

**FAMILY SERVICES AND CONSUMER AFFAIRS CIRCULAR**

**Date:** July 20, 2010

**CIRCULAR NUMBER:** EIA #2010-34

**Alternate Program(s):** n/a

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**To:** Community Social Service Supervisors/Program Managers

**Subject:** New Direct Deposit Policy

**Reference:**

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**Type:**  Policy Replaces # \_\_\_\_\_

Procedure

Rate

Information Only

**Effective Date** Immediately \_\_\_\_\_

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The Employment and Income Assistance (EIA) Program is implementing mandatory use of direct deposit by stipulating that participants receive their benefits in this manner. EIA staff are to advise all participants that their benefits will be issued through direct deposit.

EIA Policy Manual 6.4.14 has been updated to identify direct deposit as the payment method of choice and the exceptional circumstances where alternative payment methods such as cheques or vouchers may be considered. The exceptional circumstances must be recorded on the participant's file.

Direct deposit is to be established unless the participant:

- is subject to garnishment enforcement circumstances where EIA benefits issued are debited, causing undue hardship;
- is unable to manage a bank account due to a disability;
- lacks access to financial institutions due to living in a remote area; or
- is refused a bank account.

Direct Deposit is a more efficient way of providing benefits to participants by transferring funds directly into their bank accounts. It reduces the possibility of fraud, cheques being delayed, disappearing or getting lost as well as eliminating the need to issue replacement cheques. Participants who receive monthly direct deposit will have their assistance available in their bank accounts on the second last banking day of the month whereas EIA monthly cheques typically arrive on the last banking day of the month.

Where direct deposit can not be established immediately for new enrollments and re-enrollments, staff may issue the initial EIA payment through a cheque or a voucher, unless

exempted under the exceptional circumstances. Applicants and re-enrollments are to be advised that direct deposit is mandatory and required to be established prior to their next benefit period. Staff should record in case notes with a due date to follow up on the participant's progress for direct deposit registration.

Starting at the beginning of August 2010 and through to January 2011, a monthly notice and a direct deposit form will be sent out to current participants who are receiving EIA benefits by cheques. The notice advises participants that the EIA program is providing EIA payments only through direct deposit, with some exceptions and requesting that participants register for direct deposit.

If current participants identify a bank account on an annual review, during a home/office visit or during an eligibility review session and the case is not set up with direct deposit, staff are to advise the participant that they are required to register for direct deposit and record in case notes with a due date to follow up on the participant's progress for registering for direct deposit.

If current participants identify that they do not have a bank account on an annual review, during a home/office visit or during an eligibility review session, an action plan to overcome obstacles to banking is to be discussed and agreed to. The plan could include obtaining identification, identifying financial services to potentially access, overcoming fears of technology, and/or a referral to a financial literacy workshop. The plan of action is to be documented in case notes, along with the reason for the issuance of a cheque and a due date to follow up on the participant's progress for registering for direct deposit.

Directors continue to have the ability to issue funds for obtaining identification as a special need if this is a barrier to direct deposit.

Please ensure that your area office has a stock of the direct deposit fact sheets and forms. If you require additional fact sheets please make photocopies.