

Personnel Action Manual

Section 6
EAR Processing

Rev. 11/2010



State Controller's Office

Table of Contents

Section 6.1 – Employee Action Request (EAR); Form 686 (rev. 11/10)	3
Section 6.2 – Employee Action Request (EAR); Form 686 [cont.] (rev. 05/94).....	4
Section 6.3 – EAR Item Definitions (rev. 08/98)	5
Section 6.4 – EAR Item Definitions [cont.] (rev. 08/98).....	6
Section 6.5 – EAR Item Definitions [cont.] (rev. 11/08).....	7
Section 6.5.1 – EAR Item Definitions [cont.] (rev. 11/08).....	8
Section 6.6 – EAR Item Definitions [cont.] (rev. 03/99).....	9
Section 6.7 – EAR Item Definitions [cont.] (rev. 08/08).....	10
Section 6.8 – EAR Item Definitions [cont.] (rev. 08/08).....	11
Section 6.9 – EAR Item Definitions [cont.] (rev. 11/08).....	12
Section 6.9.1 – EAR Item Definitions [cont.] (rev. 11/10).....	13
Section 6.9.2 – U.S. States/Territories Abbreviation Codes (new. 11/08).....	14
Section 6.9.3 – U.S. States/Territories Abbreviation Codes (new. 11/08).....	15
Section 6.10 – EAR Item Definitions [cont.] (rev. 01/08).....	16
Section 6.11 – EAR Item Definitions [cont.] (rev. 03/99).....	17

Section 6.1 – Employee Action Request (EAR); Form 686 (rev. 11/10)

PURPOSE/USE

The EAR is used to document an employee's:

- Birthdate
- Name
- Address
- Withholding allowance information
- Prior State/Public employment

REQUIRED

An EAR must be processed for:

- New employees
- Employees returning after a permanent separation
- Current employees reporting changes
- Employees receiving IRS/State notification of mandatory withholding change
- Deceased employees

PAR's which do not have an EAR attached for employees who are new, returning after permanent separation or deceased will be returned.

Exceptions – An EAR is RECOMMENDED but not required for the following:

- Agricultural Associations (Agency 014- Unit 000)
- Immediate Pay appointment/separation method
- Emergency and Retired Annuitant appointments

Although an EAR is not required in the above cases, all employees must be given IRS form W-4 and the applicable state withholding form (California DE 4, New York IT 2104, Illinois IL W-4) and complete an EAR so they may claim appropriate withholding allowances. If employee does not complete an EAR, taxes will be withheld as follows:

- For a returning employee with prior history on the data base, taxes will be withheld based on the previously claimed marital status and allowances. Any previously claimed Federal or State Additional Withholding will be deducted.
- For a new employee, or for a returning employee with no prior history on the data base, taxes will be withheld as for a single person claiming no allowances.

NOT REQUIRED

Do not process an EAR for:

- Employees returning from a temporary separation with no changes to report (S49-S57)
- Employees transferring between departments with no changes to report
- Employees appointed to an additional position with no changes to report

QUESTIONS

For information or questions about completing the EAR Form, the appointing power may call Personnel Operations, Production Support Unit at (916) 322-8141.

ROUTING

Original - Transactions that require PPSD processing submit directly to:

State Controller's Office
Personnel/Payroll Services Division
Personnel Operations
P.O. Box 942850
Sacramento, CA 94250-5878

For New Employee transactions, the original EAR must be attached with the appointment PAR.

A copy may be retained by the department.

A copy is retained by employee.

Section 6.3 – EAR Item Definitions (rev. 08/98)

GENERAL PROCEDURES

Employees should be instructed to use a ballpoint pen and to print clearly when completing the EAR. In order to avoid typographical errors, the EAR information should not be typed.

Employees should complete the EAR by following the instructions printed on the form.

The information and procedures shown in this section are intended to SUPPLEMENT the instructions on the EAR.

Complete this section as follows:

➤ Section A - Position Identification

- A.01 Agency Code
- A.02 Unit Code
- A.03 Keyed by - Initials of person who keyed document
- A.04 Date Keyed

Personnel Operations uses 'Agency' and 'Unit' to identify the employing office when the department must be contacted, or when the EAR must be returned.

