



# Transaction Supervisors' Forum

Presented By: Natalia Saferson

Contact: [SCOTransactionSupervisors@sco.ca.gov](mailto:SCOTransactionSupervisors@sco.ca.gov)

Office of State Controller Malia M. Cohen

April 18, 2024

# Survey Questions





# Question

Presenter: Monica Chavez

Contact: [DRV@calhr.ca.gov](mailto:DRV@calhr.ca.gov)

How and why are dependents being dropped from their dental carriers? Why are dependents not added at all?

**Answer:** If a dependent is dropped from a member's plan, personnel specialists should first check the SCO system to see if the appropriate party code is listed. If SCO shows the correct party code but the carrier is dropping the dependent, personnel specialists should contact the carrier to research the issue.

If there is an issue of dependents not showing on a recently added plan:

Enrollment forms are first submitted to SCO via the ConnectHR portal. SCO then sets up deductions for coverage and forwards the enrollment forms to the dental carrier. This process can sometimes result in member data being displayed before dependents are added, as the carrier manually updates each member's dependents.



# Question

Presenter: Alison Drummer

Contact: [DRV@calhr.ca.gov](mailto:DRV@calhr.ca.gov)

Referencing to Form CalHR 781 revised March 2024, page 5, Section II - Employee Acknowledgement of Obligations; the statement, "Employee must initial all sections, certifying under penalty of perjury that:", was removed from the revised form. I need clarification if we are required to inform the employee to initial all sections or can they mark the sections with an "X". We understand the employee still needs to sign and date the section.

**Answer:** Form CalHR 781 was recently revised, and the section indicated in the question was removed in error. The form has been corrected and the missing information is now included on the form. For Section II, Employee Acknowledgement of Obligations, the instructions are:

*Employee must initial all sections, certifying under penalty of perjury...* Employees then sign and date the bottom of that section on page 5.

[Dependent Eligibility Verification Checklist](#)



# Statewide Payroll Program

Presenter: Christina Campbell/ Brooke Puckett

Contact: [Statewide Customer Contact Center \(SCCC\)](#) 916-372-7200

## Stipulations Process Feedback Survey

[https://www.surveymonkey.com/r/stipulations\\_process](https://www.surveymonkey.com/r/stipulations_process)





# SCO KEY INITIATIVES



# SCOConnect: Cal Employee Connect/ConnectHR

Presenter: Mason Duarte

Contact: [ConnectHRHelp@sco.ca.gov](mailto:ConnectHRHelp@sco.ca.gov)

## Cal Employee Connect:

As of 04/15/2024:

Feature	Deployment Status	Stats
Multifactor Authentication (MFA)	100%	More than 79,000 employees, nearly 26% adoption rate
Direct Deposit	95%	Processed more than 34,000 submissions
Address Change	95%	Processed more than 8,000 submissions
Withholdings	95%	Processed more than 16,000 submissions
eTimesheet	100%	22 agencies currently use this feature
Leave Center	100%	Available to agencies who use California Leave Accounting System (CLAS)
Paycheck Calculator	50%	Available to 22 pilot agencies + Wave A agencies
W-2 Paperless Opt-In	100%	More than 111,000 employees, 29% adoption

# SCOConnect: Cal Employee Connect/ConnectHR

Presenter: Mason Duarte

Contact: [ConnectHRHelp@sco.ca.gov](mailto:ConnectHRHelp@sco.ca.gov)

## ConnectHR:

### Accounts Receivable (A/R) 035 Deduction Collection Feature:

- 100% departments/agencies have been enabled
  - As of 04/02/2024:
    - **Total of 76,012** A/R 035 deductions have been processed via this feature
    - **Total of \$17,252,399** has been collected
- SCO is unable to cancel or modify submitted and worked A/R 035s. HR offices will need to send a STD. 674 to either reverse or refund the deduction after monthly payroll.



