

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

DATE: October 15, 2020

PAYROLL LETTER #20-021

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

FROM: Jil Barraza, Chief  
Personnel and Payroll Services Division

**RE: LUMP SUM SEPARATION PAY AND CONTRIBUTION**

As the year-end peak workload of employee separations with lump sum deferrals quickly approaches, the Personnel/Payroll Operations Bureau (PPOB) would like to remind agencies/campuses of some important dates, procedures, and tools available to prepare and submit the separation PAR/PPT.

#### **Online Support for 2020 Lump Sum Separation Pay Documentation and Processing**

- [Lump Sum Toolkit](#)
  - A Guide For Avoiding Common Errors: Lump Sum Documentation and Processing
  - Lump Sum Worksheet
  - Lump Sum Pretax Calculator
  - Lump Sum Separation Pay FAQ
  - Talking Points and Activities for a Lump Sum Peak Workload Kickoff Meeting
- [Personnel Action Manual \(PAM\)](#)
- [Payroll Procedures Manual \(PPM\)](#)
- Civil Service (CS) PAR Tracker email notification: SCO will send an email to the contact name on the PAR to notify agencies when a PAR package is received.

#### **Reminders for PAR Documentation and Pay Calculation**

- Regarding 2020 Personal Leave Program (PLP)/Furlough
  - Time to be paid (PAR item 606) is at the reduced salary rate.
  - Lump sum vacation and lump sum extra (PAR items 620 and 625) are paid at the unreduced salary rate.
  - For more information on the 2020 Personal Leave Program (PLP)/Furlough:
    - [2020 Personal Leave Program \(PLP\) / Furlough Fact Sheet](#)
    - [CalHR Human Resources Manual Section 2113](#)
- PAR Item 962 (see [PAM Section 2.149](#))
  - EID/Established Earnings: If there is an EID that is not indicated on the PAR, write the EID number and amount in the Remarks box. All EID sources must be verified by SCO.
  - For unverifiable 962 salary rate, show the breakdown in Box 10.
- PAR Line 10: Indicate in Remarks which account (401(k)\* or 457) to max out first, if applicable.
- Correcting a PAR: Call the SCCC before submitting a corrected PAR.

## **Savings Plus Lump Sum Separation Pay Contribution Election Form**

The Savings Plus Lump Sum Separation Pay Contribution Election Form ([Election Form](#)) must be signed, dated, and officially submitted by the employee at least 5 workdays (Monday through Friday, excluding Saturdays, Sunday and legal holidays) prior to the separation effective date. Agencies/campuses should encourage employees to submit the necessary documentation at least 30 days in advance to allow time to address questions, verify calculations of the lump sum, and prepare the PAR/PPT.

- The State Controller's Office (SCO) and CalHR recommend that agencies/campuses date stamp documents and keep a record of when documents are received. PPOB will cancel and return any PAR/PPT packages when the employee documentation does not meet the five day requirement (see the [Election Form](#) and California Labor Codes [201](#) and [202](#).)

## **Government Codes 201 and 202**

- The Savings Plus Lump Sum Separation Pay Contribution Election Form must be signed, dated, and officially submitted by the employee at least 5 workdays (Monday through Friday, excluding Saturdays, Sundays and legal holidays) prior to the separation effective date.
- If cash is deferred to the next tax year, it must be tendered by February 1.
- Contribution to Savings Plus account: Must be deposited into the Savings Plus account within two and one-half months after date of separation.

## **Deferring Into the Next Tax Year**

- For those employees deferring into the next tax year, agencies/campuses must indicate on the PAR/PPT a separation effective date in November or December only. (The employee's CalPERS retirement date must be on or after November 2, 2020; employees with a CalPERS retirement date before November 2, 2020, do not qualify to defer into the 2021 tax year.)

## **Questions, Concerns, and Errors**

- To help avoid missing important deadlines or making common mistakes that may increase processing times, it is recommended that you use the Lump Sum Toolkit along with relevant manuals and training documents.
- PPOB will attempt to contact the agency/campus contact or alternate contact regarding PAR/PPT errors. However, if PPOB does not receive a response by close of business (COB) the following working day, the PAR/PPT will be cancelled and returned. For example, if PPOB leaves a voicemail message on Friday and does not receive a response from the agency by Monday COB, PPOB will cancel the PAR/PPT and return it to the agency/campus contact. PPOB will notify the agency/campus of the PAR/PPT being cancelled via email and a hard copy notice may also be sent.
- For questions related to PAR documentation and processing, contact the Statewide Customer Contact Center and follow the prompts to direct your call to Civil Service (CS) Audits.
- For payroll-related questions, contact the Statewide Customer Contact Center and follow the prompts to direct your call to Civil Service Payroll.