➤ Section B -Type of Transaction

Complete this section by checking one or more boxes for the type of action(s) necessary. Complete the sections listed for each box checked.

New and returning (after permanent separation) employees must check "New Employee" and complete the sections listed.

Employees returning to State service under a new name must also check the "Name Change" and complete Section D. (See PAM Section 10.16, for Special Keying Instructions.)

NEW YORK NEW HIRE REPORTING REQUIREMENTS

New or returning (after permanent separation) employees working in the State of New York must be reported within 15 days of hiring to the State of New York. This is the responsibility of the Hiring Agency.

The State of New York must be provided the following information:

- Employee Name (First, Middle Initial, Last)
- Employee Address (Street, City, State, and ZIP Code)
- Employee Social Security Number
- Date W-4 was signed; or
- Date employee is appointed to position; or
- First day of work; or
- Date of first payment for service (latest acceptable date)
- Employer Name

➤ Section B - Type of Transaction (cont.)

- Employer Address (Street, City, State, and Zip Code)
- Employer Identification Number (assigned by the Internal Revenue Service). See Payroll Procedures Manual Section H 107).

The above information regarding each newly hired employee must be forwarded to:

New York State Department of Taxation and Finance
New Hire Notification
P.O. Box 15119
Albany, NY 12212-5119

Questions concerning New York New Hire reporting requirements can be directed to the New York Business Tax Information Center at (800) 972-1233.

➤ Section C - Social Security Number/Employee Name

Complete this section as follows:

C.01 Social Security Number

C.02 Employee Last Name – Enter the employee's legal surname and suffix* or title* **as it appears on the Social Security Account Number card**. Begin entering last name at the beginning of EMPLOYEE LAST NAME field.

If applicable:

- Leave one blank space between multiple last names(s) that are not hyphenated.
- Do not use any punctuation except an apostrophe (') or hyphen (-).
- Enter two spaces before a single suffix or title. If using multiple suffixes or titles, leave one space before the first suffix or title and two spaces before the second suffix or title.
- Enter single name employees (employees with only one name) in the EMPLOYEE LAST NAME field, tab over to the FIRST NAME AND MIDDLE INITIAL field and hit the space bar twice.
- Do not enter more than 21 characters (including spaces) for last name.

*** Allowable Suffixes and Titles**

Valid Suffix	Description
CPA	Certified Public Accountant
DDS	Dentist
EDD	Doctor of Education
ESQ	Lawyer
MD	Medical Doctor
MBA	Master of Business Administration
PHD	Doctor of Philosophy
RN	Registered Nurse

Valid Title	Description
I	First
II	Second
III	Third
IV	Fourth
V	Fifth
VI	Sixth
VII	Seventh
JR	Junior
SR	Senior

➤ Section C - Social Security Number/Employee Name (cont.)

C.03 First Name & Middle Initial – Enter employee's legal first name and middle initial as it appears on the Social Security Account Number card. Begin entering first name at the beginning of FIRST NAME AND MIDDLE INITIAL field. Leave one space between the first name and the middle initial.

If applicable:

- Do not use nicknames or names which are abbreviated.
- Leave one blank space between multiple names or multiple initials. If employee has no first name, enter two spaces.
- Do not use any punctuation except a hyphen (-) between hyphenated first names.
- Do not enter suffixes or titles in the FIRST NAME field.
- Do not enter more than 16 characters (including spaces) for first name and middle initial.

The employee's name must be entered on EAR and PAR documents exactly as it appears on employee's social security card and as explained in Social Security Administration publication #20-005.

Note: The following common name prefixes do not require a hyphen to link them to a Name: BON DA DE DEL DELA DER DI DO DU EL LA LAS LE LF LI LO LOS MAC MC MT MTE SAN STA ST STE VAN VANDE VANDER VER VON VONDE VONDER.

- When an employee's last name exceeds 21 characters (including spaces), only 21 characters will be reflected in Employment History and on the employee's payroll warrant.