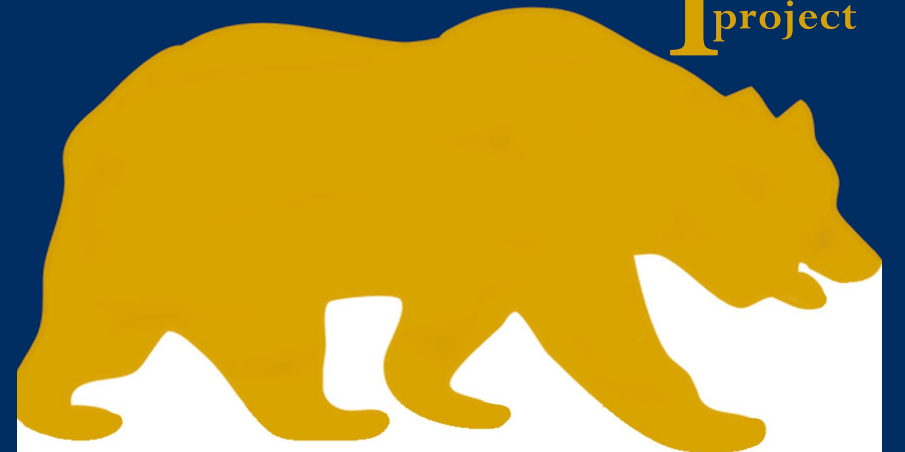


# CSPS Project Update – April 2024

Presenter: Jeana O’Ferrall

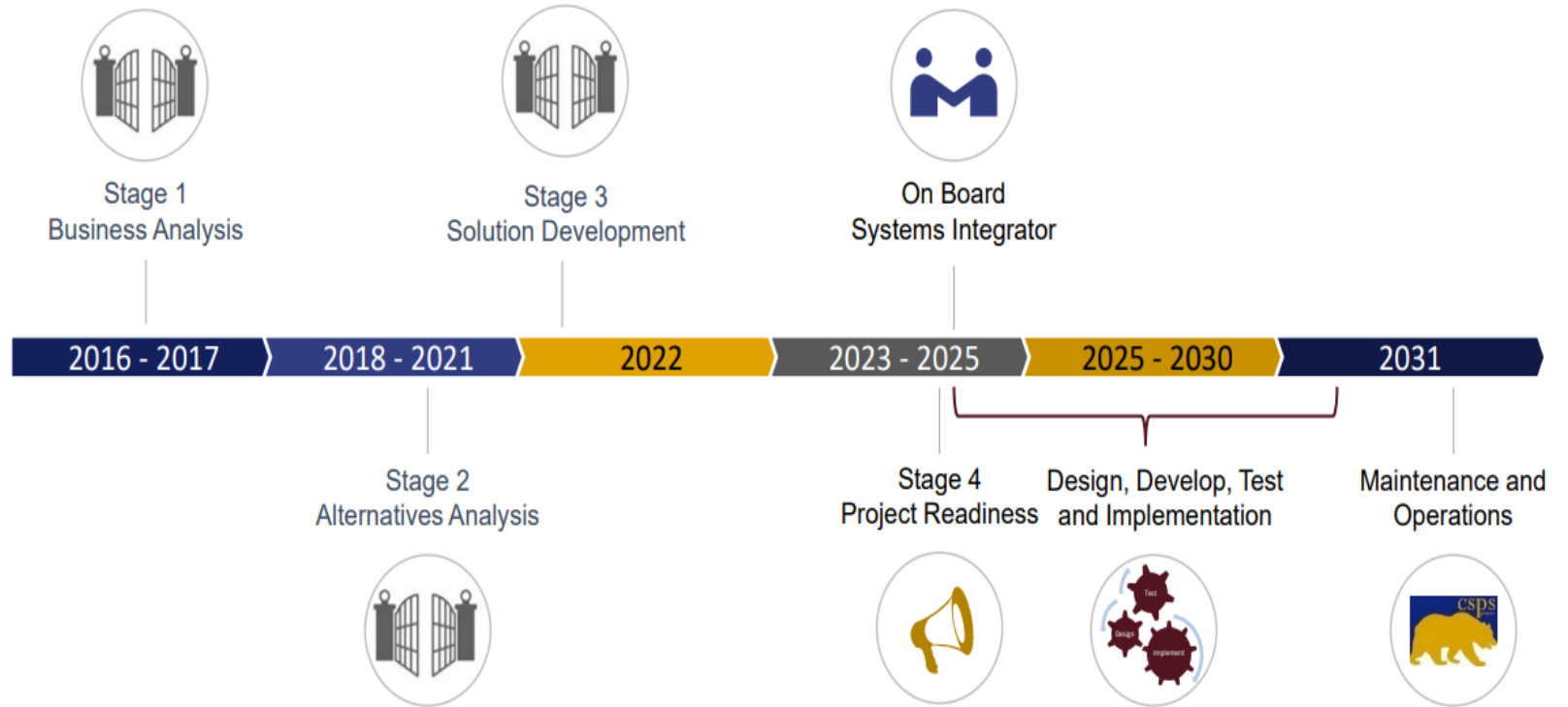
Contact: [CSPSHelp@sco.ca.gov](mailto:CSPSHelp@sco.ca.gov)

CSPS  
project



# Project Information:

- **Objective:** To modernize and integrate the State’s Human Resource and Payroll systems
- **Goals:** Manager and Employee Self-service, Reduction in manual/paper submissions, Improved reporting capabilities, Efficiencies in processes/workflow



## Project Scope:

- CSPS has defined six Main Business Capabilities (MBC's) to be in-scope of the project.
- The MBC's work together to link the integrated end-to-end business process that occur from hire to retire.
- Over the next 6 months we will focus on each of these MBC's to help give our audience a better understanding and general information of the CSPS Project.





# Status Updates

- Procurement Team released Addendum 5 March 7<sup>th</sup> and Addendum 6 released April 12<sup>th</sup>; bidder questions were received.
- California State Payroll System Project Team are conducting interface workgroup sessions in partnership with Personnel Payroll Service Division (PPSD) and Information System Division (ISD) to collect data for the Interface Inventory list
- Organizational Change Management began conducting Stakeholder Connect training sessions with their Department Agency Readiness Teams. Stakeholder Connect is the project's stakeholder communications management platform.
- Organizational Change Management leadership is working with SCO public affairs to collaborate and align with SCO website plans



# STATEWIDE BENEFITS ADMINISTRATION



# State Employer Health: Parent-Child Relationships

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## Parent-child relationship (PCR) eligibility

- Child under age 26
  - Other than adopted, step, domestic partner child
- Employee
  - Parental role
  - Primary care “parent”

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## PCR enrollment opportunities

- Upon the employee's initial enrollment
- Within 60 days of assuming parental role
- Due to involuntary loss of non-PERS coverage
- During Open Enrollment
- Due to HIPAA late enrollment

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# PCR enrollment

- Employee
  - Complete
    - Health Benefits Plan Enrollment for Active Employees (HBD-12) (PDF)
    - Affidavit of Parent-Child Relationship (HBD-40) (PDF)
  - Submit specific documents
- Employer (health benefits officer)
  - Sign HBD-40
  - Retain in employee's file

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## PCR age-specific documents (age 18 and under)

First page of tax return

- Federal or state
- Previous tax year
- Blackout sensitive information



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# PCR age-specific documents (age 18 and under), continued

In lieu of tax return

- Initial PCR enrollment
  - Three supporting documents
- Does not file taxes
  - Three or more supporting documents
  - Confirmation letter indicating a tax return is not required
    - IRS, Franchise Tax Board, tax preparer, etc.

