

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 123:1-35-05

**Rule Type:** Rescission

**Rule Title/Tagline:** Mandatory direct deposit of compensation for certain employees.

**Agency Name:** Department of Administrative Services

**Division:** Division of Human Resources

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#### I. Rule Summary

1. **Is this a five year rule review?** Yes
  - A. **What is the rule's five year review date?** 9/15/2023
2. **Is this rule the result of recent legislation?** No
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 124.09, 124.151
5. **What statute(s) does the rule implement or amplify?** 124.151
6. **Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires?** No
  - A. **If so, what is the citation to the federal law or rule?** Not Applicable
7. **What are the reasons for proposing the rule?**

Mandatory five year rule review.
8. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

Contains the procedures, parameters, and protocols for administering the mandatory direct deposit of compensation for certain employees. Removes regulatory rule restrictions. Removed/amended enough text that rule is being rescinded and transferred to new rule.

9. **Does the rule incorporate material by reference? No**
10. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

*Not Applicable*

11. **If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

*Not Applicable*

## **II. Fiscal Analysis**

12. **Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will have no impact on revenues or expenditures.

\$0.00

Not Applicable

13. **What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

Not Applicable

14. **Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**

15. **Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**

16. **If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

Not Applicable

**III. Common Sense Initiative (CSI) Questions**

- 17. Was this rule filed with the Common Sense Initiative Office? No
- 18. Does this rule have an adverse impact on business? No
  - A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No
  - B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No
  - C. Does this rule require specific expenditures or the report of information as a condition of compliance? No
  - D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No

**IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).**

- 19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? Yes
  - A. How many new regulatory restrictions do you propose adding to this rule? 0
  - B. How many existing regulatory restrictions do you propose removing from this rule? 19
    - (B) Any person who has been appointed or is appointed to a covered position shall within two weeks of such appointment to the covered position...
    - (B)... either execute the required documentation to authorize the direct deposit of the person's compensation into a financial institution of the person's choice...

(B)... or execute the required documentation to authorize the direct deposit of the person's compensation into a financial institution designated by the director of budget and management for the benefit of the person pursuant to paragraph (D) of this rule.

(C) A person in a covered position who has not timely complied with the requirements of paragraph

(B) of this rule, who has failed to timely comply with all the requirements of the financial institution designated by the director of budget and management or the department of administrative services as required by paragraph (D) of this rule,...

(C)... or who has failed to timely maintain an authorization for the direct deposit of the employee's compensation as required by paragraph (E) of this rule...

(C)... shall be subject to progressive discipline for cause, up to and including removal.

(C)... Any disciplinary actions against such a person for any violation of this rule shall be done in accordance with section 124.34 of the Revised Code or the applicable collective bargaining agreement.

(D) The appointing authority of a person in a covered position who has failed to authorize the direct deposit of the person's compensation into a financial institution of the person's choice as set forth in paragraph (B) of this rule shall cause the person's compensation to be directly deposited into a financial institution designated by the director of budget and management for the benefit of the person.

(D)... A person in a covered position shall comply with all the requirements of the financial institution designated by the auditor of state under this paragraph and the department of administrative services if that person's compensation is deposited into said financial institution as a result of this paragraph.

(D)(1) A person in a covered position that is required to have direct deposit pursuant to paragraph (B) of this rule may change the specific financial institution or account to which the person's compensation is directly deposited as the person chooses,...

(D)(1)... however, such a person shall maintain the direct deposit of the person's compensation into a financial institution during the entire tenure of the person's appointment to a covered position.

(D)(2) A person in a covered position that is required to have direct deposit pursuant to paragraph (B) of this rule who has authorized the direct deposit of the person's compensation into a financial institution of the person's choice that has had such direct deposit authorization cancelled for any reason,...

(D)(2)... shall within two weeks of such cancellation authorize the direct deposit of the person's compensation into another financial institution of the person's choice, authorize the direct deposit of the person's compensation into another appropriate account at the same financial institution where the prior authorization was cancelled, or authorize the direct deposit of the person's compensation into a financial institution designated by the director of budget and management for the benefit of the person pursuant to paragraph (D) of this rule.

(D)(3) Failure of a person in a covered position that is required to have direct deposit pursuant to paragraph (B) of this rule to comply with the requirements of this paragraph will cause the person to be subject to progressive discipline pursuant to paragraph (C) of this rule.

(F) The person appointed to a covered position that is required to have direct deposit pursuant to paragraph (B) of this rule...

(F)... shall be responsible for all fees incurred as a result of paragraph (D) or (E) of this rule.

(F)... All such fees shall be deducted from the person's compensation by the financial institution designated by the director of budget and management as part of the administration of such account by said financial institution.

(G) An appointing authority desiring to fill a covered position shall list on all job postings for such covered position, regardless of the format of the posting, that authorizing a financial institution for the direct deposit of all compensation of the person selected for appointment is a minimum

qualification for appointment to the covered position pursuant to section 124.151 of the Revised Code and this rule.

(H) This rule does not prohibit nor does it restrict an appointing authority from offering to a person appointed to a non-covered position within the appointing authority the opportunity to have that person's compensation directly deposited into a financial institution of the person's choice.

- C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.**
- D. Please justify the adoption of the new regulatory restriction(s).**

Not Applicable