

# Transaction Specialists' Educational Forum

Presented By: Natalia Saferson

Contact: TSEF@sco.ca.gov

Office of State Controller Malia M. Cohen

December 5, 2024

# Second Tier Election Education

Veronica Silva-Gil Employer Account Management Division



# Second Tier Acknowledgment Reporting

What is Second Tier

**Employer Requirements** 

Best practices

Resources



### Retirement Benefit Formulas

First Tier retirement formulas – Employee and employer contributions and will provide the highest level of benefit in retirements

Second Tier retirement formulas – Employee's reduced contributions and will provide a <u>significantly reduced pension</u>



# Formulas





# Comparison

Member Retirement Age 55

25 years of State Service Credit

Final Compensation \$3,133.33 (minus \$133.33, if required)

Service Credit × Benefit Factor = Percent × Final Comp = Unmodified Allowance



# Example

Tier 1 – State Misc. or Industrial 2% at 55 service only

25 years  $\times$  2% = 50%  $\times$  \$3,000 = \$1,500 per month



# Example Tier 2

Tier 2 – State Misc. or Industrial 1.25% at 65 service only

25 years  $\times$  .75% = 18.75%  $\times$  3,133.33 = \$587.50 per month



# Comparison

Tier 1 – State Misc. or Industrial 2% at 55 service only

25 years  $\times$  2% = 50%  $\times$  \$3000 = \$1500 per month

Tier 2 – State Misc. or Industrial 1.25% at 65 service only

25 years  $\times$  .75% = 18.75%  $\times$  3,133.33 = \$587.50 per month



# Employer Responsibilities

Upon hire, provide member with Receipt of Retirement Information Acknowledgment Form

Ensure member completes Section 1

Employer completes Section 2

Send form to CalPERS at:

CalPERS Employer Account Management Division

PO Box 942709

**Sacramento CA 94229-2709** 





#### Receipt of Retirement Information Acknowledgement

888 CalPERS (or 888-225-7377) • TTY: (877) 249-7442

#### Section 1

When completing this form, be sure to clearly print with a ballpoint pen or type your information.

To make a correction, line through the error and initial the change.

#### **About You**

I have received the information and election package on the state miscellaneous or industrial first tier (2% at 55, 2% at 60, or 2% at 62 as applies to my retirement account) and state second tier (1.25% at 65 or 1.25% at 67 as applies to my retirement account) retirement formulas. 

Yes 
No

#### Note to Members:

New state miscellaneous or industrial members first enrolled on or after January 1, 2013, and who elect second tier may be subject to the 1.25% at 67 second tier retirement formula. State miscellaneous or industrial members first hired on or before December 31, 2012, will be subject to the existing 1.25% at 65 second tier retirement formula. In addition, all state second tier members make contributions of their earnings toward their retirement effective July 1, 2013, subject to annual adjustments. For more details review this publication carefully.

#### Personnel Clerk:

The employee must read, complete, and sign this acknowledgment in your presence and leave it with you. You must complete Section 2 of this form and return it to CalPERS at the address shown below.

You must place the member directly into the first tier if the member meets one of the following criteria:

- · Returning to state service after a 90-day break in employment that had been covered under second tier.
- Returning to state service after separating from state employment and terminating their CalPERS membership.
- New members as defined by the Public Employees' Pension Reform Act of 2013 will be placed in the 2% at 62 first tier formula with the option of electing the 1.25% at 67 second tier formula.

This is not an election document.

#### Section 2

#### Statement and Signature of Employer Representative

This information and election package was given to the above employee.

Employer	CalPERS Business Partner ID
	( )
Personnel Office Representative Name	Daytime Phone of Personnel Clerk
L	
Personnel Office Representative Signature	Date (mm/dd/yyyy)





#### Receipt of Retirement Information Acknowledgement

888 CalPERS (or 888-225-7377) • TTY: (877) 249-7442

#### Section 1

When completing this form, be sure to clearly print with a ballpoint pen or type your information. To make a correction, line through the error and initial the change.

