STATE OF CALIFORNIA

JOHN CHIANG,
California State Controller

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

DATE: December 17, 2013

PERSONNEL LETTER #13-021
(CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

FROM: Lisa Crowe, Chief
Personnel and Payroll Services Division (PPSD)

RE: YEAR END INFORMATION FOR SEPARATIONS WITH LUMP SUM DEFERRAL

A green cycle has been added to the December payroll calendar on December 27th, issue dated December 30th. Although an additional cycle will be helpful, please remember that payroll documents submitted after Master Payroll Cutoff, December 19th, **MAY** not be processed timely for the 2013 tax year.

If you have employees who are deferring lump sum payments into the 2013 and 2014 tax years, they must separate on or after November 1st and submit a completed "Request to Transfer Lump Sum Pay Application" to their Human Resources 30 days prior to separation. If the employee is making catch up contributions, you must also include the approved "Savings Plus Catch Up Worksheet" when sending the Personnel Action Request (PAR) to the State Controllers Office (SCO). These forms and additional information can be found on the Savings Plus Program (SPP) website. **Remember to submit the additional PAR for the 2014 lump sum deferral as soon as possible following the last December green cycle on December 27th.**

Any Separation PAR correctly processed, as the employee originally requested, between October 1, 2013, and March 31, 2014, will NOT be reworked. Please be sure your employees are informed and make a thoughtful decision regarding their options before submitting documents. You must submit a signed, CURRENT turnaround PAR; a padded PAR will be canceled.

Reminders:

- If you send a PAR for a December retirement and check "immediate pay" the December pay will issue in the 2013 tax year. It is very important to consider this when you are documenting the PAR's for employees deferring into two tax years.
- If the employee is deferring into the next tax year, remind them to keep you updated on any address changes since they will be receiving a W2 for 2013 and 2014.
- Notify any employee who intends to return to work as a Retired Annuitant (RA) that their check earned as a RA will aggregate with their lump sum payment and they may need to adjust their Employee Action Request (EAR) for tax purposes.

For questions regarding the Savings Plus Program, contact the Savings Plus Customer Service Center at (855) 616-4776. For assistance with payroll related issues, please contact SCO's Customer Contact Center (916) 372-7200.

LC:PPOB