

# When Are Payments Available When the First of the Month Falls on a Weekend?

*Editor's note: Under state law, monthly annuity payments are payable on the first day of the month. In 2008, March 1 and November 1 both fall on Saturdays. The following is a reminder about the availability of Wisconsin Retirement System (WRS) annuity payments when the first of the month falls on a weekend.*

## **W**hat happens when the first day of the month falls on a weekend?

**If payment is a paper check:** The Department of Administration prints the checks and delivers them to the Post Office on the last mailing day of the month. (Examples: if the first falls on Saturday, checks are delivered to the Post Office on Friday; if the first falls on Sunday, checks are delivered on Saturday.) Your actual receipt date will depend on the speed of the mail delivery. If the first falls on a day mail is not delivered, such as a Sunday or January 1, the earliest paper checks will begin to arrive is the second day of the month.

**If payment is an electronic Automated Clearing-House (ACH) deposit:** In general, retirees have access to their funds on the next available business day. Federal rules provide that if the payment date falls on a weekend or holiday, the “settlement date” — the date a financial institution actually receives the money from the Federal Reserve — is the next available business day.

**Here's how the process works:** On the first day of each month, the State of Wisconsin makes the funds available to US Bank (the federal depository handling ACH payments) for further processing by the Federal Reserve. The Federal Reserve then sends the funds to participants' financial institutions. US Bank determines the date that the Federal Reserve actually transfers the money to participant accounts. This date is called the “settlement date.”

In most cases, the settlement date and the payment date are the same day (the first of the month). However, federal rules also provide that if the payment date falls on a weekend or a holiday, the settlement date has to be the next business day. (Example: Saturday, September 1, 2007, was the payment date for that month's annuity payment. The settlement date, therefore,

was Tuesday, September 4 — the next available business day because Monday, September 3 was Labor Day and not a business day.)

**Why is my ACH deposit sometimes available to me on a Saturday, when it just so happens that Saturday is the first of the month?** There may be times when the first of the month falls on a weekend AND your financial institution already has your WRS payment in your account. That is because your financial institution has chosen to make the funds available to you, even though the Federal Reserve technically has not and will not transfer the payment to your bank until the first available business day. This is an individual decision made by each financial institution — some will not allow members to access these deposits until the funds are actually received from the Federal Reserve, while others are willing to allow it. You should check with your financial institution regarding its policy on handling deposits for ACH payments that are dated on non-business days (i.e., weekend or holiday).

If your annuity is currently paid by paper check, you should consider enrolling in the ACH program. You will never again have to check your mailbox on the first day of the month, wondering whether your check will really arrive that day. Even though there are times when ACH payments may be delayed by a day or two due to federal banking rules, ACH is by far the fastest, most secure way in which to receive your payments. 86% of WRS annuitants have already enrolled in ACH and enjoy the security of knowing where their money is on the first of the month. Call us today at 1-877-533-5020 (toll free) to gain that same security for yourself!

