

STATE CONTROLLER'S OFFICE

PERSONNEL AND PAYROLL SERVICES DIVISION

P.O. BOX 942850

SACRAMENTO, CA 94250-5878

DATE: April 10, 2020

PAYROLL LETTER #20-004

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

FROM: Jil Barraza, Chief

Personnel and Payroll Services Division

RE: TEMPORARY CANCELLATION OF DEFAULT STUDENT LOAN GARNISHMENTS

The State Controller's Office (SCO) will temporarily cancel default student loan garnishments per section 4513(a) of the Covid-19 Pandemic Education Relief Act of 2020 for 60 days. No actions from agencies or campuses are necessary to implement these cancellations. Cancellation transactions will be processed for the April 2020 pay period prior to master payroll cutoff. Default student loan garnishments are identified as deduction code 339-008 and 'DEFSTUDLOAN' on employee earnings statements.

The SCO will reestablish the cancelled default student loan garnishments in the June 2020 pay period prior to master payroll cutoff. The garnishment suspension may be extended by the U.S. Secretary of Education in which SCO will then adjust the reinstatement pay period.

Agencies and Campuses should not submit new std.639 forms to establish 339-008 garnishments until the June 2020 pay period. If a STD. 639 form is received to establish a new 339-008 garnishment it will be returned to the requesting Agency or Campus. The Personnel and Payroll Operation Bureau will resume processing these documents upon the conclusion of the suspension period.

The SCO will not take administrative action to cancel Franchise Tax Board (FTB) Student Loan Collections garnishments. These garnishments are identified by deduction code 339-004 along with other FTB garnishments such as State Tax Levies. Employees will need to communicate with their loan administrator to request refund of the garnishment, if eligible.

For additional questions regarding this letter, please use the following contact information:

| <u>SUBJECT AREA</u> | <u>CONTACT</u> | <u>TELEPHONE NUMBER/EMAIL</u> |
|---|-----------------------------------|--|
| General Payroll Procedures | Statewide Customer Contact Center | (916) 372-7200 |
| HR Suggestions Email Inbox (All HR Staff) | - | PPSDHRSuggestions@sco.ca.gov |

| <u>SUBJECT AREA</u> | <u>CONTACT</u> | <u>TELEPHONE NUMBER/EMAIL</u> |
|--|----------------|--|
| Escalation Email Inbox (HR Supervisors and Managers) | - | PPSDOps@sco.ca.gov |

JEB:AFB:SACS