#### **About You**

I have received the information and election package on the state miscellaneous or 2% at 60, or 2% at 62 as applies to my retirement account) and state second tier (1 as applies to my retirement account) retirement formulas.		
Name of Member (First Name, Middle Initial, Last Name)	Social Se	curity Number or CalPERS ID
1		
Member Signature	Date (mm	n/dd/yyyy)
Employer		
	(	)
CalPERS Membership Date (mm/dd/yyyy)	Daytime I	Phone
Note to Members:		



Section 2	Statement and Signature of Employer Representative	
	This information and election package was given to the above employee.	
	Employer	CalPERS Business Partner ID
		( )
	Personnel Office Representative Name	Daytime Phone of Personnel Clerk
	Personnel Office Representative Signature	Date (mm/dd/yyyy)



# Member options

Take no action and remain in first tier retirement formula

Member can elect second tier retirement formula within 180 days from the day the begin contributing to CalPERS

Election will apply for all future state misc. or industrial service

Purchase tier one benefits for any past service at present value cost



### **Best Practices**

Provide Receipt of Retirement Information Acknowledgement form upon hire to member

Provide CalPERS Pub 52 – State Miscellaneous & Industrial Members Second Tier Benefit Election Package

Refer to CalPERS if they have questions about what is second tier

Election Document for State Second Tier Retirement Formula is NOT required unless the member chooses to elect second tier formula benefit



### Second Tier Process

If a member elects second tier formula benefits

CalPERS will issue a notification letter

Employer needs to make change in PIMS to change CalPERS contribution rate – must be completed timely to avoid corrections

Review 505 PAR Transaction Process Guide for instructions on how to update member's appointment in PIMS



# Sample CalPERS notification letter



California Public Employees' Retirement System
Employer Management Account Division
P.O. Box 942709, Sacramento, CA 94229-2709 | Fax: (916) 795-2237
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

Recipient Name Street Address Line 1 CalPERS ID:0000000000

Click or tap to enter a date.

Dear Recipient Name,

This letter is regarding Member Name's *Election Document for State Second Tier Retirement Formula*.

The member's election to be placed in the state Second Tier retirement formula Second Tier Formula for future state service has been approved and processed in myCalPERS effective Effective Date.

You are required to update the member's membership information in the Personnel Information Management System (PIMS) to reflect state Second Tier membership. Once corrected, the State Controller's Office (SCO) will adjust the member contributions.

If the request does not meet SCO's monthly deadline and First Tier member contributions are deducted after the election's effective date, you will be responsible for returning those contributions to the member.

For questions regarding how to report this information in PIMS, contact SCO directly for assistance.

We remain committed to assisting our members and employers in all matters within the scope of the statutory authority available to us. If you have any questions, visit our website at www.calpers.ca.gov, or call us toll free at 888 CalPERS (888-225-7377).



# Changes beginning in January 2025

Currently if there is a mismatch in contribution rates employer receives a warning when reporting payroll and payroll is posted

Beginning in January if there is a mismatch in contribution rates payroll will be rejected until corrections are completed



### Resources

State Reference Guide (PDF)

State Miscellaneous & Industrial Members Second Tier Benefit Election Package (PUB 52)

Member Elections Team:

Member Elections@calpers.ca.gov

CalPERS Phone: 888 CalPERS (or 888-225-7377)



### State Controller's Resources

SCO – <u>CalPERS Letters</u>

Review 505 PAR Transaction Process Guide

Statewide Customer Contact Center (916) 372-7200



# Second Tier Acknowledgment Requirement Questions



# Health Premium Discrepancy Report

Hillary Sunada myCalPERS Employer Education & Training Unit (MEETU)

PowerPoint slides will be provided after this event.



