

**STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES  
March 2010**

Date: April 19, 2010

To: All Civil Service/Exempt Departments

From: State Controller's Office  
Cindy Rounds, Manager  
Debra Spellman, Manager  
Personnel/Payroll Operations  
(916) 324-6290/322-8105

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the March 11, 2010 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the **May 13, 2010** meeting.

We would like to thank those department representatives that participated in the March meeting for their time and effort. There were 36 representatives from 24 departments that participated in this meeting.

Personnel/Payroll Review Committee  
March 2010 Meeting Notes

Cindy Rounds called the meeting to order at 1:30.

Departments Represented:

California Highway Patrol, Child Support Services, Conservation, Consumer Affairs, Department of Personnel Administration, Developmental Services, Fish and Game, Food and Agriculture, Forestry and Fire Protection, Franchise Tax Board, Health Care Services, Insurance, Justice, Managed Care, Managed Risk Medical Insurance Board, Mental Health, State Controller's Office, State Teachers Retirement System, State Treasurer's Office, Statewide Office of Health Planning, Transportation, Veterans Affairs, Water Resources, and Water Resources Control Board.

Old Business:

None.

New Business:

Agenda Items  
Distribute Handout Materials  
Approve Prior Meeting Notes  
Guest Speakers  
SCO Update  
Department Issues/Concerns  
Confirm Next Meeting Agenda, Time and Place

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Discussion:

Approved January 2010 meeting notes.

Guest Speakers:

Bryan Bruno, DPA/Benefits:

An extension of the ARRA subsidy provisions was signed off by the President on March 2<sup>nd</sup>. That provision extends the event window for an involuntary termination through the end of this month. There is also a bill circulating through congress that may extend this through the end of the year.

There was an event added to this for employee's who have a loss of benefits based on a reduction of hours, where if they later are involuntarily terminated, triggers the subsidy. This event appears to most likely apply to permanent intermittent employees. If an employee has a reduction of hours and is offered COBRA and either pays for it, or declines it, then at a later point, if the employee is involuntarily terminated, if the termination is between March 1 and March 31, it will also create an event for subsidy eligibility. As far as the subsidy goes for this group (hourly reduction then termination) there is no requirement for retroactive COBRA premium paid back to the date the employee had a reduction in hours event. The actual COBRA period is the date of the layoff going forward even though the 18 months for employees and 36 months for the dependents, counted back to where the reduction of hours began. If this happens you will need to inform the employee they have this certain number of months left of COBRA and offer the subsidy as well. Keep in mind the layoff must occur March 1<sup>st</sup>- March 31<sup>st</sup>. The extension could go through December 31<sup>st</sup> if the new bill is signed. If the subsidy gets extended the rules that are in place now will probably apply going forward so please hold on to your current materials in case you need them for continuing offers of COBRA-ARRA subsidy .

Question:

Will anything be sent out about this?

Answer:

We are not sending out a PML. If you look on DPA's website and type in ARRA the updated information is there.

Question:

If an employee was laid off today and they only have 4 months left of the 18 months will they get COBRA retroactively?

Answer:

The employee will not get COBRA retroactively. COBRA and the subsidy are forward looking.

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Dave Edwards, SCO/General Update:

The schedule is posted for statewide training. We received 1,400 requests and about 1,000 were from Sacramento. We estimate that we will be able to fill 60% of those requests. We have received a lot of phone calls about a garnishment class. We are not going to have a garnishment class, but we are going to have an online tutorial using Adobe Pro. The tutorial has already been reviewed by Cindy's and Debra's area so we are almost finished. We would like for it to issue a certificate similar to what state wide training does.

Question:

Will the tutorial include bi-weekly garnishments?

Answer:

Currently, it does not have the bi-weekly garnishments on there. If that is a big need for your department then provide that information to us on the feedback. We will not be able to make specific changes that only apply to your department. We don't want the tutorial to include every unique situation for every department because someone from another department might not need the information. We may be able to develop a module for a particular department's need or have a separate section for bi-weekly garnishments.

Question:

Will departments be able to print out pages as a reference or get back into the online tutorial at a later time?

Answer:

Once you have the link you can always go back into it and print any pages you may need.

Hopefully by the end of this month we will have a schedule we can go out with. We will probably identify a department that has a large number of staff on the waiting list and use them as a pilot. Once they give us their feedback hopefully we can roll it out by April.

Last quarter we finally rolled out ISD (Introduction to Salary Determinations). The waiting list was about 500 until we had that rolled out. This class will be taken over by Debra Clary. She will also be working on the advanced salary determination class. The class that is not being trained on is fundamentals of payroll. The 2 people we had, Lisa Dean and Debbie Soto, have since gone back to 21<sup>st</sup> Century. We are not sure who can pick up the class at this time.

