

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

DATE: October 7, 2024

PAYROLL LETTER #24-014
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

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

RE: LUMP SUM SEPARATION PAY AND CONTRIBUTION

As the year-end peak workload of employee separations with lump sum deferrals quickly approaches, the State Controller's Office (SCO) Personnel and Payroll Operations Bureau (PPOB) would like to remind agencies of some important dates, procedures, and tools available to prepare and submit the separation Personnel Action Request (PAR).

Online Support for Human Resources (HR) Personnel Specialists

- [Lump Sum Toolkit](#)
 - Separation Checklist for Personnel Specialists
 - Coversheet for a Lump Sum Separation PAR Package
 - A Guide for Avoiding Common Errors: Lump Sum Documentation and Processing
 - Lump Sum Worksheet
 - Lump Sum Pretax Calculator
 - FAQ for Lump Sum Separation Pay
 - Talking Points and Activities for a Lump Sum Peak Workload Kickoff Meeting
 - eLearning Series: Lump Sum Separation Process
- [Personnel Action Manual \(PAM\)](#)
- [Payroll Procedures Manual \(PPM\)](#)
- [ConnectHR Document Directory and Contact Information](#)

Online Support for Separating Employees

- [Civil Service State Employee Guide to Retirement](#)
- [Savings Plus Lump Sum Separation Pay Contribution Election Form](#)
- [Savings Plus Resource Center](#)

Guidelines and Dates for Submitting All Required Documents to SCO

- Lump sum PARs are submitted as a "package," which includes the coversheet, PAR, Election Form, and 457(b) Traditional Catch-Up Approval Letter (if applicable). (Do not include any other documents.)
- Include only one Social Security Number (SSN) per PAR package.
- The date of separation, tax year, and payroll system requirements determine the date/timeline by which documents must be received by SCO (see below). Submitting PAR packages by the deadlines will help meet processing requirements per Labor Codes [201](#) and [202](#). PAR packages received by SCO after the dates specified may result in charges assessed by the Department of

Human Resources (CalHR) to the department (as stated in [section 1802 of the CalHR Manual](#)) and/or a corrected Form W-2 for the 2024 tax year.

- **PAR Package Dates for November and December Separations**
 - When separating November 1-15, 2024
 - 1st PAR must be received at SCO by 11/22/24
 - 2nd PAR (if applicable) must be received at SCO between 12/16/24 to 12/24/24
 - When separating November 16-30, 2024
 - 1st PAR must be received at SCO by 12/02/24
 - 2nd PAR (if applicable) must be received at SCO between 12/16/24 to 12/24/24
 - When separating December 1-31, 2024
 - 1st PAR must be received at SCO by 12/13/24
 - 2nd PAR (if applicable) must be received at SCO between 12/30/24 to 1/10/25
- **ConnectHR Upload Requirements**
 - In the ConnectHR drop-down menu, select **CS Audits - Separation PAR Package (Lump Sum)**.
 - Upload one PAR package per SSN – do not combine PAR packages in an upload.
A PAR package includes:
 - Coversheet (required)
 - PAR (required)
 - Election Form (required)
 - 457(b) Traditional Catch-Up Approval Letter (if applicable)
 - You will receive a confirmation email upon submitting the PAR package using ConnectHR. If you do not receive an email confirming submission of the PAR package, then please contact ConnectHR at connecthrhelp@sco.ca.gov.

Labor Codes 201 and 202 require timely processing of lump sum separation pay. Errors in the PAR package may extend processing time.

- Please refer to the Lump Sum Toolkit, as well as relevant manuals and training, when documenting a lump sum separation. A supervisor/senior member should review and approve all lump sum separation documents prior to submitting to SCO.
- Provide the necessary information to your employees as early as possible, as this will help them make thoughtful decisions regarding their options before submitting documents.
 - SCO has prepared the Civil Service State Employee Guide to Retirement for employees. The Savings Plus website includes a Resource Center to help employees with items that they should consider when retiring.
- PPOB will notify the department of PAR errors through an emailed CS Audits Ding Notice, emailed Lump Sum Package Update Notice, or phone call. Emails will be sent to departmental universal mailboxes. If PPOB does not receive a response within 2 business days (excluding weekends and holidays), the PAR package will be cancelled. For example, if PPOB contacts the department via their universal email address on Friday and does not receive a response by Tuesday close of business, then PPOB will cancel the separation request. PPOB will notify the department of this action via an email sent to the department's universal email address.
- Check the status of a lump sum separation PAR package: See the [FAQ](#) in the Lump Sum Toolkit for steps to check the status of a lump sum separation PAR package. Do not submit a duplicate or inquiry PAR, as this may significantly impact the time it takes for SCO to process the transaction.
- Refer to the [Weekly Processing Dates](#) on the SCO website to monitor the dates of PAR packages currently being processed.
 - Under Document Type: Go to Personnel Action Request (PAR) - STD. 680
 - Under Usage: Go to For Separation Pay: Regular Pay, Lump Sum and Contributions

- Correcting a PAR: Before submitting a corrected PAR, call the [Statewide Customer Contact Center](#) (SCCC) at (916) 372-7200, select # 2 for Civil Service, and then #2 for Civil Service Audits.

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 five (5) workdays (Monday through Friday, excluding Saturdays, Sundays and legal holidays) prior to the separation effective date. Agencies 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.
- The Election Form is irrevocable, and cannot be changed, amended, or revoked once officially submitted to the personnel office. For more information, please contact [Savings Plus](#).
- PPOB will cancel any PAR package when the Election Form does not meet the five day requirement (see the [Election Form](#) and California Labor Codes [201](#) and [202](#)).
- Contributions deposited into a Savings Plus account: Per California Labor Codes 201 and 202, contributions must be deposited into an employee's Savings Plus account within two and one-half months after the date of separation. (Note: Savings Plus contributions will post into an employee's account mid-month or end-of-month.)

Deferring Into the Next Tax Year

- For those employees deferring contributions or cash into the 2025 tax year, the employee must have a separation effective date in November or December. The employee's Public Employees' Retirement System (CalPERS) retirement date must be on or after November 2, 2024. (Note: an employee's earliest retirement date is one day after the separation effective date.) Employees with a CalPERS retirement date before November 2, 2024, do not qualify to defer into the 2025 tax year. (See: [CalHR Manual Section 1802](#); [CalPERS Service Retirement Frequently Asked Questions](#))
- If cash is deferred into the 2025 tax year, it must be tendered by February 1, 2025.

For questions related to lump sum separation pay and contributions, please contact the [Statewide Customer Contact Center](#) at (916) 372-7200:

- For questions related to PAR documentation and processing, select #2 for Civil Service, and then #2 for Civil Service Audits.
- For payroll-related questions, select #2 for Civil Service, then #4 for Payroll, and then #1 for General Payroll Questions.

For questions related to ConnectHR and submitting documents, see *ConnectHR Upload Files External Process (CS)* located on ConnectHR's Help and Feedback page.

Contacts:

- Affordable Care Act (ACA) Email 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
- CS Escalation Email (HR Supervisors and Managers) PPSDOps@sco.ca.gov
- Decentralized Security Administration (DSA) & ViewDirect Access (916) 619-7234 or DSA@sco.ca.gov
- HR Suggestions Email (All HR Staff) PPSDHRSuggestions@sco.ca.gov
- Management Information Retrieval System (MIRS) Email 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](#)

DH:PPOB (CS Audits and CS Payroll)