## Agenda

- Cognos
- State Active Health Enrollment and SCO Health Deduction Discrepancy Report
- myCalPERS Person Search Tool
- Resources
- Instructor-Led Training
- Questions & Answers



# Cognos

- IBM reporting tool extracts data from myCalPERS
- myCalPERS access roles are needed
- Multiple formats: HTML, Excel, PDF
- Recommended browsers: Chrome and Safari
- You can't break it!

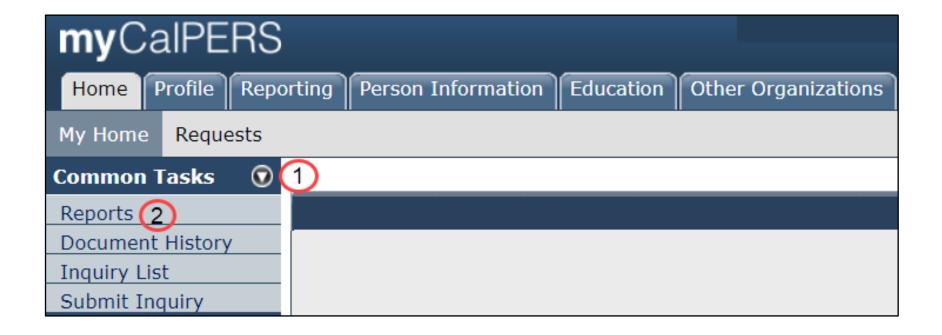


# State Active Health Enrollment and SCO Health Deduction Discrepancy Report

- Review the causes for the premium discrepancies.
- Compare myCalPERS health enrollment data and SCO payroll deduction data for active subscribers.
- Identify any discrepancies in premium amounts:
  - Unpaid
  - Underpaid
  - Overpaid

