



National Finance Center

Customer Notification

Date of Notification: August 30, 2015

Subject: PAYE

Database/Customer(s) Affected: All

Dear Customer:

The National Finance Center (NFC) processes payroll transactions for over 650,000 Federal employees bi-weekly. This communication provides information to Servicing Personnel Offices on our Payroll process that should be shared with Federal employees.

The official payment date of record with the Department of Treasury is the Monday following NFC's bi-weekly payroll processing. The settlement date on all Direct Deposit payments is also the Monday following the completion of the PAYROLL process, or Tuesday for those pay periods when Monday is an official Federal holiday. Saturday is not the official payment date.

In many instances, financial institutions place funds in an employee's account early and post them as "pending" or "memo posting" transactions with a settlement date of Monday. This early posting to personal bank accounts is a courtesy by some, but not all, financial institutions. NFC clients should not rely on their financial institution providing a courtesy "memo post" of their Direct Deposit salary payment on Saturday. The first business day after Payroll processing weekend is the actual payment date for direct deposit transactions. By regulation, financial institutions are not obligated to post funds earlier than the actual payment date.

NFC is committed to processing salary payments for our clients on time. It is with great pride that we have been successful in achieving this service level objective for the past 38 consecutive years. We thank you for granting us the opportunity to provide you with quality payroll and personnel services and ask that you distribute this information to all employees who may be affected by this situation.

"Tip of the Week"

Payment Date for Direct Deposit Salary Payments

The first business day **after** Payroll processing weekend is the actual payment (settlement) date for direct deposit transactions, even though some financial institutions place funds in an employee's account early and post them as "pending" or "memo posting" transactions. By regulation, financial institutions are not obligated to post funds earlier than the actual payment date