When employee does not have an SSA number:

- Enter "SS-5" in C.01 (an interim identification number will be assigned by Personnel Operations).
- Instruct employee to file for an SSA number.
- Once the employee has received a number, submit a PAR 105 Transaction. Corrections to the SSA number cannot be submitted on the EAR.

➤ Section C - Social Security Number/Employee Name (Cont.)

The department must verify that the employee's name and Social Security number are entered on the EAR exactly as they are shown on the employee's social security card. If the SSA card is unavailable, please call the SSA Enumeration Verification System (EVS) Employer Number at (800) 772-6270. Provide the Employer Identification Number (94600134), employee's name, SSN, date of birth and sex. You may verify up to five employees using this method. If the Employee's name and number do not match SSA's records, instruct the employee to call SSA at (800) 772-1213. An interim SSN should be entered until the employee provides a correct SSN and name.

➤ Section D - Name Change

Complete this section with employee's former name when box B.05 (Name Change) is checked.

NOTE: When an employee's first name and middle initial exceeds 16 characters (including spaces) only 16 characters will be reflected in Employment History.

Substantiation MUST be attached to the EAR when reporting a name change.

Attach one of the following:

- Copy of SSA form filled with Social Security Administration. Note on copy: "change filed with Social Security Administration."
- Copy SSA form given to the employee by the Social Security Administration. This form will be given to the employee if he/she requests proof of filing.
- Copy of the correct SSA card if employee has already received it.
- Phone verification by EVA as indicated in Section C.

NAME CORRECTION (DEPARTMENT ERROR)

Complete the following sections:

- | | |
|-----------|---|
| Section B | "X" for Name Change. |
| Section C | Complete with employee/s SSA number and correct name. (Name must be entered on EAR exactly as it appears on employee's Social Security card). |
| Section D | Employee's name as it was formerly shown. |
| Section I | Enter: "Agency Error" (in this case the employee's signature and substantiation are not required). |
| Section J | Reviewer's signature (EAR will be returned if not completed). |

➤ Section E - Withholding Allowances

Prior to employee completing this section have employee read IRS Form W-4 and applicable state withholding form (California DE 4, New York IT 2104, Illinois IL W-4).

Information entered in Section E will completely replace all previous information on file for that section. If a box is left blank, any previous information on file for that box will automatically be deleted (see PAM Section 6.1 and 6.2 for information regarding taxes withheld when employee does not complete an EAR).

For a current employee or a returning employee with prior history on the data base, the information in Section E may not be acceptable if the employee has an IRS lock in place.

See PAM page 5.104 and 10.16 for further information.

PART I – FEDERAL/STATE ALLOWANCES

For Nonresident Aliens working in the United States (who are not residents of Canada, Mexico, Japan, or Korea):

Nonresident Aliens working inside the United States (who are not residents of Canada, Mexico, Japan or Korea) may claim only one allowance.

PART I. Complete Part I sections as follows:

- E.01 "X" Nonresident Alien
- E.02 "X" single
- E.03 Complete with "1"

Note: Section E.01 Nonresident Alien is included on the STD. 686 but is not an employment history field. This section is for informational use only by agencies and campuses.

PART II. Leave blank as State Withholding requirements are the same as Federal requirements.

Exempt from Federal but not State – For employee who is exempt from State Withholding, but not from Federal Withholding tax:

Example: Employee claims the "vow of poverty" but is not a MINISTER of the church, or an Immigrant alien whose tax treaty *does not* exempt Employee from State taxes

PART I. Complete Part I sections as follows:

- E.02 "X" single
- E.03 Complete with "95"

PART II – SPECIAL STATE ALLOWANCES (rev. 03/99)

PART II must be completed to have State taxes withheld.

➤ Section E - Withholding Allowances (cont.)

For employee who is exempt from State Withholding, but not from Federal Withholding:
Complete sections as follows:

- E.04 "X" single
- E.05 Complete with "95"
- E.06 Leave blank

Part I must be completed to claim allowances for Federal Withholding.

Note: Employees may NOT claim exemption from CA or IL State tax withholding unless they also meet the Federal exemption criteria (see Part IV).

PART III – ADDITIONAL DEDUCTIONS (rev. 03/99)

When PART III is completed, employee MUST ALSO certify Federal/State withholding Allowances by completing PART I and, if applicable Part II of Section E.