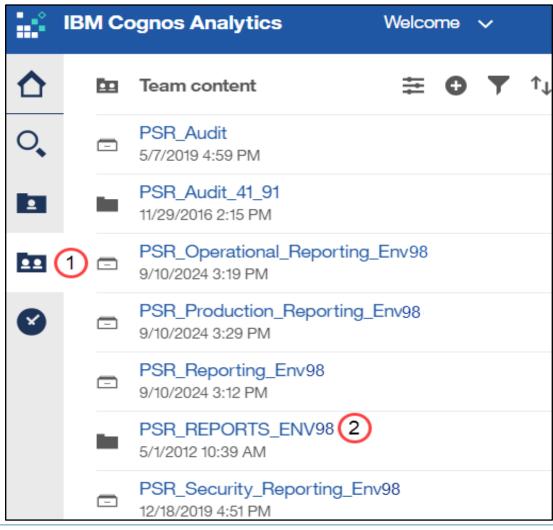


# Open Cognos





# Team Content & PSR\_Reports\_ENV98 Folders



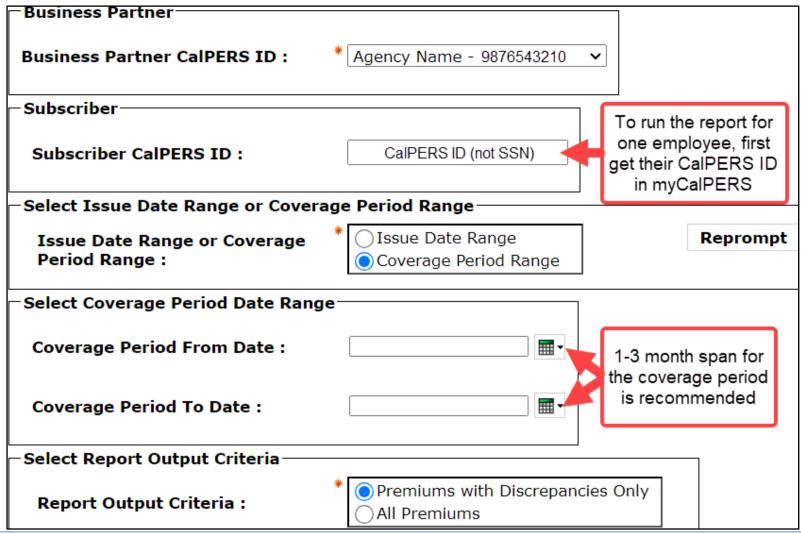


### Select the Report Name





## Report Criteria





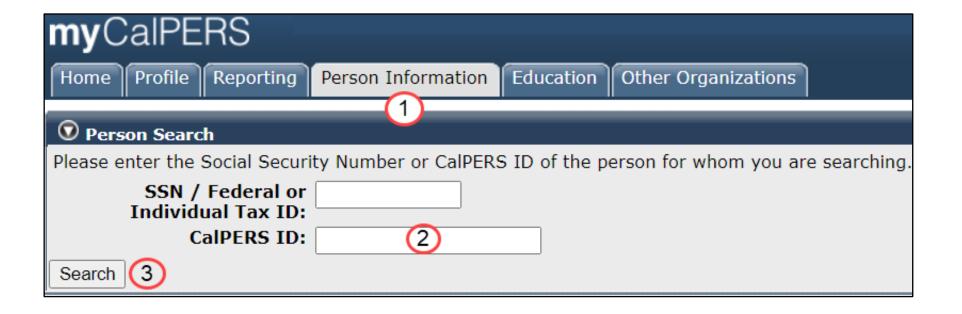
# Sample of the Discrepancy Report

- Real discrepancies for a state agency
- Masked data to safeguard individual/agency identity

Subscriber Coverage F Coverage F	artner CalPE CalPERS ID Period From Period To Da put Criteria	: Date : te :	9876543 08/01/2 10/31/2 Premiun	024	ncies Only	State Active Health Enrollment and SCO Health Deduction Discrepancy Report																					
Subscriber CalPERS ID		Subscriber Name	Health Account Status	Appointment Status	Retirement System	Medical Group	Health Enrollment Effective Date	Coverage Period Start Date	Coverage Period End Date	Base Plan Name	Base Plan Code		Premiun Amount	SCO Employer	SCO - Agency Code	SCO - Issue Dates	SCO - Deduction Code	SCO - Coverage Period Start Date	SCO - Coverage Period End Date	SCO - Plan Name	- Base	SCO - Party Type	SCO - Employer Share	SCO - Employee Share	SCO - Total Premium	CalPERS and SCO Premium Difference	Discrepancy Type
0123456789	XXX-XX- 8774	Kukilou, Bogdana R	Active	Active	PERS	R01-Rnk&File/Admin, Finan&Staf	01/01/2021	08/01/2024	08/31/2024	Anthem Blue Cross Select HMO California	181	Self/B and 1/B	1,851.14		012		MED						0.00	0.00	0.00	1,851.14	Premium
0123456789	XXX-XX- 8774	Kukilou, Bogdana R	Active	Active	PERS	R01-Rnk&File/Admin, Finan&Staf	01/01/2021	09/01/2024	09/30/2024	Anthem Blue Cross Select HMO California	181	Self/B and 1/B	1,851.14		012		MED						0.00	0.00	0.00	1,851.14	Premium
0123456789	XXX-XX- 8774	Kukilou, Bogdana R	Active	Active	PERS	R01-Rnk&File/Admin, Finan&Staf	01/01/2021	10/01/2024	10/31/2024	Anthem Blue Cross Select HMO California	181	Self/B and 1/B	1,851.14		012		MED						0.00	0.00	0.00	1,851.14	Premium
1234567890	XXX-XX- 9226	Dang, Josette N	Active	Active	PERS	R01-Rnk&File/Admin, Finan&Staf	08/01/2016	08/01/2024	08/31/2024	Kaiser Permanente California	056	Self/B and 1/B	1,928.30		012	07/31/2024	MED	08/01/2024	08/31/2024	Kaiser Permanente California	056	Self/B	912.00	52.15	964.15	964.15	Party Type,Premium
1234567890	XXX-XX- 9226	Dang, Josette N	Active	Active	PERS	R01-Rnk&File/Admin, Finan&Staf	08/01/2016	09/01/2024	09/30/2024	Kaiser Permanente California	056	Self/B and 1/B	1,928.30		012	08/30/2024	MED	09/01/2024	09/30/2024	Kaiser Permanente California	056	Self/B	912.00	52.15	964.15	964.15	Party Type,Premium
1234567890	XXX-XX- 9226	Dang, Josette N	Active	Active	PERS	R01-Rnk&File/Admin, Finan&Staf	08/01/2016	10/01/2024	10/31/2024	Kaiser Permanente California	056	Self/B and 1/B	1,928.30		012	10/01/2024	MED	10/01/2024	10/31/2024	Kaiser Permanente California	056	Self/B	912.00	52.15	964.15	964.15	Party Type,Premium

