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

Date: May, 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 May 13, 2010 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the **July 08, 2010** meeting.

We would like to thank those department representatives that participated in the May meeting for their time and effort. There were 26 representatives from 18 departments that participated in this meeting.

Personnel/Payroll Review Committee
May 2010 Meeting Notes

Debra Spellman called the meeting to order at 1:30.

Departments Represented:

Board of Equalization, California Highway Patrol, Conservation, Department of Personnel Administration, Department of Finance, Developmental Services, Food and Agriculture, Forestry and Fire Protection, Franchise Tax Board, General Services , Health Care Services, , Mental Health, State Controller's Office, State Treasurer's Office, Statewide Office of Health Planning, Transportation, 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

Discussion:

Approved March 2010 meeting notes.

Guest Speakers:

Lisa Dean, SCO TFC Change Management Team
News about upcoming TFC Kick Off

The twenty first century deployment team is working on a lot of communications to get people geared up for the project. The project is moving forward; on Monday May 24, there will be kick off meetings. I am not sure if you are aware of these meetings or if your department has TFC kick off coordinators. If you know who your coordinator is then please let them know about the meetings and ask them if they plan to attend. Department Sponsor meeting will be Monday morning 10:00am to 11: 30 AM; Department Support Team Coordinator meeting Monday afternoon 1:30Pm to 3:00 PM.

We sent email invites out for these. The invites showed a different location however, we are moving the meetings to the West Sacramento Office. The address is 710 River Point Court, West Sacramento. The parking is free. We will be sending another invite out with West Sacramento address.

The reason the TFC team asked us to talk here is because we haven't seen the greatest response regarding these kick off meetings. They are asking that you please find out whom your coordinators are and encourage them to attend or if they are not available, to please send someone in their place. Also a survey went out on a link if you could please encourage your groups to complete the survey that would be greatly appreciated. If you don't know who your coordinator is let me know. I have a list of department coordinators, their phone numbers and email addresses. Thank You.

Question:

How far off until 21st century is realized and in use?

Answer:

Sooner than you think, those are some of the pieces of information that will be covered at these meetings. TFC team has plans to go over the deployment schedule; when your department will be will be brought on board. It's a roll out over 5 waves, pilot one, pilot two (together) and then 3 additional waves. The waves will be grouped by bargaining unit, similarities with employees, department functions and needs.

Lina Ayala, DPA
Savings Plus

I am here today to talk about lump sum yearend training that we are offering to your personnel offices. Today some of my staff are at DMV doing two training sessions. The training is going very well. We are asking the departments to please be patient if you have called requesting a training date and we don't yet have one scheduled for your department, do not worry we will get back to you as soon as possible. We are willing to go to your office to do the training.

This training includes: projecting lump sum, documenting the PAR. We also talk about catch up, why catch up is important, what you should know about it, and the paperwork that is required.

Some of the key points we go over include: cancelling direct deposit, deferring into multiple tax years, verifying annual deferrals, and how much your employees already contributed because there is a maximum. The maximum for 457 or 401K is 22,000 over age fifty. This is where catch up comes into play. If they exceed the maximum and they want to defer more they will need to sign up for catch up at least 30 days prior to retirement. They have to apply for this and get approved. The employee should give you a copy of the approval form to attach with the PAR and be given to Controller's to be keyed. We also talk about the line items on the PAR such as the "fifty dollar rule".

We also touch on purchasing service credit. We do get employees that are retiring and decide to purchase some air time from CALPERS. They can do this even though they are retiring. They can purchase it with their lump sum that's going into Savings Plus. This is called a *plan to plan transfer.* We work with CALPERS on these. Employees have 60 days to get the paperwork to CALPERS for an approval and estimate and get the paperwork to DPA.

Let me give you the contact name and number if you are interested in training. It is: Allan Fong (916) 324-3444 or Allanfong@dpa.ca.gov

Linda Rasmussen, SCO/ Position Control
Update on Fiscal Year End.

Make sure you get all 607's that you want reflected on schedule 8 in by 06/11/2010. The annual Headers, (the PR421's) were due back in our office on Linda Rasmussen May 7, 2010. We need those back as soon as possible.

Regardless of whether you have changes, deletes or not we need them back immediately. These are very important. We do keep a log if you are worried that your agency did not return them you can call or email Linda Rasmussen (916)324-3925 or lrasmussen@sco.ca.gov.