## **Dates and Guidelines for Submitting All Required Documents to SCO**

- PPOB recommends securely emailing/ mailing/ faxing/ hand delivering the PAR/PPT to SCO as early as possible.
- The month of separation determines the date or timeline by which documents must be received by SCO. See the dates in the table below to allow SCO adequate time to process incoming separations. PAR/PPT packages received by SCO after the dates specified could result in charges assessed by CalHR to the agency/campus as stated in [section 1802 of the CalHR Manual](#) and/or a corrected W-2 for the 2020 tax year.

- SCO will send an email to the contact name on the PAR to notify agencies when a PAR package is received.

Separation Month	1st PAR Received at SCO by...	2nd PAR Received at SCO by...
October 2020	As early as possible	NA
November 2020	12/11/20	12/28/20
December 2020	12/11/20	1/8/21

- Refer to the [weekly processing dates](#) on the SCO website to monitor processing times.
- Delivery Options:
  - **Encrypted Email:**
    - Follow your agency's/campus' encrypted email protocol. If you are unsure about your encrypted email protocol, contact your supervisor before emailing the document.
    - In the Subject Line type **CS Audits Lump Sum PAR**.
    - Email the completed form to: [PPSDTempOps@sco.ca.gov](mailto:PPSDTempOps@sco.ca.gov)
  - **Mail:**

Personnel and Payroll Services Division  
 PO Box 942850  
 Sacramento, CA 94250  
 Attn: CS Audits/Lump Sum PAR or CSU Audits/Lump Sum PPT
  - **Fax:** Fax one copy of the PAR/PPT and supporting documents to PPOB. Include item 10 remarks on the fax cover sheet and do not reduce the size of the original documents, as data may be too small to read. Please do not call to verify that PPOB received your fax. You will receive an email confirmation upon receipt. Include an agency/campus contact name, complete telephone number including extension and identify an alternate contact on the fax cover page. PPOB will communicate with the agency/campus contact or the alternate contact as needed.
    - Civil Service PARs fax to (916) 322-8137
    - CSU PPTs fax to (916) 322-8113
  - **Hand delivery:** The receptionist window is located on the 10th Floor at 300 Capitol Mall. Please provide an email address, and contact name, complete telephone number including extension, and an alternate contact on the PAR/PPT so that we may contact you or the alternate contact as needed.
- **Please be advised this is a time sensitive workload, so if PPOB processed the lump sum package as requested, we will not reprocess the documents. Please provide the appropriate information to your employees to ensure they make a thoughtful decision regarding their options before submitting documents. The Savings Plus website includes a [Learning Center](#) to help employees with items that they should consider when retiring.**

Please refer to the SCO Statewide Customer Contact Center (SCCC) at (916) 372-7200 for further assistance, or visit the [SCO website](#) for additional contact information.

For questions related to PAR/PPTs, please contact the liaisons for Civil Service (CS) or CSU Personnel.

For assistance with payroll or deferred compensation please contact the liaisons for CS or CSU Payroll. Please refer to the [SCCC Call Tree](#) on the SCO website to aid in directing your call to the appropriate area.

**Contact:**

- [Statewide Customer Contact Center](#) (916) 372-7200
- HR Suggestions Email (All HR Staff) [PPSDHRSuggestions@sco.ca.gov](mailto:PPSDHRSuggestions@sco.ca.gov)
- CS Escalation Email (HR Supervisors and Managers) [PPSDOps@sco.ca.gov](mailto:PPSDOps@sco.ca.gov)
- Cal Employee Connect Email [connecthelp@sco.ca.gov](mailto:connecthelp@sco.ca.gov)
- Cal Employee Connect Feedback Email [connectfeedback@sco.ca.gov](mailto:connectfeedback@sco.ca.gov)

**SCO Key Initiatives:**

- [Cal Employee Connect Project](#)
- [CalATERS Replacement Project](#)
- [California State Payroll System Project](#)

JEB:VE:PPOB