



December 12, 2024

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Re: Request for Comment and Request for Information: Same Day ACH and Faster ACH  
Topics (October 8, 2024)

Dear Nacha:

Thank you for the opportunity to comment in support of Nacha's ACH proposed rule changes issued on October 8, 2024.

## **ABOUT PAYROLLORG**

PayrollOrg is a nonprofit association representing more than 20,000 payroll professionals throughout the United States. Our Government Relations Task Force partners with government agencies and private organizations to help payroll professionals with compliance, while minimizing the administrative burden on government, partners, employers, and individual workers. PayrollOrg members are directly responsible for calculating and distributing wages for their employers across all industries and employer types.

## **PROPOSAL 1: FOURTH DAILY SAME-DAY ACH**

### **Support for Proposal 1**

PayrollOrg supports Nacha's proposal to establish a fourth daily Same Day ACH processing window on Monday through Friday. Because payroll professionals process employees' pay and pay employment taxes in all time zones, adding additional hours to accommodate employers operating in the Pacific time zone is extremely important.



In the past few years, there has been an increase in the number of employees directly depositing their wages. The COVID-19 pandemic, natural disasters, gig economy, and remote work have all added to the need for greater flexibility in processing payroll.

In addition, greater availability of Same Day ACH helps employers to minimize risk from noncompliance with wage and hour laws. For example, California's wage and hour laws require strict compliance with deadlines on when employees must be paid. Nacha's proposal to widen the Same Day ACH processing window will help California employers to meet the legal deadlines.

### **Opposed to Alternatives to Limit Funds**

Nacha requested comment on "an alternative to limit funds availability in the new window to certain types of transactions (such as consumer credits or payroll credits) and/or up to a certain dollar amount." PayrollOrg does not recommend this limitation. Employers in the Pacific time zone should have the same capabilities as employers in other time zones.

Financial institutions in western regions operate during the same hours as institutions in other time zones. There is no technological reason to maintain restricted Pacific Same-Day ACH transactions to other time zones.

## **PROPOSAL 2: FASTER FUNDS AVAILABILITY FOR SOME NON-SAME DAY ACH CREDITS**

### **Support for Proposal 2**

PayrollOrg supports eliminating the 5:00 p.m. local time receipt condition to make funds available on settlement day at 9:00 a.m. in the RDFI's local time for all non-Same Day ACH credits. Today, with electronic systems, financial institutions can manage files after normal banking hours. Nacha's proposed effective date gives financial institutions sufficient time to adjust their procedures and educate employees.

In addition, one of the most important employee benefits is financial health. This has given rise to earned wage access services in which employees can receive a portion of their earned wages in advance of payday. Financial institutions have taken added risks by making funds available to account holders two days before the settlement date. These services provide an incentive to retain talent and a marketing advantage. Proposal 2 would reduce some of the risk of these services.

## **ELIMINATE USE OF TWO-DAY ACH CREDITS**

PayrollOrg would consider supporting elimination of two-day ACH credits. A two-day credit process can create an unnecessary settlement risk because files sit in the cue for longer. In

addition, state agencies question their liability risk from employer payments not settled more immediately. These payments are safeguarded by financial institutions and not states when files are in limbo between employer and state accounts.

However, elimination of two-day ACH credits could increase risk for financial institutions. They would have less time to correct errors using reversals. Institutions offering account holders early access to funds before the settlement date could lose this marketing advantage. However, these programs are not currently without risk that would be eliminated with faster settlement.

Thank you, again, for the opportunity to participate in Nacha’s proposed ACH rule changes. PayrollOrg greatly appreciates its partnership with Nacha.

Sincerely,

A handwritten signature in cursive script that reads "Alice P. Jacobsohn".

Alice P. Jacobsohn, Esq.  
Director, Government Relations

For: Government Relations Task Force  
Electronic Payments Subcommittee  
Chairs Nancy Fletcher, CPP; Ronn Gilson, CPP; and Kristine Willson, CPP