Currently there is nothing to report on furloughs.

CalATERS is being upgraded because when it was developed in 1999 there were a lot of things that were not included. There have been a lot of

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performance issues that will be resolved because it will be on a more current platform.

Cindy Rounds addressed the following information:

Direct Deposit

When an employee signs up for direct deposit and turns in their 699 form to their HR office we ask the departments to go over the posting dates or at least point out the instructions/information attached to the 699. We get a lot of calls from agencies and employees regarding posting dates.

Question:

Some employees complained that the amount deposited was incorrect. Why is it incorrect?

Answer:

The Golden 1 Credit Union memo posts based on last month's warrant when payday is after the last day of the month. If the employee's deposit amount changed for that month they will then do a correction on payday. Golden 1 has had some issues with that because some employees have cancelled their direct deposit before cutoff and withdrew all of their funds based on the memo post.

Question:

How is Golden 1 going from social security numbers to account numbers being handled?

Answer:

Golden 1 is changing from social security numbers to account numbers and they are notifying their clients now. They are going to go through a Notification of Change (NOC) process and will notify SCO to make those changes on the employee's behalf for those employees that haven't already made the changes. I have been working with Golden 1 on this and we are set up to start running the process in June.

Question:

A lot of employees are complaining because they are turning in their direct deposit forms on the 1<sup>st</sup> and the direct deposit hasn't worked by payday. What is the turnaround time?

Answer:

Direct deposit is current so typically if it gets to us in the 1<sup>st</sup> week of the month it will be effective by cutoff. There is a ten day waiting period so we count back 9 days from master cutoff and start putting the 2<sup>nd</sup> of the following month as the effective date. It says it could take up to 60 days, but it is usually effective within 1 month. Changes are slowed down when a cancel and a new form are submitted rather than just a change. When this happens a change will be given another ten day waiting period.

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Question:

Is the ten day waiting period the reason why some employees receive a paper warrant when they submit a change?

Answer:

Yes if the ten day pre-note waiting period would become effective between master cutoff and the 1<sup>st</sup> of the following month the employee will receive a paper warrant. If the pre-note was effective between master and payday and if it rejected we have to strip the direct deposit warrant and contact the HR offices to let them know, then re-issue a paper warrant.

Position Control

Reminder fiscal year end is approaching so make sure and work those Periodic Reports and research your positions for probable vacancies.

We are gearing up for fiscal year end (FYE). Call or email Linda Rasmussen, supervisor of the Position Control Unit at (916) 324-3925 or [lasmussen@sco.ca.gov](mailto:lasmussen@sco.ca.gov) with any discrepancies you may find.

Question:

What is the probable vacant report?

Answer:

It is positions that either already have 6 consecutive months of vacancy between the current fiscal year and one prior fiscal year or have 3 months consecutive vacancy and we are projecting that April, May, and June will be vacant as well so the probability is that they will also be lost to government code 12439 on June 30<sup>th</sup>. Even if you are paying someone now out of positions that have had 6 months consecutive vacancy during the current and one prior fiscal year come June 30<sup>th</sup> that position will be lost.

Disability

Disability is 20 days backlogged. Please allow for this timeframe before calling on payments you think should have already processed.

When submitting a correction even if it is faxed we put these in order by date received to be worked. They are not given a priority.

Audits

We are still seeing a large increase in employees keyed in to the system with the wrong social security number. Please ask staff to be extra careful with this. If they do key the wrong social security number DO NOT REKEY the record with the correct number, instead send a 105 transaction to us. When the employee is keyed with two social security numbers it takes up to two months to correct the error.

Please make sure you keep CPOD updated. Many PARs come without contact information completed and then we still cannot reach the departments as CPOD information is outdated.

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If you receive a PSD40 from us and you have questions regarding it please call the specialist that sent you the PSD40, not the main liaison line.

Retirement

We are on 2/9/10 for employment history messages. There is a 20 day backlog.

We receive faxed listings of up to 20 employees from DPA savings plus weekly regarding the continuing clean up of old records from ARP to CalPERS.

Please make sure you are keying the correct effective date on your 505 (taking employee from one plan to another- 1,000 hour thing) transactions. The 1,000 hours is per fiscal year not appointment date. Usually this is PST to ARP or to CalPERS.

15% to 20% of our work has PSD85's for incorrect retirement ID's, please verify the Retirement ID before you key the PAR. Civil Service Audits sends PSD40's on these and we are finding that we have to send requests several times before the PARs are corrected. Please respond to our phone calls and PSD40's as quickly as you can.

