

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
P.O. BOX 942850
SACRAMENTO, CA 94250-5878

DATE: October 15, 2010

PAYROLL LETTER #10-012
(CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

FROM: Lisa Crowe, Chief
Personnel and Payroll Services Division (PPSD)**RE: RANK AND FILE BARGAINING UNIT 12 HEALTH BENEFIT RATE REFUNDS**

Pursuant to the memorandum of understanding, the Department of Personnel Administration (DPA) has approved a retroactive health benefit state share rate increase for rank and file employees in bargaining unit 12 effective with the August 2010 pay period. A retroactive health benefit refund is being issued to eligible employees during October 2010. The refund is being calculated for the August 2010 pay period. The 2010 health rates were updated to reflect the rate increase as of October 1, 2010 (September 2010 pay period).

REFUND CALCULATION

The gross monthly refund amount will be based on the difference between the old health benefit state share rates and the new health benefit state share rates in effect as of October 1, 2010. Rates are calculated for each monthly health benefit deduction, according to the employee's bargaining unit and party rate code.

Health Benefit State Share Rates and Gross Monthly Refund Amounts for Bargaining Unit 12

Party Rate Code	New Health State Share Rate	Old Health State Share Rate	Gross Monthly Refund Amount
1	\$393.00	\$371.00	\$22.00
2, 4, 7 or A	\$787.00	\$740.00	\$47.00
3, 5, 6, 8, 9 or B	\$1024.00	\$959.00	\$65.00

**Health Benefit State Share Rates and Gross Monthly Refund Amounts for Bargaining Unit 12
Employee's Subject to Dependent Health Vesting**

Party Rate Code	Vesting Level	New Health State Share Rate	Old Health State Share Rate	Gross Monthly Refund Amount
1	Not Applicable	\$393.00	\$371.00	\$22.00
C, E, H or L	50%	\$590.00	\$555.00	\$35.00
N, Q, T or W	75%	\$689.00	\$648.00	\$41.00
D, F, G, J, K or M	50%	\$708.00	\$665.00	\$43.00
P, R, S, U, V or X	75%	\$866.00	\$812.00	\$54.00

MONTHLY ELIGIBILITY

To be eligible for a month's refund the employee must have been a rank and file unit 12 employee during the month of August 2010 and must have had a health benefit deduction withheld. For example, if the employee received pay with health coverage at a party rate code of '2' for the August 2010 pay period, he/she would qualify for a monthly refund amount of \$47.00.

PAYMENT INFORMATION

The Controller's Office will reverse the old health benefit deduction and state share amounts and withhold the new deduction and state share amounts for each qualifying pay period. The adjustment will be applied to the October Payroll Master. The employee's health plan description and amount being reversed and withheld will be listed under the 'Deductions' area on the Statement of Earnings and Deductions/Direct Deposit Advice. A separate credit issue warrant will be issued for the adjustment if the employee is on a leave of absence or separated.

Questions regarding this payroll letter should be directed to Debbie Green at (916) 322-7968 or via email at Dgreen@sco.ca.gov.

LC:DG:SACS