

Using Multiple Direct Deposit Accounts to Save for the Summer

USF employees can direct deposit their biweekly net pay into as many as three separate accounts. This split direct deposit feature offers another way for 9-month faculty members to set aside funds for the following summer that differs from Nine-Month Faculty Annualized Pay Option Program, allowing flexibility not available in that program.

Employees can designate a flat dollar amount to go to a separate bank account, in addition to the balance of the net pay going to their primary account. With this option 9-month faculty members are able to have part of their biweekly pay deposited into a bank account that they could use to withdraw funds to cover expenses during the summer months.

Advantages of this option versus the existing Nine-Month Faculty Annualized Pay Option Program include:

- Funds deposited to the second bank account may earn interest if the account is an interest bearing account.
- The amount being deposited to the second account could fluctuate at any time by adjusting the split deposit amount in GEMS Self Service. This offers flexibility not available in the Nine-Month Faculty Annualized Pay Option Program, which does not allow any changes to the pre-determined set-aside deduction amounts.
- The separate deposit could be stopped at any time, but would need to be stopped by the faculty member at the end of the desired timeframe. There is no limited open enrollment period.
- Since the funds you set aside for summer would be in your bank account, they would be available to you at any time if needed, or could be saved if not needed. In the Nine-Month Faculty Annualized Pay Option Program you are only able to access the amounts previously set aside by opting out of the program for the rest of the academic year.
- The amount designated would be the amount you want to have available each month during the summer, which based on your needs may be different from what the Nine-Month Faculty Annualized Pay Option Program determines your summer pay will be.

Other factors to consider when comparing this option to the Nine-Month Faculty Annualized Pay Option Program:

- The Nine-Month Faculty Annualized Pay Program is designed to offer a fairly consistent net pay for most of the 26 pay periods per year. In that program the set-aside deductions during the insurance double deduction period in the spring are reduced to accommodate the lower net pay normally experienced during this time, allowing the employee's net pay to be almost the same for the entire year. Using the split direct deposit option this consistency of the net pay will not occur during the spring unless the employees themselves adjust their own split direct deposit amounts; the spring paychecks would be less than in the fall due to the increased insurance deductions.

- The split direct deposit amount you designate will apply to all paychecks received in a pay period. If you receive any additional payment that is routinely paid separately from your normal salary payment (for example, a bonus) then the split direct deposit will occur in the amount you designated on both the salary payment and the separate payment.

If this option is of interest to you we have provided a simple calculator to help you determine the amount of your biweekly split direct deposit amount which should help you achieve your summer funding goal.

To use the calculator, enter the amount of funds you'd like to have available in each of the 3 summer months, and then enter the number of pay periods remaining in the academic year (or the total number of pay periods you want these split deposits to occur if you prefer a shorter time period) for the split deposits to occur. Depending on when you set up the split deposit there would be as many as 19 paychecks you could have the separate deposits occur.

For example, if your goal is to have \$4000 available for each summer month and you decide to start split direct deposits on the 10/09/20 paycheck you'd enter \$4000 in the monthly summer funds desired field, and 16 in the number of paychecks field. The end result will show \$750 being the biweekly amount to deposit to the second account which will yield a total of \$12,000 over the 16 paychecks involved.

Or you could choose a shorter time period than the academic year if you want to fund the account quickly. Just enter the number of paychecks you want the split deposits to occur and the necessary amount will display.

You can set up a split direct deposit at any time by accessing GEMS Self Service from the MYUSF portal. Go to Business Systems/GEMS Self Service/Main Menu/Self Service/Payroll and Compensation/Direct Deposit and click the Add Account button to proceed. Additional instructions are available on the UCO Payroll website as well as more FAQ's.

<http://www.usf.edu/business-finance/controller/payroll/aboutyourpaycheck.aspx>