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## PCR age-specific documents (ages 19 – 26)

First page of tax return

- Federal or state
- Previous tax year
- Blackout sensitive information

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## PCR age-specific documents (ages 19 – 26), continued

Select radio button on form:

- Child resides with employee rent free at least 50% time
  - Two supporting documents
- Child resides with employee and pays rent or is a full-time student
  - Three supporting documents

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# Supporting PCR documentation requirements

- Child's name printed on documentation by the issuer
- Documents not older than 60 calendar days, except:
  - Court documents
  - State identification
  - Vehicle registration, etc.

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## Supporting documentation, category A – primary

- At least one document from this category
- Documents showing:
  - Common residency
  - Student not residing with employee



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## Supporting documentation, category A, continued

- Current legal judgments showing the employee's legal parental status
- Current child's driver's license
- Current rental or lease agreements
- College records listing you as child's guardian

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## Supporting documentation, category B – secondary

- Proof of payment or deposit made by employee
- Must include at least one:
  - Tuition payment(s), car insurance, vehicle registration, credit card statements, or other billing statements
  - Joint or child’s bank statement showing recurring deposits
  - Medical and dental bills for the child

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## PCR recertification

- Based on employee's birth month
- Occurs annually
- One HBD-40 per PCR with all supporting documents

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# PCR resources

- [State Health Benefits Guide \(PDF\)](#), pages 27-31
- [Health Benefits Plan Enrollment for Active Employees \(HBD-12\) \(PDF\)](#)
- [Affidavit of Parent-Child Relationship \(HBD-40\) \(PDF\)](#)
- Circular Letters
  - [600-037-20 \(PDF\)](#)
  - [600-046-23](#)
- [myCalPERS Health Enrollment Supplement \(PDF, 1.8 MB\)](#) student guide
  - Unit 1

## Email Subscriptions

- **All Board Meeting Notices and Agenda Alerts**  
Access Board meeting notices and agendas as soon as they are available.
- **CalPERS Legislative News**  
Receive updates on CalPERS policy issues and actions.
- **CalPERS Long-Term Care Program Alert**  
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- **CalPERS News**  
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- **Employer Bulletin**  
Get customized employer news, Circular Letters, and event updates.
- **Member Education Bulletin**  
Learn when our member education events, videos, and instructor-led classes will be held.
- **Regulatory Actions**  
Receive updates on proposed CalPERS Regulatory Actions.
- **State Social Security Administrator Program Newsletter**  
Learn about Social Security and Medicare coverage for state and local government employees.

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## Contact us

- CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**) for assistance with:
  - Completion of enrollment forms
  - Health related questions
  - myCalPERS and report navigation
- [Calpers\\_Employer\\_Communications@calpers.ca.gov](mailto:Calpers_Employer_Communications@calpers.ca.gov)
  - Business Rules and myCalPERS training requests

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## Thank you for joining us today.

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# CalHR Transaction Supervisors' Forum Update



CalHR Benefits Division  
April 18, 2024



# CalHR Benefits Division

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The Benefits Division is responsible for the design, acquisition, and oversight of the various statewide benefit programs administered by CalHR offered to state employees, retirees and dependents. Our goal is to ensure access to competitive, quality and affordable benefits. Successful delivery of these responsibilities enables the state, as an employer, to offer optimal benefits packages for recruiting and maintaining a top-performing workforce.

# Benefit Program Updates



CalHR Benefits Division  
April 18, 2024

# Dependent Re-Verification (DRV)

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Presenter: Alison Drummer, DRV Analyst  
Contact: [DRV@calhr.ca.gov](mailto:DRV@calhr.ca.gov)

## **What is DRV**

The Dependent Re-Verification (DRV) is the process of re-verifying the eligibility of employees' spouses, domestic partners, children, stepchildren, and domestic partner children (family members) enrolled in state health, dental, and Premier Vision benefits. Departmental personnel offices are required to process re-verifications on a triennial basis.

Government Code section 19815.9 mandates re-verifying the eligibility of these family members for health benefits. Government Code section 22959 authorizes extending this review to family members enrolled for dental and Premier Vision benefits. The bargaining unit contracts specify that family member eligibility for dental and Premier Vision benefits shall be the same as that prescribed for health benefits.

