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

DATE: August 19, 2024

PAYROLL LETTER #24-007  
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Lisa Dean, Acting Chief  
Personnel and Payroll Service Division

**RE: IMPROVING AFFORDABILITY AND ACCESS TO HEALTH CARE PAYMENT FOR  
BARGAINING UNIT 08, RELATED EXCLUDED, AND EXEMPT EMPLOYEES**

According to the California Department of Human Resources (CalHR) pay differential 440 for Improving Affordability and Access to Health Care Payments, the eligibility period for Bargaining Unit 08 and related excluded employees was from December 1, 2022, pay period through June 30, 2024. CalHR also modified the Exempt Pay Differential for those class codes related to Bargaining Unit 08. The State Controller's Office (SCO) will update the automated payment process to remove the ineligible Bargaining Unit 08 related excluded and exempt employees, beginning with the July 2024 pay period.

Eligible employees will receive a \$260 payment for each month they are enrolled in a state-sponsored health plan per civil service Pay Differential 440 and the Exempt Pay Differential. Please reference the Pay Differentials for additional information on eligibility criteria and exclusions using the following links:

- [CalHR Pay Differentials](#)
- [Exempt Salary Schedule](#)

The State Controller's Office will continue to use Earnings ID "GHCP" for the health care cash payment of \$260. to be paid monthly. The payment is not to be prorated; therefore, it cannot be locked in on the employment history record and must issue as a supplemental payment. The earning description on the employee's warrant is 'HLTHCASHPMT'.

These payments are NOT subject to retirement. These payments are subject to other mandatory deductions (where applicable) and the 2024 tax rates are as follows:

- 22% Federal Tax (flat rate)
- 6.6% State Tax (flat rate)
- 6.2% Social Security (if applicable)
- 1.1% State Disability Insurance (if applicable)
- 1.45% Medicare (if applicable) **OR**  
2.35% Medicare for wages over \$200,000 (if applicable)

## AUTOMATED PAYMENT PROCESS

The State Controller's Office will identify eligible records and issue the supplemental payments for only active employees in permanent, limited-term and temporary (more than 6 months) full-time and part-time (half-time or more) positions if the employee is enrolled in a state-sponsored health plan and the deduction is established on the employee's payroll record. 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 automated process will exclude employees that have a Flex Elect or Consolidated Benefits (CoBen) Cash benefit established on their payroll record. Agencies must follow the processing procedures below for all other eligible employees not captured by SCO's automated process and instructions to exclude employees not eligible in class code 7500 from the automated process.

Updates to the [\\$260 Healthcare Cash Payment SEIU, Excluded & Exempt FAQs](#) webpage are forthcoming.

## AGENCY PROCESSING PROCEDURES

### **Employees in Class Code 7500**

To prevent a payment from being issued automatically, agencies are required to identify employees in class code 7500 that are tied to a bargaining unit not eligible based on the pay differential criteria. The ineligible employee's name, position number and last four digits of the Social Security Number (SSN) must be submitted to the [Statewide Customer Contact Center \(SCCC\)](#) by a minimum of two (2) days prior to the automated payment processing date.

### **Payment Processing**

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

Each month, agencies are responsible for identifying and processing payments for any other eligible active employee that was not captured in SCO's mass payment process.

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 form completion instructions. Payments are to be issued using the same month as the eligible pay period and processed in the following month of eligibility. Refer to Section K in the [PPM](#) for keying instructions.

Agencies must submit form(s) STD. 674 and/or STD. 674D via ConnectHR; select the appropriate program and document type for payments that cannot be keyed via PIP.

<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)

## **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 and keep forms for agency records. Refer to Sections G and K in the [PPM](#) for form completion and keying instructions. Agencies must submit a STD. 674 via ConnectHR, select Premium Pay - STD. 674 GHCP for payroll adjustments that cannot be keyed via PIP.

If an employee receives a payment in error, please follow the warrant return process in Sections I and J in the [PPM](#).

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

### **Contacts:**

- Affordable Care Act (ACA) Email [ACASupport@sco.ca.gov](mailto:ACASupport@sco.ca.gov)
- [Cal Employee Connect \(CEC\) Help and Feedback](#)
- [ConnectHR Help and Feedback](#)
- California Leave Accounting System (CLAS) Email [CLAS@sco.ca.gov](mailto:CLAS@sco.ca.gov)
- CS Escalation Email (HR Supervisors and Managers) [PPSDOps@sco.ca.gov](mailto:PPSDOps@sco.ca.gov)
- Decentralized Security Administration (DSA) & ViewDirect Access (916) 619-7234 or [DSA@sco.ca.gov](mailto:DSA@sco.ca.gov)
- HR Suggestions Email (All HR Staff) [PPSDHRSuggestions@sco.ca.gov](mailto:PPSDHRSuggestions@sco.ca.gov)
- Management Information Retrieval System (MIRS) Email [PPSDMIRS@sco.ca.gov](mailto:PPSDMIRS@sco.ca.gov)
- [Statewide Customer Contact Center](#) (SCCC) (916) 372-7200

### **SCO Key Initiatives:**

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

### **Websites:**

- [HR](#)
- [State Employees](#)

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