

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

DATE: August 5, 2011

PAYROLL LETTER #11-011
(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'S 2 AND 7 COBEN ALLOWANCE REFUNDS

Pursuant to the memorandum of understandings, the Department of Personnel Administration (DPA) approved a retroactive Consolidated Benefits (CoBen) rate increase for rank and file employees in bargaining units 2 and 7 effective with the April 2011 pay period. A retroactive CoBen Benefit Allowance refund will be issued to eligible employees during July 2011. The refund is being calculated on a month-by-month basis for the April and May 2011 pay periods. The new R02 and R07 2011 CoBen Benefit Allowance rates were updated to reflect the rate increase as of July 1, 2011 (June 2011 pay period).

REFUND CALCULATION

The gross monthly refund amount will be based on the difference between the old R02 and R07 CoBen Benefit Allowance rates and the new CoBen rates in effect as of July 1, 2011. Rates are calculated for each monthly health benefit deduction, according to the employee's bargaining unit and party rate code.

CoBen Benefit Allowance Rates and Gross Monthly Refund Amounts for Bargaining Unit 2.

| Party Rate Code | New CoBen Rate | Old CoBen Rate | Gross Monthly Refund Amount |
|--------------------|----------------|----------------|-----------------------------|
| 1 | \$482.00 | \$439.00 | \$43.00 |
| 2, 4, 7 or A | \$946.00 | \$836.00 | \$110.00 |
| 3, 5, 6, 8, 9 or B | \$1,241.00 | \$1,084.00 | \$157.00 |

CoBen Benefit Allowance Rates and Gross Monthly Refund Amounts for Bargaining Unit 2 Employee's Subject to Dependent Health Vesting

| Party Rate Code | Vesting Level | New CoBen Rate | Old CoBen Rate | Gross Monthly Refund Amount |
|--------------------|----------------|----------------|----------------|-----------------------------|
| 1 | Not Applicable | \$482.00 | \$439.00 | \$43.00 |
| 2, 4, 7 or A | 50% | \$729.00 | \$651.00 | \$78.00 |
| 2, 4, 7 or A | 75% | \$838.00 | \$744.00 | \$94.00 |
| 3, 5, 6, 8, 9 or B | 50% | \$893.00 | \$790.00 | \$103.00 |
| 3, 5, 6, 8, 9 or B | 75% | \$1,067.00 | \$937.00 | \$130.00 |

CoBen Benefit Allowance Rates and Gross Monthly Refund Amounts for Bargaining Unit 7.

| Party Rate Code | New CoBen Rate | Old CoBen Rate | Gross Monthly Refund Amount |
|------------------------|-----------------------|-----------------------|------------------------------------|
| 1 | \$482.00 | \$416.00 | \$66.00 |
| 2, 4, 7 or A | \$946.00 | \$813.00 | \$133.00 |
| 3, 5, 6, 8, 9 or B | \$1,241.00 | \$1,061.00 | \$180.00 |

CoBen Benefit Allowance Rates and Gross Monthly Refund Amounts for Bargaining Unit 7 Employee's Subject to Dependent Health Vesting

| Party Rate Code | Vesting Level | New CoBen Rate | Old CoBen Rate | Gross Monthly Refund Amount |
|------------------------|----------------------|-----------------------|-----------------------|------------------------------------|
| 1 | Not Applicable | \$482.00 | \$416.00 | \$66.00 |
| 2, 4, 7 or A | 50% | \$729.00 | \$628.00 | \$101.00 |
| 2, 4, 7 or A | 75% | \$838.00 | \$721.00 | \$117.00 |
| 3, 5, 6, 8, 9 or B | 50% | \$893.00 | \$767.00 | \$126.00 |
| 3, 5, 6, 8, 9 or B | 75% | \$1,067.00 | \$914.00 | \$153.00 |

MONTHLY ELIGIBILITY

To be eligible for a month's refund the employee must have been a R02 or R07 employee during the months of April and/or May 2011 and must have had a CoBen health deduction withheld. For example, if a R07 employee received pay with health coverage at a party rate code of '2' for the April or May 2011 pay period, he/she would qualify for a monthly refund amount of \$133.00.

PAYMENT INFORMATION

The Controller's Office will reverse the old CoBen Benefit Allowance amount and withhold the new CoBen Benefit Allowance amount for the April and May 2011 pay periods. The adjustment will be applied to the July payroll master. The employee's CoBen Benefit Allowance 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