# Dependent Re-Verification (DRV)

Presenter: Alison Drummer, DRV Analyst  
Contact: [DRV@calhr.ca.gov](mailto:DRV@calhr.ca.gov)

## DRV Updates

- CalHR automated the DRV process for dental and Premier Vision effective January 2023.
- The current health Dependent Eligibility Verification (DEV) process through CalPERS and the MyCalPERS system will remain unchanged.
- Departmental personnel offices are required to update dental and Premier Vision dependent re-verifications through the Family Connect Portal (FCP).
- All state agencies must have an administrative account, who is at the supervisor or above class, in the Family Connect Portal (FCP) to manage each agency's authorized user accounts to update DRV transactions.
- Department compliance with DRV regulation will be monitored and addressed by Health Benefit Officers and FCP Department Administrators.
- CalHR 781 Dependent Eligibility Checklist and CalHR 025 Affidavit of Parent-Child-Relationship (dental/vision) have been updated to comply with CalPERS documentation revisions provided in the December 1, 2023, [Circular Letter #600-046-23](#), Eligibility Criteria for Dependents in a Parent-Child Relationship.

# Dependent Re-Verification (DRV)

Presenter: Alison Drummer, DRV Analyst

Contact: [DRV@calhr.ca.gov](mailto:DRV@calhr.ca.gov)

## DRV Birth Month Cycle Updates

- March, June, September, December 2023 and January 2024 birth month cycles have been completed: departmental personnel offices must take necessary steps to remove unverified dependents from dental and Premier Vision benefits.
- April 2024 birth month cycle: All notifications have been mailed and all alerts must be processed by the end of April in FCP for all employees who have submitted their documents timely.
  - At the beginning of March there was a system error that caused a 30-day cancellation notice to be mailed to the incorrect employees. All employees who received the cancellation notice in error should ignore the notice as the notice does not apply to them.
- July 2024 birth month cycle: 90-day notice was processed with DGS to be mailed on April 1<sup>st</sup>.
- The CAHP and CCPOA enrollment data in FCP is still pending.

# Dependent Re-Verification (DRV)

Presenter: Alison Drummer, DRV Analyst  
Contact: [DRV@calhr.ca.gov](mailto:DRV@calhr.ca.gov)

Total notices mailed to date:

<b>Birth Month Cycle</b>	<b>1<sup>st</sup> Notice 90 days before end of birth month</b>	<b>Total Mailings of 1<sup>st</sup> Notice</b>	<b>2<sup>nd</sup> Notice 60 days before end of birth month</b>	<b>Total Mailings of 2<sup>nd</sup> Notice</b>	<b>3<sup>rd</sup> Notice 30 days before end of birth month</b>	<b>Total Mailings of 3<sup>rd</sup> Notice</b>	<b>Total Mailings</b>
<b>March</b>	N/A	N/A	Jan-2023	8,523	Feb-2023	8,219	16,742
<b>June</b>	Mar-2023	8,462	Apr-2023	7,511	May-2023	6,365	22,338
<b>September</b>	Jun-2023	9,822	Jul-2023	8,325	Aug-2023	6,582	24,729
<b>December</b>	Sept-2023	8,523	Oct-2023	8,379	Nov-2023	6,711	23,613
<b>January</b>	Oct-2023	8,330	Nov-2023	7,929	Dec-2023	6,475	22,734
<b>April</b>	Jan-2024	8,196	Feb-2024	7,862	Mar-2024	6,254	22,312
<b>July</b>	Apr-2024	8,783	May-2024	N/A	Jun-2024	N/A	8,783

\*90 notice for March birth month cycle only included DRV notices for Health benefits.

# Dependent Re-Verification (DRV)

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Presenter: Alison Drummer, DRV Analyst

Contact: [DRV@calhr.ca.gov](mailto:DRV@calhr.ca.gov)

## Contact

- Before contacting the DRV Unit with policy and procedure related questions, please review all DRV resources from BAM, FCP Manual, and Human Resources Manual.
- Contact the DRV Unit at CalHR with questions and processes related to the Disabled Dependent and Parent Child Relationship benefits program for dependents enrolled in dental and/or Premier Vision benefits only.
- Departmental personnel offices can send DRV and FCP related questions via email to [DRV@calhr.ca.gov](mailto:DRV@calhr.ca.gov).
- Current response time is five (5) business days.

# Benefit Programs Appeals Reminders

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Presenter: Monica Chavez

Dental Program: [dental@calhr.ca.gov](mailto:dental@calhr.ca.gov)

Third Party Pre-Tax Parking Reimbursement Account: [Pre-TaxParking@calhr.ca.gov](mailto:Pre-TaxParking@calhr.ca.gov)

Vision: [vision@calhr.ca.gov](mailto:vision@calhr.ca.gov)

FlexElect/CoBen Program: [FlexElect@calhr.ca.gov](mailto:FlexElect@calhr.ca.gov)

- **A Complete Appeals Package Includes**

- Justification memo explaining appeal.
- Complete and error-free forms.
  - CalHR 774 Premier Vision Plan Enrollment [Premier Vision Plan Enrollment \(ca.gov\)](#)
  - CalHR 695 Retiree Vision Plan Enrollment [Retiree Vision Plan Enrollment \(ca.gov\)](#)
  - STD 692 Dental Plan Enrollment Authorization [Dental Plan Enrollment \(dgs.ca.gov\)](#)
- Written confirmation that the employee acknowledges an accounts receivable will be established for retroactive enrollment (if applicable).
  - A refund request or no change in deduction AR confirmation would not be applicable.
- Once an appeal is approved by CalHR and processed by SCO, we will not cancel or reverse the appeal.



