

Direct Deposit FAQ

1. What is Direct Deposit and how does it work?

Direct Deposit is also known as Electronic Funds Transfer (EFT). It is the transfer of funds from the North Carolina Employment Security Commission account to an eligible claimant's checking or savings accounts at a participating bank, savings and loan association or credit union. The term "bank" is used generically in this brochure to describe any bank, savings and loan association or credit union. If you choose not to receive Direct Deposit payments, you will receive your benefits through a NC Debit Card.

2. What are the advantages of direct deposit?

- a. **Financial Control:** With direct deposit, you are in control: 1) you may have your benefits deposited to your account; and 2) you may change your financial institution at any time.
- b. **Privacy:** Direct deposit is one of the most confidential methods of processing your benefit and access to your financial account is restricted; there are privacy laws to protect your confidentiality.
- c. **Reliability:** Funds are automatically deposited into your selected financial account.
- d. **Security:** No worries about lost or stolen checks; funds are automatically deposited to your account.
- e. **Convenience:** No matter where you are, your benefit will be sent to your account. If your account is in an interest bearing account, it may begin earning interest right away.

3. How many people use Direct Deposit?

More than half of Americans (55 percent) use the Direct Deposit method to receive their pay. Direct Deposit usage continues to grow. In 2002, more than 40 million consumers used Direct Deposit for their tax refunds.

4. How do I sign up for direct deposit? How long does it take to start or change the Direct Deposit of my benefits?

You may sign up electronically at [Direct Deposit / Tax Withholding](#). You will be mailed a "Voluntary Election for Income Tax Withholding and or Direct Deposit of UI Benefits" **Form NCUI 500TW** when you file a claim. If you sign up electronically, you will not need to complete this form. If you choose to complete and return the form, sign it, mail it. You can also fax this form to (919)733-1370. Allow ten days to process your form.

5. The enrollment form asks for my checking or savings account number and my bank's routing number. How do I find that information?

The Routing Number is sometimes referred to as the Transit Number. The Routing Number is used to identify the particular financial institution that you bank with. In order to avoid confusion on properly recording your bank's transit number, you should contact your bank for assistance. The account and transit numbers should be verified with your financial institution to determine that these are the correct numbers for Automated Clearing House (ACH) transactions.

6. What is the earliest date I can make a cash withdrawal on the amount of the Direct Deposit?

The same day as the Direct Deposit is made to your bank account, usually 2 to 3 business days after NC-ESC issues payment to your bank. Check with your bank to verify that funds are available before withdrawing from your account.

7. What type of account can I use for direct deposit?

You may use either a checking account or a savings account. The account must be with a U.S. bank.

8. How will I know if my bank is a member of the Direct Deposit system?

Most banks, credit unions or savings and loans are members of the Direct Deposit System. If you have a question, you should call your bank and ask if it is a member of the Automated Clearing House (ACH) who participates in Direct Deposit.

9. What if my bank is not a member of the Direct Deposit System?

You may choose to move your account to a participating bank.

10. Can I join Direct Deposit at a later date?

You may participate at any time during your Unemployment Insurance (UI) benefit year period.

11. What do I do if my bank merges with another bank or financial institution?

If your financial institution is merging, complete another "Request to Change Income Tax Withholding / Direct Deposit" **Form NCUI 500TWC** found in the Individual Services section on our web site, www.ncesc.com as soon as possible. You can also do this electronically at [Direct Deposit / Tax Withholding](#).

If you fill out the electronic form, you do not need to use the mail-in/fax form. Enter the information requested on the Voluntary Election for Direct Deposit section and sign the form. Mail the form to the Employment Security Commission of North Carolina at the address printed on the top of the form. You can also fax this form to (919)733-1370. Allow ten days to process your form.

12. What if I decide to change banks. What do I have to do?

To change your direct deposit to another account, you must complete another "Request to Change Income Tax Withholding / Direct Deposit" **Form NCUI 500TWC** found in the Individual Services section on our web site, www.ncesc.com. You can do this electronically at [Direct Deposit / Tax Withholding](#).

If you fill out the electronic form, you do not need to use the mail-in/fax form. Enter the information requested on the Voluntary Election for Direct Deposit section and sign the form. Mail the form to the Employment Security Commission of North Carolina at the address printed on the top of the form. You can also fax this form to (919)733-1370. Allow ten days to process your form.

13. What if my bank did not receive my Direct Deposit?

This is highly unlikely; however, if it should occur, contact your North Carolina Employment Security Commission **local office**. They will initiate the appropriate action to correct the situation.

14. What happens when the bank is closed due to a holiday?

Your benefit will be deposited the next bank business day. Check with your bank to verify that funds are available before withdrawing from your account.

15. Do I receive a statement?

If you receive a statement from your financial institution, you will see the amount deposited on your account's statement.

16. Are there any costs to me for my participating in Direct Deposit?

No; the program is offered as a service to you.

17. How do I make a change to direct deposit?

Complete a "Request to Change Income Tax Withholding / Direct Deposit" **Form NCUI 500TWC** found in the Individual Services section on our web site, www.ncesc.com. You can do this electronically at [Direct Deposit / Tax Withholding](#).

If you fill out the electronic form, you do not need to use the mail-in/fax form. Enter the information requested on the Voluntary Election for Direct Deposit section. If you use the mail in form, sign the form. Mail the form to the Employment Security Commission of North Carolina at the address printed on the top of the form. You can also fax this form to (919)733-1370. Allow ten days to process your form.

18. How long does it take to cancel direct deposit? How do I stop my benefit from being Direct Deposited?

To cancel, you must complete another "Request to Change Income Tax Withholding / Direct Deposit" **Form NCUI 500TWC**. found in the Individual Services section on our web site, www.ncesc.com. You can do this electronically at [Direct Deposit / Tax Withholding](#).

If you fill out the electronic form, you do not need to use the mail-in/fax form. Enter the information requested on the Voluntary Election for Direct Deposit section. If you use the mail in form, sign the form. Mail the form to the Employment Security Commission of North Carolina at the address printed on the top of the form. You can also fax this form to (919)733-1370. Allow ten days to process your form. When the form is received and processed, you will receive your benefits on an **NC Debit Card**.

19. How long is my Direct Deposit payment method active?

Your Direct Deposit payment method stays active for the duration of your benefit year. Normally, a **benefit year** is a 52 week period which begins with the effective date of a valid claim.