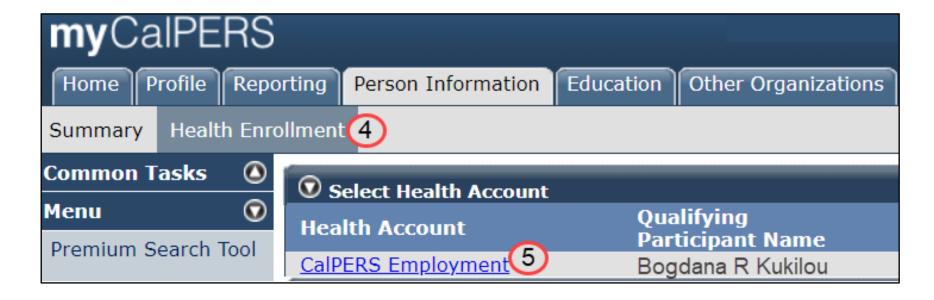


# myCalPERS Person Search Tool myCalPERS Health Enrollment (PDF), Unit 3



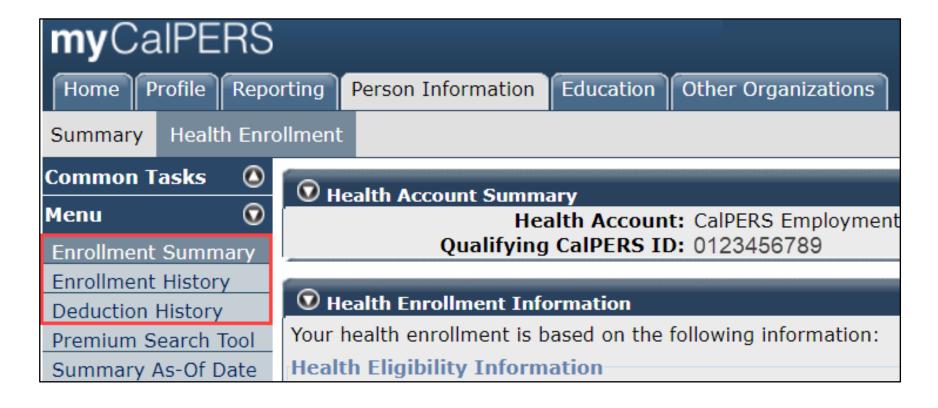


## myCalPERS Person Search Tool





### myCalPERS Person Search Tool





#### Resources

CalPERS website: calpers.ca.gov

- myCalPERS Employer Reports (Cognos) Catalog
- myCalPERS Employer Reports (Cognos) student guide (PDF)
- myCalPERS Health Enrollment student guide (PDF)
- Business Rules & myCalPERS Classes webpage



#### Resources for Health Premium Reconciliation

- Circular Letter 600-025-24 State-Active Health Premium Reconciliation
- myCalPERS State-Active Health Premium Reconciliation student guide (PDF)
- Reconcile State-Active Premiums self-paced online class (access in myCalPERS Education tab)



## Instructor-Led Training

- Training and materials are free
- Virtual classes taught monthly
- In person at CalPERS Regional Offices
  - myCalPERS Health Enrollment on Feb.18 at our Sacramento Regional Office (SRO)
  - myCalPERS Employer Reports (Cognos) on Feb. 20 at SRO



# Training at Your Office

Email a request for a special training to <a href="mailto:calpers employer communications@calpers.ca.gov">calpers employer communications@calpers.ca.gov</a>.