# Benefit Programs Appeals Reminders

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Presenter: Monica Chavez

Dental Program: [dental@calhr.ca.gov](mailto:dental@calhr.ca.gov)

Third Party Pre-Tax Parking Reimbursement Account: [Pre-TaxParking@calhr.ca.gov](mailto:Pre-TaxParking@calhr.ca.gov)

Vision: [vision@calhr.ca.gov](mailto:vision@calhr.ca.gov)

FlexElect/CoBen Program: [FlexElect@calhr.ca.gov](mailto:FlexElect@calhr.ca.gov)

## **Best Practices for Departments to Prevent:**

- Appeal submission return due to not submitting paperwork timely.
  - Set up a tickler to remind team to submit benefits paperwork timely.
  - Have a team onboarding paperwork day.
  - Create an onboarding forms checklist for your team.
- Appeal submission return due to incomplete appeal packages.
  - Create an appeal package coversheet checklist.
  - Have a supervisor review and sign off on appeal packages before submission.

# Voluntary Benefits Reminders

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Presenter: Monica Chavez

Group Legal: [Grouplegal@calhr.ca.gov](mailto:Grouplegal@calhr.ca.gov)

Life Insurance: [LifeInsurance@calhr.ca.gov](mailto:LifeInsurance@calhr.ca.gov)

Long Term Disability: [LTD@calhr.ca.gov](mailto:LTD@calhr.ca.gov)

## Voluntary Benefits Program Updates

- Open Enrollment – Voluntary Plan Benefit Changes
  - Life, Legal, LTD, and Vision are the programs where employees could make their own changes directly with the vendors.
    - Employees should review their December 2023 pay warrant to confirm if open enrollment changes for Life, Legal, LTD, and/or Vision took effect.
    - Each program provided confirmation receipts during open enrollment. Employees should provide this to departmental personnel if an appeal is required because open enrollment changes did not take effect.
    - A demonstration for how to review miscellaneous deductions to confirm open enrollment changes was given at the Transaction Specialist Educational Forum on February 1, 2024, to provide training to Personnel and Transactions Specialists.

# Benefit Programs Program Updates

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Presenter: Monica Chavez  
Vision [vision@calhr.ca.gov](mailto:vision@calhr.ca.gov)

## Vision Program

- Improving VSP Membership Profiles for Basic Vision.
  - VSP now receives a demographics file for Basic Vision employees.
  - All State of CA employees now have access to Eyeconic, VSP's online store.
- New Vision Handbook coming soon.

## Training Recommendations

- Benefits Administration Manual Training – [online CalLearns](#)
- Employee Benefits Orientation Training – [online CalHR webpage](#)

## Benefit Premiums

- Premiums cannot be waived for months when services are not used.

# Benefit Project Updates



CalHR Benefits Division  
April 18, 2024

# Affordable Care Act (ACA)

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Presenter: Lisa Hatten

Contact: [ACA.Policy@calhr.ca.gov](mailto:ACA.Policy@calhr.ca.gov)

## Reminders

- There was a significant uptick in the number of errors on the ACA compliance report of employees with a health benefits deduction without a corresponding ACA status code that indicates the employee elected to enroll in health coverage.
- The “Health Event Transaction” COGNOS Report in myCalPERS can be helpful to identify needed updates in the Affordable Care Act System (ACAS) for employees that have elected to enroll in health benefits and the effective date of coverage.

# Affordable Care Act (ACA)

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Presenter: Lisa Hatten

Contact: [ACA.Policy@calhr.ca.gov](mailto:ACA.Policy@calhr.ca.gov)

## Reminders

- There was also an uptick in the errors on the ACA compliance report of employees with a 2D (ACA status code that indicates the employee is newly eligible for health benefits) but does not have an official “offer of health coverage” (e.g., 3A ACA status code) captured in the ACAS.
- In September 2023, the SCO implemented an auto population program where the 2D ACA status code automatically populates in the ACAS for employees who are appointed to Permanent/Full-time position.
- Departments are still responsible for updating the employee’s ACAS record to indicate that the employee was officially offered health coverage. The effective date of the offer of health coverage should reflect the first of the month following the qualifying event.

# Affordable Care Act (ACA)

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Presenter: Lisa Hatten  
Contact: [ACA.Policy@calhr.ca.gov](mailto:ACA.Policy@calhr.ca.gov)

## ACA Training

- CalHR and SCO facilitate ACA trainings throughout the year for departmental personnel offices. The next ACA training is scheduled for:
  - Wednesday, May 22, from 9:00-10:30 a.m. (Part 1) and
  - Thursday, May 23, from 9:00-11:30 a.m. (Part 2)
- Departments should send their requests for training to SCO at: [ppsdacatraining@sco.ca.gov](mailto:ppsdacatraining@sco.ca.gov).
- Additional training dates for 2024 will be posted on SCO's "Affordable Care Act Training" webpage.

# CalHR Benefits' Resources

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## Websites

### Benefits Website

<https://calhr.benefitsprograms.info/>

### BAM Training Questions

[BenefitsInquiries@calhr.ca.gov](mailto:BenefitsInquiries@calhr.ca.gov)

### Healthier U Connections

<https://www.calhrwellness.com/en/welcome-california-state-employees/>

### Human Resources

<https://calhr.benefitsprograms.info/state-hr-professionals/>

### State Employees

<https://calhr.benefitsprograms.info/state-employee/>

### HR Manual

<http://hrmanual.calhr.ca.gov/Home/ManualItem>



# CalHR Benefits' Resources Cont.

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## Contacts:

