



BETTY T. YEE
California State Controller

The Honorable [FIRST NAME] [LAST NAME]
[ADDRESS 1]
[ADDRESS 2]
[CITY], [STATE] [ZIP]

June 19, 2019

SUBJECT: *Mallano v. Chiang*, Case No. BC533770, Superior Court of the State of California, County of Los Angeles -- Schedule for Payments to the Class

Dear Judge [LAST NAME]:

In *Mallano v. Chiang*, Plaintiff Robert M. Mallano, on behalf of a class consisting of all California State justices and judges who were active justices and judges since the commencement of fiscal year 2008-2009; all persons who are receiving, or any time since the commencement of fiscal year 2008-2009 have received benefits from the Judges Retirement System; and all persons who are receiving, or have received benefits from the Judges Retirement System II based on a final compensation that includes salary paid at any time since the commencement of fiscal year 2008-2009, brought suit based on the alleged failure to increase judicial salaries and benefits pursuant to Government Code Section 68203 since the start of the 2008-2009 fiscal year.

The court in *Mallano v. Chiang* ordered the payment of back wages, benefits and interest to members of the plaintiff class, and you have been identified as a member of the class. The amounts owed to you have been calculated based upon the rates in the court's order. The court ordered specific salary and benefits increases for the fiscal years beginning with July 1, 2008 and ending on June 30, 2016 and that those specific adjustments be reflected in salary and benefits going forward. To implement the order, additional adjustments are also being made for the fiscal year beginning on July 1, 2016 and ending on June 30, 2017. For affected class members, the court-ordered adjustments will also result in adjustments to AJP payments, JRS and JRS II benefits, as addressed in the chart below. With these adjustments, the salaries and benefits of all class members will be paid in conformance with the court's order through the date of these payments and going forward. We are writing to make you aware of the process, payments you might receive, approximate timing, and sources for more information.

We note that if you fall within more than one of the following groups, you will receive separate payments for the amounts owed based on your membership in a particular group. For example, if you were an active judge or justice for some portion of time following July 1, 2008, and later

received benefits pursuant to the Judges Retirement System, you will receive separate payments as outlined below.

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| June 30, 2019 | Judges' Retirement System (JRS). If you received a monthly retirement allowance from JRS at any time between July 1, 2008, and June 30, 2017, and you are currently receiving a monthly allowance you should expect a payment on or about this date for additional benefits owed. Taxes will be withheld based on the current tax election on file, and the amount paid will be included in the IRS Form 1099R issued for 2019. |
| June 30, 2019 | Interest on JRS payment. In addition to the JRS payment described above, the interest owed on the back benefits will also be included on the June 30, 2019 dated warrant. Interest is calculated based upon 10% per year from the date the benefits should have been paid. There will not be separate tax withholding on this payment, and the amount paid will be included in the IRS Form 1099R issued for 2019. |
| July 31, 2019 | Back wages. If you were an active judge or justice during any period of time between July 1, 2008, and June 30, 2017, you should expect a payment on or about this date for back wages. Because this payment will be considered back wages, there will be tax withholding. You will receive your payment from the same entity that paid you while you were active— State Controller's Office, the County of Los Angeles, Judicial Council (for Riverside County judges), or Ventura County. The amount paid will be included in the W-2 that you receive for 2019. |
| July 31, 2019 | Interest on back wages. If you receive a payment for back wages, you will receive a separate payment for interest owed on the back wages. Interest is calculated based upon 10% per year from the date that the back wages should have been paid. You will receive your payment from the same entity that paid you while you were active. There will not be separate tax withholding on this payment, and the amount paid will be reported to the IRS in a Form 1099-Misc that you will receive from the State Controller's Office for 2019. |
| August 30 to September 30, 2019 | Assigned Judges Program (AJP). If you received an assignment under the AJP during any period of time between July 1, 2008, and June 30, 2017, you should expect a payment issued by the State Controller's Office during this window for back wages. There will be tax withholding on this payment, and the amount paid will be included in the W-2 that you receive for 2019. |

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| <p>August 30 to September 30, 2019</p> | <p>Interest on AJP back wages. If you receive the AJP payment described above, you will receive a separate payment issued by the State Controller’s Office for interest owed on the back wages. Interest is calculated based upon 10% per year from the date that the back wages should have been paid. There will not be separate tax withholding on this payment, and the amount paid will be reported to the IRS in a Form 1099-Misc that you will receive from the State Controller’s Office for 2019.</p> |
| <p>September 30 to October 31, 2019</p> | <p>JRS II. If you retired from JRS II any time between July 1, 2008, and June 30, 2017, and received a monthly retirement allowance you should expect a payment during this window for additional benefits owed. Taxes will be withheld based on the current tax election on file, and the amount paid will be included in the IRS Form 1099R issued for 2019.</p> |
| <p>October 31, 2019 to November 1, 2019</p> | <p>Interest on JRS II payment. If you receive the JRS II payment described above, you will receive a separate payment from JRS II for interest owed on the back benefits. Interest is calculated based upon 10% per year from the date the benefits should have been paid. There will not be separate tax withholding on this payment, and the amount paid will be included in the IRS Form 1099R issued for 2019.</p> |
| <p>November 1 to December 1, 2019</p> | <p>Extended Service Incentive Program (ESIP). If you retired from JRS on or after July 1, 2008, and received an ESIP distribution you should expect a payment during this window for any adjustment to your ESIP account between July 1, 2008, and June 30, 2017. JRS will contact you prior to issuing payment to determine whether you want to be paid in a lump sum or to roll the money into a qualified plan.</p> |
| <p>November 1 to December 1, 2019</p> | <p>JRS II Monetary Credits. If you retired from JRS II on or after July 1, 2008, and received a one-time lump sum payment of your Monetary Credits you should expect a payment during this window for any adjustment to the Monetary Credits you accrued between July 1, 2008, and June 30, 2017. JRS will contact you prior to issuing payment to determine whether you want to be paid in a lump sum or to roll the money into a qualified plan.</p> |
| <p>November 1 to December 1, 2019</p> | <p>Interest on ESIP and Monetary Credit payments. If you receive an ESIP or Monetary Credit payment described above, the interest owed will be paid along with your adjusted benefit. Interest is calculated based upon 10% per year from the date the benefits should have been paid. Taxes will be withheld based on the distribution type, and the amount paid will be included in the IRS Form 1099R issued for 2019.</p> |

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*Please note that a Form 1099-Misc will only be issued if the total payment from that payor is at least \$600.00.

In the coming weeks, you will receive additional details about the amount of your payment and issue date. Meanwhile, you may access up-to-date information and submit questions at <https://sco.ca.gov/mallano>. You may also wish to contact class counsel, William Casey, with Skadden, Arps, Slate, Meagher & Flom LLP, at (650) 470-3173 or william.casey@skadden.com.

Sincerely,



MARISSA REVELINO, CHIEF
Personnel and Payroll Services Division

cc: Jonathan Rich, Deputy Attorney General
William Casey, Skadden Arps, Slate, Meagher & Flom LLP
Felizia Nava-Kardon, Judicial Council of California

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