To CANCEL additional deductions, employee should file a withholding allowance change, completing all applicable parts of Section E, but leaving PART III blank.

PART IV – EXEMPTION FORM WITHHOLDING EMPLOYEE INSTRUCTIONS (rev. 01/08)

To claim Exemption from Withholding due to No Tax Liability, employee must complete *only* PART IV of Section E. Parts I, II, III, and V must be left blank.

No Tax Liability - The employee must check the box, there by certifying that the following criteria is met:

- Last year, the employee did not owe any income tax and had a right to full refund of all Income tax withheld.
- AND
- This year, the employee does not expect to owe any income tax and expects to have a right to a full refund of all income tax withheld.

The employee is not eligible to claim this exemption *if* his/her joint or separate return shows tax liability before the allowance of any credit for income tax withheld or if an IRS lock is in effect.

Exemption Expiration (rev. 03/99) - 'No Tax Liability' claims will expire on February 15th of the following year unless a new certification is filed between January 1 - 31st of the following year.

Note: The exemption expiration date is established based on the year in which the new Certification is processed.

➤ Section E -Withholding Allowances (cont.)

PART V – NON TAXABLE WAGES

To claim exemption from withholding due to Non-Taxable Wages, employee must complete only Part V of Section E. Parts I, II, III and IV must be left blank.

Non-Taxable Wages -The employee must check the box and enter an appropriate Reason. One of the following MUST apply:

- Minister of a church in the exercise of this ministry - employee must be employed by the State as a Chaplain.
- Foster Grandparent- refer to Public Law 93-113.
- Nonimmigrant alien- Employee's country must have a Tax Treaty that cites exemption from both Federal and State taxes. ARTICLE-NUMBER CITING TAX EXEMPTION AND COUNTRY MUST BE ENTERED.

Department should not key the EAR if appropriate reason is not entered. If appropriate reason is NOT entered on EAR's requiring PPSD processing, the EAR will be returned.

For employees who are exempt from either Federal or State Withholding, but not from both, See PART I or PART II procedures

DECEASED EMPLOYEE- DEPARTMENTAL INSTRUCTIONS

Deceased employee wages are not subject to either Federal or State Income Tax withholding. Departments must check this box to ensure that wages paid after death are exempt from income tax withholding.

➤ Section F - Employee Address (rev. 11/08)

Complete this section in a manner that will ensure mail delivery as follows:

F.01 Employee Address – Enter the valid street address to ensure mail delivery. This field must not be left "empty" or blank.

If applicable:

- Include secondary address unit designators, such as Apartment (APT), Suite (STE), or Unit (UNIT).
- If the pound sign (#) is used, there must be a space between the pound sign and the secondary number.
- If the address is a post office box, enter "PO BOX" and the box number.
- Do not use any punctuation in this field.
- Do not enter more than 28 characters (including spaces) for employee address.

➤ Section F - Employee Address (cont.)

F.02 City and State – These fields must not be left "empty" or blank. Do not use any punctuation in these fields. Leave two spaces between the city/town name and the two letter US State abbreviation code. Complete as follows:

City:

- Enter the full city, town or municipality name, do not abbreviate.
- Do not enter more than 23 characters (including spaces) for city.

State:

- Enter the State's or Territory's USPS-approved, two-letter, US State abbreviation code (*see following table on PAM page 6.9.2 & 6.9.3*).
- Do not enter more than two (2) digits for the state.
(Refer to PAM Appendix IV for State Reporting Codes.)

F.03 Zip Code – Enter the valid **five-digit** Zip Code to ensure mail delivery. This field must not be left "empty," blank or all zeros.

If the address is international (foreign country address), enter "00001" for the Zip Code.

F.04 Employment List(s) – If box is checked, send a copy of the STD. 686 to your departmental delegated testing/examination processing unit to update the employee's address and phone number on any departmental employment list.

Note: An employee's EAR address change does not change an employee's U.S. Savings bond Account address. A Std. Form 242, PART III, change in Authorization, must be completed and submitted to PPSD, Bond Unit.