- ACA Program [ACA.Policy@calhr.ca.gov](mailto:ACA.Policy@calhr.ca.gov)
- BAM Training [BAMTraining@calhr.ca.gov](mailto:BAMTraining@calhr.ca.gov)
- COBRA [COBRA@calhr.ca.gov](mailto:COBRA@calhr.ca.gov)
- Dental Program [dental@calhr.ca.gov](mailto:dental@calhr.ca.gov)
- Dental/Vision Authorization Portal [VisionDental.Authorization@calhr.ca.gov](mailto:VisionDental.Authorization@calhr.ca.gov)
- Dependent Re-verification (DRV) Program [DRV@calhr.ca.gov](mailto:DRV@calhr.ca.gov)
- FlexElect/CoBen Program [FlexElect@calhr.ca.gov](mailto:FlexElect@calhr.ca.gov)
- Group Legal [Grouplegal@calhr.ca.gov](mailto:Grouplegal@calhr.ca.gov)
- Life Insurance [LifeInsurance@calhr.ca.gov](mailto:LifeInsurance@calhr.ca.gov)
- Long Term Disability [LTD@calhr.ca.gov](mailto:LTD@calhr.ca.gov)
- Third Party Pre-Tax Parking Reimbursement Account [Pre-TaxParking@calhr.ca.gov](mailto:Pre-TaxParking@calhr.ca.gov)
- Vision [vision@calhr.ca.gov](mailto:vision@calhr.ca.gov)
- Open Enrollment [OpenEnrollment@calhr.ca.gov](mailto:OpenEnrollment@calhr.ca.gov)
- Virtual Benefits Fair [BenefitsInquiries@calhr.ca.gov](mailto:BenefitsInquiries@calhr.ca.gov)



# Affordable Care Act Program

Presenter: Korinn Revelino

Contact: [ACASupport@sco.ca.gov](mailto:ACASupport@sco.ca.gov)

## 2021 1095-C Correction Process and Information Report Penalties

- SCO will pull the data for the 2021 Corrections process on April 30, 2024
  - HR offices should make every effort to make updates reflected on their Affordable Care Act (ACA) compliance reports
- The Internal Revenue Service (IRS) will impose Information Report Penalties (IRPs) once SCO submits the 2021 corrections
  - IRPs will be passed down to the departments at fault
  - 2021 IRPs will be assessed to departments using the Phased Approach
    - Departments will be assessed for 50 percent of their total IRP amount for corrections reporting year 2021
    - Departments will be assessed for 75 percent of their total IRP amount for corrections reporting year 2022
    - Departments will be responsible for 100 percent of their total IRP amount beginning with corrections reporting year 2023
- Please contact ACA Support with any questions



# BREAK



**5 MINUTES**



# STATEWIDE PROGRAM UPDATES



# Statewide Tax Support Program

Presenter: Alita Rivas

Contact: [PPSDW2MiscDed@sco.ca.gov](mailto:PPSDW2MiscDed@sco.ca.gov)

## Corrected Form W-2, Wage and Tax Statements (W-2C)

- Produce monthly and forwarded to the agency for distribution to the employee
- Issue from the processing of Payroll/Non-USPS changes to the data on the original Form W-2 or Corrected Form W-2 (W-2C)
- Common Reasons:
  - Redeposit of a prior year warrant
  - Adjustments of prior year Social Security/Medicare/State Disability Insurance taxes
  - Regular pay Accounts Receivables (A/Rs) overpayments
  - Prior year transfer of funds
  - Disability
  - Special Processing of lump sum deferrals
- Duplicate Form W-2C
  - Request a [Duplicate Form W-2](#)
- Education:
  - [Payroll Procedures Manual, Section I 705](#): Corrected Form W-2, Form W-2C





# Statewide Tax Support Program

Presenter: Alita Rivas

Contact: [PPSDW2MiscDed@sco.ca.gov](mailto:PPSDW2MiscDed@sco.ca.gov)

## Deceased Employees

In 1995, in recognition of unique reporting and withholding requirements, at both Federal and State levels to update Form W-2 records, the State Controller's Office implemented reporting and withholding procedures for wages issued to deceased employees. Processes were implemented to report wages issued to a deceased employee but released to the beneficiary/designee via Federal Form 1099-MISC, Miscellaneous Information.

- **Special reporting requirements**

- Deceased Employee Form W-2, Wage and Tax Statement
- Designee/Beneficiary 1099-MISC, Miscellaneous Information
  - These payments represent taxable income
  - Questions should be directed to a tax consultant or the IRS
  - Under no circumstances should the recipient be advised that the payment is not taxable

- **Education and Communications:**

- [Payroll Procedures Manual, Section I 900](#): Deceased Employee's Wages
- [Payroll Letter #23-019](#): Deceased Employee and Designee/Beneficiary Reporting
- [Payroll Letter #22-002](#): Deceased Employees and Designees/Beneficiaries



# Statewide Tax Support Program

Presenter: Alita Rivas

Contact: [PPSDW2MiscDed@sco.ca.gov](mailto:PPSDW2MiscDed@sco.ca.gov)

## Salary Advances

When agencies/campuses know a payroll warrant will not generate by the expected issue date, a salary advance may be issued from their revolving fund. **Salary advances must be treated as taxable wages.** The gross amount, federal tax, state tax, Social Security, Medicare, and State Disability Insurance must be reported timely to SCO to ensure inclusion on Form W-2.