Production Operations Support

We just sent out payroll letter number 10-005. IRS Locks- to ensure compliance with the IRS regulations, SCO has modified our system to prevent departments from updating the tax withholding status of an employee with an IRS lock. If you attempt to key a federal or state withholding change for an employee with an IRS Lock the error message "IRS LOCK IN EFFECT SUBMIT DOCUMENT TO PPSD FOR PROCESSING" will be generated. Please review the EAR and make sure the new withholding allowances (Section E) will result in a higher withholding amount than the IRS lock status. This is not a higher exemption status. Many of the requests we are receiving are showing a higher exemption status not a higher withholding amount (which would be a lower exemption status).

Debra Spellman addressed the following information:

We have been working very hard to get our backlog caught up. The retirement PARS are current, employment history is 18 days backlogged, employment history ARs are 16 days, and 674s are 10 days.

Please double check and follow the correct procedure for completing the R & R overtime adjustments. We are seeing a lot of errors in the calculations and in the gross. Specific instructions are on page 3-5 of payroll letter #10-002. Contact the Personnel Services Branch (PSB) at DPA with questions on computing the R & R gross amount. The PSB can be reached at (916) 323-3343, or email [psb@dpa.ca.gov](mailto:psb@dpa.ca.gov). Questions regarding completion of the listings or covering Form STD. 674 should be directed to Emma Dodini at (916) 322-4461.

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Looking through the PR250 database we are returning a lot of 639 CFS forms for child support because they are not being submitted with a court order attached. All actions on a 639 CFS must be accompanied with a court order attached and submitted via mail only, no faxes.

We also are returning a lot of 639s for IRS levy when the employee is requesting a specific amount to be taken as a voluntary payment. We cannot do a voluntary agreement (IRS forms LTR 2159 or LTR 3676) on a salary garnishment form. It can be taken out at the agency level, but SCO must have a 668-D form that requests a specific amount on it. The 668-D is a "Notice of release from levy" but at the bottom of it, requests a specific amount to be collected as a levy, not a voluntary payment.

Familiarize yourself with the payroll letters for furlough and dock. Refer to Personnel Letter 10-004 and several in 2009. Please become familiar with these letters so your transactions process correctly.

Open Enrollments:

Group legal forms have been getting sent to the benefits unit when they should go to the miscellaneous deductions unit. The open enrollment date for Group Legal is March 1st-April 30<sup>th</sup> and April 1<sup>st</sup>-April 30<sup>th</sup> for Long Term Disability.

If you have any questions please call me at (916) 323-2539 or email me at [dspellman@sco.ca.gov](mailto:dspellman@sco.ca.gov).

Question:

We were told in training not to do our own MPCs and now we are told to do our own. When did that change?

Answer:

DO NOT update on MPC at your agency/campus Reporting Units where Master Payroll Warrants will be attached to the STD. 666. The SCO will update MPC once the warrants have been redeposited. These are the only MPCs that SCO does. Please refer to the PPM section M003. I will check with our training unit to confirm what instructions are given during training and report on that at the next meeting.

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**SUGGESTIONS FOR PAYROLL PROBLEM RESOLUTION**

**BEFORE YOU CALL SCO! ☺**

ASK YOURSELF THE QUESTIONS BELOW TO HELP RESOLVE WHY PAY DIDN'T ISSUE (OR WHY ACTION WAS OR WAS NOT TAKEN) FOR THE PAYMENTS LISTED TO THE RIGHT =>	NEGATIVE REGULAR PAY	POSITIVE REGULAR PAY	OVERTIME	PREMIUM PAY	SEPARATION WITH LUMP SUM
IS THE PAY PERIOD OUT OF HISTORY (12 MONTHS + CURRENT)?	X	X	X	X	X
IS EMPLOYEE ON PAY STATUS?	X	X	X	X	X
IF PAR IS EFFECTIVE IN THE PAY PERIOD, IS ITEM 606/607 TIME POSSIBLE?	X				X
IS THERE AN EXPIRATION DATE ON THE PAR?	X	X			
DOES EMPLOYEE HAVE A LOCKED IN EARNINGS ID THAT HAS A TERM DATE?	X	X			X
WAS THE CLEAR FLAG (CLF) FOR OUT OF SERVICE REMOVED?	X	X			X
IS THE SSN, NAME, POSITION NUMBER, PAY PERIOD, ETC. KEYED CORRECTLY?		X	X	X	
DID YOU KEY REGULAR PAY HOURS ON THE FORM 672, NOT THE STD. 671?		X			
DID YOU KEY THE PAY PRIOR TO THE CLOSE OF THE PAY PERIOD?		X	X	X	
IS THERE A PAR EFFECTIVE IN THE PAY PERIOD WHERE THE 672 TRANSACTION MAY REQUIRE A SALARY RATE ENTERED?		X			
WAS THE PAY/PAR KEYED ON A NO CYCLE DAY?	X	X	X	X	X
WAS THE BATCH SAVED ONLY, AND NOT CLOSED?		X	X	X	
HAS REGULAR PAY ISSUED OR TRANSFERRED IN THE PAY PERIOD?			X	X	
WAS MPC KEYED FOR THE PAY PERIOD?	X		X	X	X
DID YOU KEY THE SPECIAL COMPUTED SALARY RATE FOR EARNINGS ID OF, OF5, OR OF6?			X		
IS EMPLOYEE IN AN ELIGIBLE WWG? WWG E MUST BE SUBMITTED TO SCO WITH DPA APPROVAL.			X		
BASED ON EARNINGS ID PIP KEYING INSTRUCTIONS IN THE PPM SECTION G 105, DID YOU KEY THE TRANSACTION CORRECTLY? FOR EXAMPLE, EID AND GROSS? EID AND DAYS/HOURS? OR EID ONLY?				X	
DOES THE EMPLOYEE MEET THE CRITERIA FOR THE EARNINGS ID BASED ON THE DPA PAY DIFFERENTIAL?				X	
IS THE PAR CORRECT (OR PREVIOUS PAR'S) THAT MAY NEED CORRECTING/UPDATING? VERIFY THAT ALL PAR TRANSACTIONS ARE CORRECT FOR THE EMPLOYEE.	X	X	X	X	X
IS THE EMPLOYEE BEING REAPPOINTED AS A RETIRED ANNUITANT?		X			X
IS ITEM 962 COMPLETED, IF REQUIRED?					X
IS SEPARATION PAR - ITEM 606 - TIME TO BE PAID POSSIBLE?	X	X			X
IS THIS AN A/R THAT WAS ESTABLISHED DUE TO A PAR TRANSACTION REDUCING SALARY OR TIME OR A DEDUCTION ARREARS K A/R?	X	X	X		X
IS THERE A PAR EFFECTIVE DATE IN THE PAY PERIOD FOR HOLIDAY PAY?				X	