# STATEWIDE BENEFITS ADMINISTRATION



# **Statewide Benefits Program**

Presenter: Rebecca Garcia

Contact: <a href="mailto:ppsdcsbenefits@sco.ca.gov">ppsdcsbenefits@sco.ca.gov</a>

### **Reconciling Employee Health Deductions with SCO**

- Any actions taken in myCalPERS are sent automatically to SCO
  - Retroactive adjustments are either done automatically by Mainframe or,
  - Civil Service Benefits Team processes transactions that require additional verification.
  - Late Dependent Eligibility Verification
    - > Rescinding of a previous health transaction
- If myCalPERS is accurate, but the Cognos / Mainframe is showing a health plan discrepancy
  - Payroll Letter #18-017: Form STD. 674 A/R Processing For Missing Health Deductions
  - Payroll Procedures Manual (PPM): Section H 722
    - ➤ Submit STD. 674 A/R via ConnectHR for associated pay periods
    - > ConnectHR dropdown: Benefits STD. 674 A/R Benefits Accounts Receivable



Transaction Specialists' Educational

Forum: December 5, 2024

# CalHR Benefits Division Updates

Benefits That Support a Life Well Lived.

### About the Benefits Division

The Benefits Division is responsible for the design, acquisition, and oversight of the various statewide benefit programs administered by the California Department of Human Resources (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.





# CalHR Benefits Website

Presenter: Ngoc Le





# CalHR Benefits Website

Presenter: Ngoc Le

Contact: BenefitsInquiries@calhr.ca.gov

### **Upcoming website changes**

- On January 1, 2025, we will have a new benefits website: benefits.calhr.ca.gov.
- The new website will feature a modern design, improved functionality, and easier navigation to better serve departmental
  personnel offices and employees.
- The password to access the State HR Professionals section of the website will stay the same.
- The current CalHR Benefits website is calhr.benefitsprograms.info. Old website links and bookmarks will not work after January 31, 2025.

#### How to prepare

 Plan to update your bookmarks, intranet pages, new hire information, and other communications after January 1 to benefits.calhr.ca.gov.

#### What's next

- We will continue to present at forums and send email updates to Personnel Officers with reminders and relevant links.
- For questions, please contact: <a href="mailto:BenefitsInquiries@calhr.ca.gov">BenefitsInquiries@calhr.ca.gov</a>.





# Resources – CalHR Benefits Webpages

- Benefits Website
- State HR Professionals
- State HR Professionals Benefits Toolkit
- State HR Professionals OE Resources
- HR Manual
- Open Enrollment
- CalPERS Open Enrollment for Active Members
- Virtual Library
- Benefits Calculator
- State Employees

- Health
- Dental
- Vision
- Voluntary Benefits
- Consolidated Benefits (CoBen)
- FlexElect Reimbursement Account
- <u>Life Insurance for Excluded Employees</u>
- Group Legal Services
- Group Long-Term Disability Insurance (LTD)— Excluded Employees Only
- Work Engagement Resources





