

ELECTRONIC PAYROLL DIRECT DEPOSIT AND PAYCARD

SIMPLIFY PAYROLL PROCESSING AND ENHANCE EMPLOYEE SATISFACTION

You need to offer employees an efficient electronic method for receiving their recurring payroll, whether they have a bank account or not, and reduce the costs associated with check processing.

The NACHA Electronic Check Council estimates that companies with 100 employees can save nearly \$19,000 per year by switching to electronic pay. Businesses with 30,000 employees can save more than \$5.7 million per year.¹

PNC delivers

With PNC's Direct Deposit service, you can leverage the Automated Clearing House (ACH) network to electronically disburse funds for recurring payments such as employee payroll, expense reimbursements and pension/annuity payments. Your employees with bank accounts can receive their payments in a convenient, timely manner.

PNC's PayCard service provides your employees who do not have a bank account with similar convenience and timeliness via their own personal Visa® payroll card. In combination, these services offer a cost-effective way to completely automate disbursement of wages and other payments to your employees. Plus, employees will avoid costly check-cashing fees and may spend less time away from work cashing checks.

Easy-to-implement solutions

- **Direct Deposit** — PNC helps you enroll your employees in the Direct Deposit program. We can provide information regarding the applicable NACHA Rules.
- **PayCard** — PNC provides you with the tools needed for a successful card program, including templates for marketing the program to employees, training and phone support, and access to the toll-free PNC PayCard Customer Service hotline for your employees.

At PNC, we combine a wider range of financial resources with a deeper understanding of your business to help you achieve your goals. To learn more about how we can bring ideas, insight and solutions to you, please contact your Treasury Management Officer or visit pnc.com/treasury.

How it works

- Use the enrollment data provided by participants in the Direct Deposit and PayCard services to update your payroll or disbursement system. You can contract with a third-party processor to maintain and initiate payments.
- At least two business days prior to the desired due date, you initiate the payments to PNC for release into the ACH network and/or loading funds to each PayCard.
- You may also use PNC's PINACLE® ACH module to easily build, store and update your company's payroll and disbursement records online.

ACH reporting and optional services

- ACH entries can be returned for various reasons, such as an invalid account number for the recipient. In the case of Direct Deposit, it may also be appropriate for the receiving financial institution to send a Notification of Change (NOC) instructing you to modify the recipient's account information.
- PNC will provide returns information to you in a user-friendly report format that can be exported to a spreadsheet or comma delimited file format. Larger programs may also desire a NACHA-formatted data transmission of returns.
- Schedule Checking enables you to supply a schedule of when PNC should receive your ACH files. In the event your files are not received, PNC proactively notifies your company.
- Monitor your file status via the PINACLE ACH module including file status, dollars processed and revisions. The ACH File Acknowledgement, ACH Settlement Projection and ACH Maintenance reports efficiently recap your activity.

Benefits to your organization and your employees

- Reduce payroll costs including check stock and storage fees, costs for printing and reconciling payroll checks, overnight mail fees, costs to reissue lost checks and stop payment fees.
- Increase employee participation in electronic payroll, since employees do not need to have a checking account or to be at work to receive their paycheck. Also, should you experience difficulty in delivering payroll checks due to an emergency situation, employees already enrolled in the PNC Direct Deposit and PayCard programs would continue to receive their pay electronically on time.
- Eliminate the need for employees to leave work to cash their check on payday and wait in long lines to cash or deposit their paycheck.
- Enhance employee satisfaction by offering convenient and less costly methods for employees to receive their pay. An August 10, 2010, USA Today article stated that "Fees for most check-cashing stores are ... typically 1% to 3% per \$100. For frequent check cashers, this can add up to hundreds of dollars every year."
- Offer employees the prestige of carrying a Visa card, especially those in lower-pay/high-turnover segments who may be unbanked, without subjecting them to traditional credit or debit card underwriting requirements.

¹ See NACHA's website, http://electronicpayments.org/c/bus_ddep_costs.cfm?hp=bus, for details and a savings calculator.

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ACH Services as well as certain other banking products and services require credit approval.

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