Note: The EAR no longer provides for the employees' home address to be withheld. A STD Form 677 "Request for Nondisclosure of Employee Home Address" must be completed by the employee and submitted to the Personnel Office. See Personnel Letter #99-003 (Civil Service) and #99-004 (CSU) for instructions.

Section 6.9.2 – U.S. States/Territories Abbreviation Codes (new. 11/08)

US States/Possessions	Abbreviation
Alabama	AL
Alaska	AK
American Samoa	AS
Arizona	AZ
Arkansas	AR
California	CA
Colorado	CO
Connecticut	CT
Delaware	DE
District of Columbia	DC
Federated States of Micronesia	FM
Florida	FL
Georgia	GA
Guam	GU
Hawaii	HI
Idaho	ID
Illinois	IL
Indiana	IN
Iowa	IA
Kansas	KS
Kentucky	KY
Louisiana	LA
Maine	ME
Marshall Islands	MH
Maryland	MD
Massachusetts	MA
Michigan	MI
Minnesota	MN
Mississippi	MS
Missouri	MO
Montana	MT
Nebraska	NE
Nevada	NV
New Hampshire	NH
New Jersey	NJ
New Mexico	NM
New York	NY
North Carolina	NC
North Dakota	ND
Northern Mariana Islands	MP

Section 6.9.3 – U.S. States/Territories Abbreviation Codes (new. 11/08)

US States/Possessions	Abbreviation
Ohio	OH
Oklahoma	OK
Oregon	OR
Palau	PW
Pennsylvania	PA
Puerto Rico	PR
Rhode Island	RI
South Carolina	SC
South Dakota	SD
Tennessee	TN
Texas	TX
Utah	UT
Vermont	VT
Virgin Islands (US)	VI
Virginia	VA
Washington	WA
West Virginia	WV
Wisconsin	WI
Wyoming	WY

➤ Section F - Employee Address (cont.)

EMPLOYEE NOT AVAILABLE - If the department is aware of an address change and the employee is not available to complete an EAR, the department may process the address change without the employee's signature. In this case, the reviewer's signature is REQUIRED, and EAR's requiring PPSD processing will be returned if not completed.

ADDRESS CHANGE ON SEPARATION

- TEMPORARY SEPARATION- Report address change on the EAR.
- PERMANENT SEPARATION- Report address change on the Separation/disposition of PERS Contributions (Form 687). See PAM Section 6.20 for instructions on completion of this form. If the address change is reported AFTER the separation PAR has been submitted to Personnel Operations, report the change on the EAR.

➤ Section G - Prior Employment (rev. 03/99)

When employee has prior CALIFORNIA State or Public Employment, s/he should complete this section as follows:

G.01/G.04	Last Employment
G.02/G.05	Last Name
G.03/G.06	Date Separated

If you are not certain that an agency is considered a public agency, the information SHOULD be reported on the EAR.

If the EXACT date of separation is unknown, employee should complete Item G.03/G.06 with the APPROXIMATE DATE.

If the employee is NOT separating from the PUBLIC agency shown, leave Item G.03 blank.

➤ SECTION H - Employee Birthdate (rev. 03/99)

Enter NUMERIC birthdate (mm/dd/yy). If PERS has reported a birthdate correction to Personnel Operations, any future birthdate changes must be reported through PERS. Departments will be advised by turnaround PAR when this situation occurs.

➤ SECTION I - Employee Signature (rev. 03/99)

The employee's signature is REQUIRED for all EAR transactions except:

- Departmental action to make deceased employee wages exempt from income tax withholding.
- Departmental withholding change due to IRS/State tax authority notification.

➤ SECTION J - Reviewer's Signature

Reviewer's signature (appointing power signature) must be on file with Personnel Operations (Signature Authorization Card, Form PSD 12).

The review should be the person Personnel Operations can contact for problems or questions regarding the EAR.

The reviewer's signature is REQUIRED for:

- Address changes which do not have employee's signature
- Name corrections due to departmental error
- New employee transactions
- Exemption from withholding, decreased employee
- Departmental withholding change due to IRS/State tax authority notification

The reviewer's signature is RECOMMENDED, but not required for other EAR transactions.