- **Reasons of Issuance of Salary Advance**

- Delay in appointment
- Stipulation/Appeal
- Lump Sum

- **Initial Reporting**

- If the related payroll warrant has not issued within 30 days from payday after providing the advance to the employee, the loan becomes a salary advance and **must be reported to SCO.**
- Submit [Form STD. 422](#) to SCO Disbursements indicating the amounts withheld for taxes on the salary advance and remit the associated amounts including state share. (Exception Industrial Disability Leave (IDL) pay)
- Include copy of paycheck calculator to show tax breakdown
- Updates W2 file for the payment provided to employee



# Statewide Tax Support Program

Presenter: Alita Rivas

Contact: [PPSDW2MiscDed@sco.ca.gov](mailto:PPSDW2MiscDed@sco.ca.gov)

- **Offset Reporting**

- Once SCO warrant issues, submit Form STD. 422 to SCO, PPSD-W2 Program
  - Submit the initial STD. 422 completing the warrant information
- Updates the W2 file to remove the initial reporting
- A warrant will be issued to the department for the taxes remitted on behalf of the employee

- **Impacts to Employee**

- No wages reported for a tax year
- Less wages reported
- More wages reports
- Inaccurate tax filing
- Affect from purchasing a home, car, etc. due to inaccurate wage reporting

- **Education and Communications: References**

- [Payroll Procedures Manual, Section N 103](#): Salary Advances
- [Payroll Letter #23-018](#): Salary Advance Initial/Offset Reporting - Year End
- [Payroll Letter #22-003](#): Salary Advance Reporting Compliance





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Contact: [PPSDSTSP@sco.ca.gov](mailto:PPSDSTSP@sco.ca.gov)

## Nonresident Alien Compliance

Employees subject to the IRS Nonresident Alien (NRA) regulation will have their federal tax withholdings recalculated using a “look-back” method using the standard tax tables. The federal tax amount withheld on the original payment will be subtracted from the new computed federal tax amount. The difference will be applied to the employee’s next regular payment via a one-time federal (code 099) deduction.

- Personnel Letters for Nonresident Aliens:
  - [Personnel Letter #24-001](#): Verification of Employees Identified as Nonresident Aliens
  - [Personnel Letter #24-003](#): Changes to Federal Tax Withholding Rates for Nonresident Alien
  - [Listing of Nonresidents Subject to IRS Notice 2005-76](#): Nonresident Alien Form



# Statewide Position Control Program/ Fiscal Year-End Activities

Presenter: Chuck Lucas

Contact: [ppsdsacs@sco.ca.gov](mailto:ppsdsacs@sco.ca.gov) or [ppsdpositioncontrol@sco.ca.gov](mailto:ppsdpositioncontrol@sco.ca.gov)

## Updates

- Reorganization
  - [Fiscal Year-End Letter #24-002](#) - Due 05/01/24
- Annual Payroll Header Report Form PR421
  - [Fiscal Year-End Letter #24-004](#) - Due by 05/01/24
- Change in Establishing Positions from STD. 607
  - [Fiscal Year-End Letter #24-003](#) - Packages due by 06/03/24. Reorg 607 Listings due 06/10/24
- Forms located on the SCO website: [Fiscal Year End Letters 2024](#)



# Statewide Training Program

Presenter: Michael Berlanda

Contact: [PPSDTraining@sco.ca.gov](mailto:PPSDTraining@sco.ca.gov)

## Training Updates

- 2024 2nd Trimester Needs Assessment
  - Different Questions
  - Different Audience
  - Different Results
- Class schedule release for open enrollment

# PPSD General Reminders



When you reconcile payroll, check that these *details* are correct:

- Withholdings and deductions
- Employer taxes
- Hours worked, including overtime, vacation time, sick days, etc.
- Wages and salaries

Make sure the numbers recorded are reasonable. Look at past payrolls to see if current pay period is similar. If there is a large difference, learn the cause. Then, make sure each transaction you entered is correct.

Resource: Payroll Procedures Manual (PPM) [Section M](#)



# PPSD General Reminders

- Utilize ConnectHR to submit documents or upload data
- Include the employee's complete social security number (SSN) when sending documents through ConnectHR
- Check [Weekly Processing Dates](#) before sending inquiries
- Update [California Personnel Office Directory \(CPOD\)](#)
- The [PPSD Register](#) – PPSD's Monthly Newsletter
- Check out our recommended Human Resources [subscriptions](#)
- Review Communication from State Policy and Instructional Departments for Business Process impacts
- HR offices calling the [Statewide Customer Contact Center](#) (916-372-7200) must listen to the prompts carefully and patiently to select the appropriate program area who may best assist with their inquiry.
- Share this information with your Human Resources Team!



# SCO Resources

## Websites:

- Human Resources (HR) [https://sco.ca.gov/ppsd\\_state\\_hr.html](https://sco.ca.gov/ppsd_state_hr.html)
- State Employees [https://sco.ca.gov/ppsd\\_se\\_payroll.html](https://sco.ca.gov/ppsd_se_payroll.html)

## SCO Key Initiatives:

- [SCOConnect](#)
- [California State Payroll System Project](#)

## 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 & 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



## FORUM QUESTIONS:

The following questions were submitted during the forum:

**Question:** Can ConnectHR Team add a feature that cancels Accounts Receivable (A/R) 035?

**Answer:** To cancel an A/R 035, Form STD. 674 must be submitted.

**Question:** What are acceptable documents for enrolling a Parent-Child Relationship (PCR) for a newborn?

**Answer:** For a newborn, your employee will need to complete the Affidavit of Parent-Child Relationship (HBD-40) and the Health Benefits Plan Enrollment for Active Employees (HBD-12). To be eligible, the newborn does need to reside with the employee and three (3) supporting documents are required.

