

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

DATE: July 8, 2025

PERSONNEL LETTER #25-008
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

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

RE: EMPLOYMENT HISTORY MASS UPDATE TO CHANGE RETIREMENT CONTRIBUTION RATES FOR BARGAINING UNITS R12, R16 AND R19 AND R05, S05 AND M05, OR OTHER EXEMPT/EXCLUDED EMPLOYEES TIED TO BARGAINING UNIT 5; EFFECTIVE JULY 1, 2025

Effective July 1, 2025, Miscellaneous retirement members in Bargaining Units (BU) R12, R16 and R19 and Patrol Members in BUs R05, S05, M05, or other exempt/excluded employees tied to BU 5, will receive a change to their employee retirement contribution rate.

Pursuant to the agreement between the California Department of Human Resources and BUs R12, R16 and R19 and Patrol Members in BUs R05, S05, M05, or other exempt/excluded employees tied to BU 5, the employee retirement contribution rate changes are as follows:

Bargaining Units R12, R16 and R19 MISCELLANEOUS employees who **are** subject to Social Security in the First Tier Retirement plan.

The employee retirement contribution rate will change from 9.5% to 9%.

Bargaining Units R12, R16 and R19 MISCELLANEOUS employees who are **not** subject to Social Security in the First Tier Retirement plan.

The employee retirement contribution rate will change from 10.5% to 10%.

Bargaining Units R05, S05, M05, or other exempt/excluded employees tied to BU 5, PATROL employees in the Patrol Member Tier A, Patrol Member Tier B and PEPRA Retirement Formula.

The employee retirement contribution rate will change from 13.5% to 14.5%.

EMPLOYMENT HISTORY (EH) MASS UPDATE PROCESSING

Due to the large eligible R12, R16 and R19 populations, the State Controller's Office (SCO) processed an EH mass update on July 8, 2025, to implement the retirement rate changes effective July 1, 2025, for eligible employees. The 505 transaction reflects the employee retirement contribution rate and retirement account code changes for impacted employees.

MASS UPDATE EXCEPTIONS

Exceptions to the mass update must be processed manually. For example, employees with an EH record reflecting an out-of-sequence status (i.e., the effective date on the most current transactions is

after July 1, 2025), will be processed manually. The Personnel and Payroll Services Division (PPSD) may also assist with out-of-sequence transactions as needed.

The Personnel and Payroll Services Division is unable to update the EH records to reflect the new rates when the employee is off pay status (e.g., on a leave of absence, or an Appointment Expiration Date prior to July 1, 2025). These employees' Item 505 – Account Code field must be updated by the appointing agency once their appointment is extended, or the employee returns to active pay status following a leave of absence.

There are many other reasons that the automated process may not be able to identify eligible records to include in a mass update. One common circumstance is when an employee in an excluded bargaining unit (e.g. E99) has a Pay Scale Collective Bargaining Identifier (CBID) on their EH record that is the same as their Employee CBID. Personnel and Payroll Services Division uses the Pay Scale CBID to determine which Rank and File CBID their record is tied to (e.g. M01). This is generally because the class code on the record could be tied to a variety of represented CBIDs. Without this Pay Scale CBID with which to tie the excluded CBID, PPCS is unable to determine whether the employee is eligible for the update, and the department must key the transaction manually.

Although Item 505 is not a required field when returning an employee to pay status, the account code must be entered on the PAR to reflect the new retirement rate on the employee's record. If the account code is not entered, the retirement contribution will be withheld at the incorrect rate and will require future adjustments.

It is best practice for departments to confirm that all eligible employees have an appropriate transaction posted to their record on the day following the mass update. Departments must confirm that all employees receive the correct pay as part of their payroll certification process each month, including whether an employee's salary has been changed as part of a mass update, per Government Code § 12474; the department must manually key the update for any record that is incorrect.

RETIREMENT ACCOUNT CODES EFFECTIVE JULY 1, 2025

Bargaining Units R12, R16 and R19 MISCELLANEOUS employees who are subject to Social Security in the First Tier Retirement plan.

Retirement Contribution Rate: From 9.5% to 9%.

Retirement Account Code: See below for impacted employee account code movement.

- From Retirement Account Code 2E, 2G or 4X to Retirement Account Code 3K
- From Retirement Account Code DG or DE to Retirement Account Code EK

Bargaining Units R12, R16 and R19 MISCELLANEOUS employees who are **not** subject to Social Security in the First Tier Retirement plan.

Retirement Contribution Rate: From 10.5% to 10%.

Retirement Account Code: N/A

Bargaining Units R05, S05, M05, or other exempt/excluded employees tied to BU 5, PATROL employees in the Patrol Member Tier A, Patrol Member Tier B and PEPRA Retirement Formula.

Retirement Contribution Rate: From 13.5% to 14.5%.

Retirement Account Code: No Account Code change; changed current account codes to the new rate.

For additional questions, please use the following contact information:

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](#)

LD:PAM:BPA