

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

DATE: November 20, 2013

PAYROLL LETTER #13-016

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: Lisa Crowe, Chief  
Personnel and Payroll Services Division (PPSD)

**RE: SEPARATION PROCESS WITH LUMP SUM DEFERRAL**

The end of 2013 is approaching quickly; as in previous years, Personnel/Payroll Operations (Operations) will likely experience an increase in workload processing state employee separations where lump sum amounts are being deferred to the Savings Plus Program. As we plan to accommodate this workload, Operations would like to remind you that there are several tools to assist you in preparing the Personnel Action Request (PAR)/Personnel/Payroll Transaction (PPT).

- For those employees who wish to defer some portion of their lump sum to Savings Plus in the current year, you **must submit** the separation PAR/PPT **and** supporting document(s), Request to [Transfer Lump-Sum Separation Pay Application](#). Documents can be submitted as early as the month prior to retirement, after Master Payroll Cutoff. Please submit documents as early as possible.
- Employees wishing to defer into the next tax year must indicate a separation date of November 1st or thereafter on the PAR.
- A green cycle has been added to the December payroll calendar on December 27th, issue date of December 30th. Although this will be helpful, we request that you submit the PAR/PPT and supporting documents right after Master Payroll Cutoff of the month prior to retirement. For example, if the employee is retiring December 30th, the last full month is November. PAR/PPT and supporting documents should be submitted the day after November Master Payroll Cutoff.
- For employees who are participating in the Savings Plus "Catch-Up" program, you **must submit the approved "Catch Up Calculation Worksheet" or approval letter with the PAR**. Please advise employees to complete the Traditional Catch-Up Application and submit it directly to Savings Plus. To access this form, the employee must log on to their Savings Plus account or call Savings Plus customer service at (855) 616-4776.
- Tools are available on the State Controller's Office (SCO) HR webpage to assist you. One of these tools is lump sum calculator, which can be found under the [Lump Sum Deferral Calculator](#). This calculator will assist you in calculating the amount of money that is available to be deferred. Please print the result you are documenting on the PAR. Although results may vary, printing the results will greatly assist Operations in processing these requests.
- There is a calculator on CalHR's website [Lump Sum Leave Calculator](#) that will assist you in calculating and running out leave time when someone separates from state service. There is also a checklist that you can provide employees to help them with things they should consider when retiring, [Savings Plus Retirement Checklist](#).
- For Agencies/Campuses located in the Sacramento area, it will expedite processing if you mail or hand-carry your PAR/PPT and supporting documents to SCO. The receptionist window is located at 300 Capitol Mall, 10th floor.

- Agencies/Campuses outside of Sacramento may FAX the PAR/PPT and supporting documents to our office. Please ensure that the Savings Plus or tax shelter annuity information on item 10 remarks is clear. Do not reduce the size of the original document as data may be too small to read. It is helpful if item 10 remarks are also on the FAX cover sheet. Please do not call to verify that your FAX was received. Include your name and complete telephone number, including extension, on the fax cover page so we can contact you if we have questions. It is helpful if you provide an alternate contact as well. FAX documents to the following number: (916) 322-8137.

Things to remember:

It is important to cancel direct deposit for all separating employees or direct deposit will be administratively canceled. This enables you to submit documents to SCO early, allows time to process the requested action through the employment history and payroll systems and leaves you time to review and verify the payments issued/deductions withheld. You may then hold the warrant until the employee's final day at which time you will release the payment to the employee. This also provides for a much quicker turnaround time if corrections to a payment are necessary.

You can submit the PAR and supporting documents right after Master Payroll Cutoff of the month prior to retirement. For example, if the employee is retiring December 30th, the last full month is November. PAR and supporting documents can be submitted the day after November Master Payroll Cutoff.

Please be aware that only under very limited circumstances will Operations consider reprocessing a separation to change a deferral amount. Reprocessing will not be done from the 4th quarter of the year through the 1st quarter of the following year if what has been requested by the employee is processed correctly. This is due to the time constraints we are all under to complete these transactions in a timely manner. Please be sure your employees are informed and make a thoughtful decision regarding their options before submitting documents.

You will also find information on SCO's web site regarding year end separations located in the Year End Separations Handbook. In this handbook, you will find information that will assist you in documenting the PAR, lump sum calculation process and a variety of PAR samples.

For assistance with payroll related issues, please call SCO's Customer Contact Center at (916) 372-7200 to reach the appropriate Civil Service Payroll Liaison, CSU Payroll Liaison or PAR liaison. A useful call tree diagram has been created to help direct you to the area you are calling. The link to the [Customer Service Call Tree Diagram](#) can be found at the bottom of the web page.

LC:TW:PPOB