**Question:** If the employee did not verify the Parent-Child Relationship (PCR) and CalPERS cancels the coverage, do we have to request all the documents as if it was the first-time enrolling?

**Answer:** Per CalPERS, you must get all documents for recertification. If the employee does not recertify, the children will be deleted on the first of the following month.

**Question:** Is there an example of a Parent-Child Relationship (PCR) log template? If so, can it be shared with human resources (HR) offices? It is not available on the HR Net.

**Answer:** There is currently not a PCR log template available. However, please know that the Family Connect Project (FCP) has recently been enhanced to better track PCRs. Please stay tuned for more information and training opportunities in the upcoming months.

**Question:** How can we run the deletions of the 26-year-old deletes (YOD) for every month on Family Connect Project (FCP)?

**Answer:** To run the report of dependents who are over the age of 26 and are no longer eligible for coverage, please go to the reports tab and select, "Dependent Over Age Report." From there, you will need to download the report and sort the report by month.

**Question:** Where can I find the checklist on what to send for appeal packages?

**Answer:** CalHR Benefits Program are currently developing a more formal appeal checklist, which will be released soon. In the meantime, please refer to the list below as a guide for the documents required when submitting an appeals package.

A complete appeals package includes:

- Justification memo explaining appeal.
- Complete and error-free forms.
- Written confirmation that the employee acknowledges accounts receivable will be established for retroactive enrollment (if applicable).
- Once an appeal is approved by CalHR and processed by SCO, we will not cancel or reverse the appeal.

**Question:** When will the STD. 692 form be updated in the CalHR Benefits Calculator to add a Disabled Dependent?

**Answer:** The STD. 692 form is currently updated in the [CalHR Benefits Calculator](#) to include a Disabled Child as a dependent type.

**Question:** Regarding dental, are we required to track the 24-month period and provide the notification at that time? Or can we provide all the information during onboarding?

**Answer:** You can provide the information during onboarding.

**Question:** Is the Military Leave e-Learning Module posting soon? In the interim is there someone who can answer questions related to the topic?

**Answer:** Currently, SCO is working in conjunction with CalHR on the Military training. Military orders are often specific to the individual, please work with your CalHR representative for specific policy clarification.

**Question:** If SCO generates an incorrect Accounts Receivable (A/R) for benefits, how does this get corrected? Will it be reversed the next day or does the Personnel Specialist (PS) need to do something?

**Answer:** SCO is pulling reports to capture incorrect A/R that are Benefits related. If the PS notices an incorrect A/R from a prior pay period, please contact the [Statewide Customer Contact Center](#) or submit a STD. 674 A/R requesting to reverse/re-establish A/R in ConnectHR. This type of request would fall under the dropdown Benefits - STD. 674 A/R Benefits Accounts Receivable.

**Question:** When processing a S95, does the employee receive a lump sum projection on accrued leave balances? Also, why is the S95 not an option on the lump sum worksheet?

**Answer:** Any pay due to the employee should be released to the designee/beneficiary and then reported to the SCO-W2 Unit via the [Deceased Employee Data Form](#) (PPSD 21 Form).

**Question:** An employee reached out to us at Cal Civil Rights and stated that she heard from Service Employees International Union (SEIU) that employees would be receiving a credit of \$165 on their March pay warrant. I am unaware of any credit/adjustment. Is there such an adjustment?

**Answer:** The nature of the question appears to be referencing the \$165 health stipend that SEIU bargained into the contract. The terms of the contract are that eligible employees are to begin receiving the stipend in December 2023 for the January 2024 health benefits. SCO increased the state share of health benefits by \$165 per the Memorandum of Understanding (MOU) and CalHR beginning with the December 2023 warrant to implement the stipend.

**Question:** I have a question regarding an employee that goes out on State Disability Insurance (SDI), returns a week, and then goes back off. Do we need to establish an Accounts Receivable (A/R) each time she goes off, even if she has outstanding A/Rs? She goes off for different reasons each time. Our employees are negative employees, and they are off on all holidays, is the employee entitled to be off on State Holidays?

**Answer:** Not sure what you are asking about setting up an A/R for? Employees can work while on State Disability Insurance (SDI). You should not key A03 each time the employee returns. During SDI period, please submit STD. 674D form to SCO disability unit for a payment request. Review [Section E 804.1 - Holidays While Working on SDI](#) of the Payroll Procedures Manual (PPM) for further clarification.

**Question:** Has anyone reached out to CalHR regarding establishing a mailbox for inquiries related to rescind Direct Pay transactions when the State Disability Insurance (SDI) Benefits Accounts Receivables (A/Rs) are not established timely?

**Answer:** CalPERS is not going to establish a mailbox for Direct Pay Inquiries at this time.



**Question:** If we upload a STD. 674 form but must cancel, do we just reupload a cancelation request or is it best to call the Statewide Customer Contact Center and leave a message?

**Answer:** Please forward the confirmation receipt to [ConnectHRhelp@sco.ca.gov](mailto:ConnectHRhelp@sco.ca.gov) and ask to rescind the document.

**Question:** Regarding the Hire Above Minimum (HAM), if the employee is new to state, then they cannot get the HAM until two (2) years served in that job class, correct?

**Answer:** Please have your designated Personnel Services Branch representative contact CalHR. HAMs for individual employees are going away July 1.