

# AMERICAN PAYROLL ASSOCIATION

January 22, 2021

Ms. Maribel Bondoc  
Manager, Network Rules  
Nacha  
2550 Wasser Terrace, Suite 4001  
Herndon, VA 20171  
Email: mbondoc@nacha.org

Re: Increasing the Same Day ACH Dollar Limit – Request for Comment

Dear Ms. Bondoc:

The American Payroll Association (APA) thanks you for the opportunity to provide feedback concerning Nacha's proposed rule change to increase the same day ACH dollar limit. The proposed rule would increase the dollar limit over a three-year period until it is completely eliminated. The APA supports the proposed rule and believes it will result in expanded use of same-day ACH transactions.

Historically, APA has supported removing the dollar limit on same-day ACH transactions. In a 2018 comment letter supporting rules proposed by Nacha to expand same-day ACH transactions, APA supported the proposed increase from \$25,000 to \$100,000 and suggested eliminating the limit entirely. APA believes that increasing and eventually eliminating the limit will be beneficial for payroll service providers, payroll professionals, and employees who are paid by direct deposit.

According to APA's 2019 Survey of Salaries, more than a third (38.6%) of our members rely on payroll service providers to process their payroll. In all, just over half our members (52.1%) have a PSP do some part of their payroll. The \$100,000 limit can hinder PSPs if they need to initiate a same-day debit transaction from a client to fund its payroll. While individual credit transactions initiated for each employee generally will not be affected by the \$100,000 transaction limit (except for highly paid employees such as executives, entertainers, and athletes), a single debit transaction by a PSP for an entire payroll could easily exceed the \$100,000 limit. APA believes removing the same-day ACH transaction dollar limit will make this service available in more situations where a payroll file must be processed on a same-day basis.

## **About the American Payroll Association**

The APA is a nonprofit professional association of over 20,000 payroll professionals in the United States. Our membership also includes representatives of large, medium, and small payroll service providers who are responsible for processing payroll for an additional 1.5 million employers. In total, the APA represents those professionals responsible for paying an aggregate total of one-third of the private

sector workforce. The APA's primary mission is to educate its members and the payroll industry regarding best practices associated with paying America's workers, while complying with applicable federal, state, and local laws. In addition, the APA's Electronic Payments Committee promotes the expanded use of direct deposit and electronic payments.

### **Survey question responses**

Here are APA's responses to certain questions included in the request for comment. The questions that are not answered are not directly applicable to payroll professionals.

1. *Does your organization agree that the Same Day ACH dollar limit should be raised from its current level of \$100,000 per payment?*

Yes. APA believes that increasing the limit will be beneficial for payroll professionals.

2. *Does your organization agree that all ACH entries that are eligible for same-day processing should have the same dollar limit?*

Yes. Having consistency in dollar limits will alleviate any confusion as to whether one type of transaction is permissible while another may be limited.

3. *Does your organization agree that the end-state of these scheduled increases should be the same dollar amounts as for non-same-day ACH payments?*

Yes. Similar to having consistency in ACH entry type, APA believes that consistency in limits for same-day and non-same-day ACH transaction will alleviate any confusion as to whether a certain transaction may or may not be permissible.

4. *Does your organization support the proposed levels of the increases to the dollar limit?*

Yes. While APA would prefer to have the limit eliminated in one step rather than increased incrementally to \$1,000,000 and then to \$10,000,000, before being fully eliminated, APA supports the proposed levels of increase.

5. *Does your organization support the proposed schedule of the increases to the dollar limit (i.e., the effective dates)?*

Yes. While APA would prefer to have the limit eliminated in one step rather than increased incrementally on March 18, 2022, and again on March 17, 2023, before being fully eliminated on March 15, 2024, APA supports the proposed schedule.

6. *Do you agree Nacha should have the ability to pause the schedule, if necessary, without an additional rule change?*

Yes. While Nacha has reported that financial institutions did not see an increase of fraud when the 2020 dollar limit for same-day transactions was increased from \$10,000 to \$25,000, APA believes having flexibility to pause the rule if problems are encountered is a wise precaution.

7. *Are there new Same Day ACH uses created by increasing the dollar limit?*

In the payroll context, increasing/eliminating the transaction limit will expand the availability of same-day ACH transactions for payroll “emergencies” where currently those transactions would be limited.

8. *As an Originator, Third-Party, or ODFI, would a higher dollar limit affect your usage of Same Day ACH?*

Yes. APA believes that the higher/eliminated limit will allow more payroll service providers to use same-day ACH transactions.

9. *Are there new risks created by increasing the limit?*

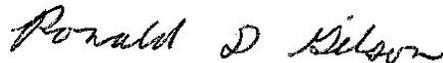
APA is not aware of any new risks for payroll-related same-day ACH transactions created by the increased limit.

**Conclusion**

The APA supports the proposed rule and believes that it will achieve the goal of expanding the use of same-day ACH transactions.

If you have any questions, please contact Curtis Tatum, whose contact information is provided below.

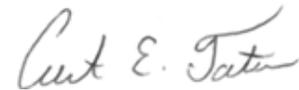
Sincerely,



Ronald D. Gilson, CPP  
Co-Chair, Electronic Payments Committee  
American Payroll Association



Kristine K. Willson, CPP  
Co-Chair, Electronic Payments Committee  
American Payroll Association



Curtis E. Tatum, Esq.  
Director, Federal Payroll Compliance  
American Payroll Association  
(202) 248-4650  
ctatum@americanpayroll.org