We have the probable vacant report out; it went out at the end of March. You need to look at this report as you could potentially lose your positions if they had six consecutive months with no pay. You will need to look at the report and decipher the action you will need to take, such as submitting documents or making sure transfers of funds have happened if PAR's were involved in moving pay. We do have another Probable Vacant Report that will be available the end of May 2010. This will not be hard copied but will be available to you on view direct. It is very important that you take a look at this because the actual vacant report will be run June 30, 2010 at which time you will have to add back positions that were lost erroneously. The final vacant is run October 1, 2010 and sent to Department of Finance, with all positions that were lost as of July 1, 2010.

If you have lump sum saves you can email lrasmussen@sco.ca.gov. We don't need back up, you keep the backup at your office. Just email Linda Rasmussen the position number and that you need to save the position number due to lump sum extending out.

Finance Conversion Code Listings (FCC) were mailed out May 3, 2010 they are due back May 21, 2010. Please get them in as soon as possible.
Reorganization's if requested by your agency were sent out May 13, 2010.

If you have any questions at all regarding position control you can call Linda Rasmussen at 916-324-3925 or email her at lrasmussen@sco.ca.gov.

Question:

On the lump sum saved positions when do you need those by?

Answer:

They are keyed at the end of June just before we run the vacant June 30th report so no later than June 25th.

Debra Spellman, SCO
Payroll Update

Workload Stats – 20 day backlog in EH messages, all else current.

Retirements – We are preparing to process a large number of separations. We need you to help, please remember to submit documents on a flow basis. By doing this we can avoid the problems we had at the end of 2009. Part of the problem in 2009 was documents with a lot of errors, documents submitted very late. We have a limited number of staff so we really need these documents to be as clean as possible and submitted timely. Please refer to the **Year End Separation Handbook**. You can utilize this and educate yourselves ahead of time. This will give you guidance on how to process your documentation to ensure proper payroll processing.

We are receiving a lot of separations coming in without the Savings Plus form NRM 4074 attached. This form is especially helpful to us; by attaching this we can verify it with item 10. Sometimes item 10 comments are difficult to read, by attaching this form it saves confusion and unnecessary phone calls. This will help with the processing of your documents. Again become familiar with the separation handbook before you start getting a lot of retirements, this will be helpful.

Also we really need your help in educating your employees on their upcoming retirements. What they need to do, the decisions they will have to make, as well as the timelines that are involved regarding their upcoming retirement. I am giving you a sample of something Caltrans provided to their employees that we thought could be really helpful, you might want to put something similar together for your employees. See references below:

Handout for employees
SCO Yr End Separation Handbook –
http://www.sco.ca.gov/Files-PPSD/yr_end_separation_hndbk.pdf

DPA training page - Savings Plus Lump Sum Separation Pay – Watch for Classes scheduled, they also will come to larger departments.
http://www.dpa.ca.gov/savings-plus/pdf/lump-sum-separation-pay-worksheet.pdf

Please go back and talk to your offices and co-workers regarding the importance of getting these documents to us as soon as you know you have a retiring employee. Please do not hold on to your documents, this causes huge delays and the possibility of not being able to process your payroll in a timely manner. You can send documentation right after the prior month cut off. For example; you can send June retirements after the May master cut off runs.Also, please talk to your management about reaching out to the employees to inform them of the importance of notifying you of their decision to retire. Give them timeframes to work with. Let them know that you need a week to do your part, and we need time to do our part. Advise them that if they plan to retire, it is in their best interests to talk to you a least a month in advance of their retirement date.

Below are some of the most common situations we are encountering in the phone liaison unit.

Phone Liaison:

1. Agencies are not checking their batches before calling. Most of the time it is a wrong position number, a misspelled name or just a saved batch.
2. Please try to limit your phone calls as we are 20 days behind.
3. Agencies are leaving messages and then calling back to try and get someone live. We have 24 hours to call them back. Of course if you do not get a return call within 24 hours then you can call back.
4. When keying an EAR for retired annuitants' please be advised that the system will not process additional withholding. If the retired annuitant would like additional withholding they must go thru PERS to have it withheld from their pension check.

When you send inquiries please remember to sign and date them or we can't work them.

If your department has submitted stipulation packages it would be helpful if you didn't call the stipulation desk about amendments unless it has been two weeks or unless she calls you. She is getting a lot of calls on stipulations that she hasn't had a chance to work yet.

Follow up from prior meeting -

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 for 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. It shouldn't take long for the redeposit to process and we will reissue. These are the only MPCs that SCO does. Please refer to the PPM section M003.

Next Meeting:

The next meeting is Thursday, **July 08, 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.

July	08, 2010
September	09, 2010
November	04, 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 and dspellman@sco.ca.gov, respectively.