothing until the bank stops accepting payments.

New Method

Of the 726 Treasury notices received by PMRS from November of 2015 to December of 2016, not one notice incorrectly identified payment instructions to be changed. Based on that experience of reliability, the need to provide

accurate payment instructions to Treasury, and the possibility that a member's pension payment could be rejected by his or her bank, PMRS is now accepting Treasury notices to execute changes in members' payment instructions pertaining to Routing Number, Bank Account Number, and Bank Account Type.

New Method of Updating Pension Payment Instructions Following Notification from Treasury

1. PMRS will make the change to direct deposit information in accordance with the Treasury report of payment instructions.
2. PMRS will document the change in the member's file.

Frequently Asked Questions

Q: When will this new method take effect?

A: This new method of updating payment instructions will take place for all Treasury notices regarding Routing Number, Bank Account Number, and Bank Account Type received on or after January 1, 2017.

Q: Why did PMRS make this change?

A: The following are a few of the considerations:

- To benefit our Members.
- To ensure there is no delay of pension payments due to bank rejection.
- To reduce the paperwork requirements for members.

Q: How does this change affect the member?

A: The following are key effects to the member:

- Less paperwork / postage to return to PMRS.
- More timely maintenance of member records.

Q: How will this change affect the employer?

A: This change will have no impact on the employer.

Q: What if I want to initiate a change to my Direct Deposit instructions?

A: This requires a new Authorization for Direct Deposit of Annuity Payments (available on our website). A bank change for the end-of-the-month payment must be received by PMRS no later than the first of that month to allow time for processing. **DO NOT CLOSE YOUR BANK ACCOUNT BEFORE INFORMING PMRS OF THE CHANGE.**

Q: Who should I contact if I have questions?

A: Please visit the PMRS website at www.pmr.state.pa.us or contact Membership Services at (800) 622-7968 with any questions.