

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

DATE: August 4, 2020

PAYROLL LETTER #20-017
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Jil Barraza, Chief
Personnel and Payroll Services Division

RE: IMPROVING AFFORDABILITY AND ACCESS TO HEALTH CARE – BARGAINING UNITS R01, R03, R04, R11, R14, R15, R17, R20, R21, ASSOCIATED EXCLUDED, AND EXEMPT EMPLOYEES

On June 19, 2020, Service Employees International Union (SEIU) and the California Department of Human Resources (CalHR) reached collective bargaining side letter agreement 20-020 ([CalHR Bargaining / Contracts](#)). The Improving Affordability and Access to Health care provision approved for SEIU represented, associated excluded and exempt employees, a \$260 cash payment to offset health care costs for the period from July 1, 2020, to June 30, 2022.

The State Controller's Office (SCO) has established Earnings ID "GHCP" for the health care cash payment of \$260.00 to be paid monthly. The payment is not to be prorated; therefore, it cannot be lock in on the employment history record and must issue as a supplemental payment. The earning description on the employee's warrant will be 'HLTHCASHPMT'.

These payments are NOT subject to retirement. These payments are subject to other mandatory deductions (where applicable) and the tax rates are as follows:

- 22% Federal Tax (flat rate)
- 6.6% State Tax (flat rate)
- 6.2% Social Security (if applicable)
- 1.0% State Disability Insurance (if applicable)
- 1.45% Medicare (if applicable) **OR**
- 2.35% Medicare for wages over \$200,000 (if applicable)

SCO will identify eligible and automate the supplemental payments for only active employees in permanent, limited-term & temporary (more than 6 months) full-time and part-time (half-time or more) positions. The payments will issue with the first daily payroll cycle after the close of each business month. The payments will reflect the same pay period as the health plan eligibility pay period. The first automated process will run on August 3, 2020, cycle/issue date 08-04-20. The automated process will exclude employees that do not have a current Personal Leave Program Earnings ID on the employment history record and employees that have Flex or Coben Cash benefit established. Agencies must follow the processing procedures below for all other eligible employees not captured by the SCO's automated process.

ELIGIBILITY

Eligible employees will receive a \$260 Health care cash payment for each month they are eligible for state-sponsored health plan benefits per civil service pay differential 440 and exempt pay differential. Please reference the Pay Differentials for additional information on eligibility criteria and exclusions using the following links:

[CalHR Pay Differentials](#)

[CalHR Exempt Salary Schedule](#)

NOTE: An employee receiving this pay differential is not eligible for Flex or Coben Cash. Please reference SCO Payroll Letter 20-015 for information on Flex and Coben Cash cancellations ([SCO Payroll Letters](#)). Any questions regarding the Flex Elect Cash Option changes can be sent to flexelect@calhr.ca.gov.

PROCESSING PROCEDURES

Agencies will be responsible for identifying and processing payments monthly for eligible employees on Disability/Military Leave, Separated and employees that are in the following categories:

<u>Tenure</u>	<u>Time base</u>
Permanent	Intermittent (PI) – 480 or more paid hours/Control Period (or 960 paid hours in two consecutive Control Periods to qualify to continue coverage)
Permanent	Part-Time - less than half-time (if more than one position combined is half-time or more)
Limited-Term (more than 6 months)	Part-Time - less than half-time (if more than one position combined is half-time or more)
Temporary (more than 6 months)	Part-Time - less than half-time (if more than one position combined is half-time or more)

Agencies will be responsible for identifying any other eligible active employee that was not captured in SCO's mass payment process. Agencies must monitor ongoing eligibility per pay differential 386 for the Personal Leave Program, and Flex or Coben Cash benefits per instruction in SCO Payroll Letter 20-015.

Agencies should process this payment via the Payroll Input Process (PIP) System using Earnings ID "GHCP". Use form STD. 671, Miscellaneous Payroll/Leave Actions to document the information and keep forms for department records. Refer to Payroll Procedures Manual (PPM) Section G 105 for STD. 671 completion instructions. Payments are to be processed using the same month as eligible pay period. Refer to Section K in the Payroll Procedures Manual (PPM) for keying instructions – [SCO PPM](#).

PAYROLL ADJUSTMENTS

The \$260 payment amount must be included in an employee's regular rate of pay for overtime purposes.

Submit all overtime payment requests via the PIP System. Use form STD. 671, Miscellaneous Payroll/Leave Actions, to document the information to enter into the PIP System and keep forms for department records. Refer to Sections G and K in the PPM for form completion and keying instructions.

If an employee receive a payment in error, please follow the warrant return process in Sections I and J in the PPM.

Please direct questions concerning the Health Care Cash Payment as follows:

<u>SUBJECT AREA</u>	<u>CONTACT</u>	<u>TELEPHONE NUMBER/EMAIL</u>
Program Administration (e.g., rules, regulations, benefits/pay impacts)	Personnel Services Branch CalHR	(916) 323-3343
General Payroll Procedures Disability Payroll Procedures Employment History Procedures	Statewide Customer Contact Center SCO	(916) 372-7200
HR Suggestions Email Inbox (All HR Staff)	Personnel and Payroll Services Division SCO	PPSDHRSuggestions@sco.ca.gov
Escalation Email Inbox (HR Supervisors and Managers)	Personnel and Payroll Services Division SCO	PPSDOps@sco.ca.gov

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