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**WHAT FORM SHOULD I USE?**

The forms you use to key on PIP versus the forms submitted for PIP Exceptions will more often than not be different.

We hope this chart below will help you determine which form to complete!

TYPE OF REQUEST	PIP TRANSACTION	PIP EXCEPTION
Adjustment for Regular Pay (Roll Codes 1 and 2) for less dock for a full time employee	603 and 966	674
Adjustment for Regular Pay (Roll Codes 1 and 2) for less dock for a fractional employee	DO NOT KEY	674
Original Overtime	672 or 671	671* <small>(Do not submit a form STD. 674 for original overtime).</small>
Adjustment to Overtime	683	674
Original Shift Differential	672 or 671	671* or 674
Adjustment to Shift Differential Time Only	683	674
Adjustment to Shift Differential Salary Change	DO NOT KEY	674
Original Regular Positive Pay (Rolls 3 – 8)	672	674
Adjustment to Regular Positive Pay (Rolls 3 – 8)	683	674
Original Holiday Pay (all EID's)	672 or 671	671* or 674
Adjustment to Time for Holiday Pay (EID H, H5, H6, etc.)	672 <small>(if time does not match original hours)</small>	674
Adjustment to Salary for Holiday Pay (EID H, H5, H6, etc.)	DO NOT KEY	Do not submit anything – SCO will process the adjustment per EHDB
Adjustment to Time for Holiday Pay (EID HG, HG5, HG6, etc.)	672 <small>(if time does not match original hours)</small>	674
Adjustment to Salary for Holiday Pay (EID HG, HG5, HG6, etc.)	DO NOT KEY	674
Original Premium/Special Pay	672 or 671	674
Adjustments to Premium/Special Pay	If it is a Payment Type that can be adjusted via PIP - 672 or 671	674

\*Must attach a PIP Exception Transmittal Sheet

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Next Meeting:

The next meeting is Thursday, **May 13, 2010** from 1:30 to 3:00 at:

State Controller's Office  
300 Capitol Mall, 6th Floor, Room 635  
Sacramento, CA 95814

The PPRC encourages attendance by department representatives interested in improving the efficiency of personnel/payroll administration. However, if you are unable to attend these meetings and you have an issue or question you would like the committee to address; please contact Cynthia Rounds or Debra Spellman with pertinent information.

Listed below are the PPRC meeting dates for the 2010 calendar year. All meetings are from 1:30 to 3:00 at the above location. **Please note, all meetings for 2010 will be the second Thursday of the specific month with the exception of November 2010 due to the Veteran's Day holiday.**

May	13,	2010
July	8,	2010
September	9,	2010
November	4,	2010

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact either Cynthia Rounds at (916) 324-6290 or Debra Spellman at (916) 323-2539. They can also be reached via email at [crounds@sco.ca.gov](mailto:crounds@sco.ca.gov) and [dspellman@sco.ca.gov](mailto:dspellman@sco.ca.gov), respectively.