# Resources – CalHR Benefits Contacts

- ACA Program ACA.Policy@calhr.ca.gov
- BAM Training BenefitsInquiries@calhr.ca.gov
- COBRA COBRA@calhr.ca.gov
- Dental Program dental@calhr.ca.gov
- Dependent Re-verification (DRV) Program <u>DRV@calhr.ca.gov</u>
- FlexElect Program FlexElect@calhr.ca.gov
- CoBen Program CoBen@calhr.ca.gov
- Group Legal Grouplegal@calhr.ca.gov
- Life Insurance <u>LifeInsurance@calhr.ca.gov</u>
- Long-Term Disability LTD@calhr.ca.gov
- Third Party Pre-Tax Parking Reimbursement Account <a href="mailto:Pre-TaxParking@calhr.ca.gov">Pre-TaxParking@calhr.ca.gov</a>
- Vision/Dental Authorization Portal VisionDental.Authorization@calhr.ca.gov
- Vision Program vision@calhr.ca.gov
- Open Enrollment OpenEnrollment@calhr.ca.gov
- General Questions BenefitsInquiries@calhr.ca.gov







# STATEWIDE PROGRAM UPDATES



# **Statewide Tax Support Program**

Presenter: Monique Perez

Contact: PPSDW2MiscDED@sco.ca.gov

# **Employee Address Change and Annual Withholding**

- Employees should ensure current mailing address on file
  - Update via Cal Employee Connect or STD. 686, Employee Action Request (EAR)
    - ➤ Signup for electronic Form W-2, Wage and Tax Statement
- Annual Withholding
  - Employees should review their withholdings every year if they have any of the following:
    - ➤ Lifestyle Marriage, divorce, birth or adoption of a child, or home purchase
    - Wage income Increase in income, spouse starts or stops working
- For additional information:
  - Personnel Action Manual (PAM): Section 6 EAR Processing
  - QuickStart Guide and EAR Samples
  - Internal Revenue Service <u>Tax Withholding Estimator</u>



# **Statewide Payroll Program**

Presenter: Renee Menefee

Contact: Statewide Customer Contact Center 916-372-7200

### Personnel Action Request (PAR) Submission Date Reminders

- PAR Package Dates for November and December separations
  - 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
  - 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
- The <u>weekly processing dates</u> will be updated to reflect the separation dates being processed for timely PAR submissions.



# **Statewide Payroll Program**

Presenter: Renee Menefee

Contact: Statewide Customer Contact Center 916-372-7200

#### **PAR Reminders**

- PAR item 620 must be exhausted before entering time in item 625. This ensures that when the 2<sup>nd</sup> tax year PAR is keyed, the system will project out, and issue, all the time documented on the PAR.
  - Separation pay issues from the PAR, projecting lump sum vacation (item 620) first, followed by lump sum extra (item 625).
- If your employee is separating with a November or December effective date and only wants to contribute into Savings Plus for the 2025 tax year, the PAR package you submit to SCO will be a 2<sup>nd</sup> tax year PAR.
  - Select 2<sup>nd</sup> Tax Year PAR of a two-tax year PAR package with Savings Plus Contribution on the coversheet when submitting through ConnectHR.

#### **Payroll Reminders**

- Please verify separation pay and Savings Plus contributions
- Check Year to Date Savings Plus contribution totals in TAXI



# **Statewide Training Program**

Presenter: Siobhan Hallinan

Contact: <a href="mailto:PPSDTraining@sco.ca.gov">PPSDTraining@sco.ca.gov</a>

#### **Exciting changes to the Registration Management system!**

PERSONNEL AND PAYROLL SERVICES DIVISION

# REGISTRATION MANAGEMENT SYSTEM

Presented By: PPSD Statewide Training Unit

http://cacontrollers.adobeconnect.com/potluej1znad/



# **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**

- Next Transaction Specialists' Educational Forum: February 6, 2025
- Utilize ConnectHR to submit documents or upload data
- Please do not email forms that include employees' Social Security Number (SSN) to the ConnectHR Team. All attachments containing SSNs are automatically deleted.
- Check <u>Weekly Processing Dates</u> before utilizing the <u>Escalation Email</u> process
- Update <u>California Personnel Office Directory (CPOD)</u>
- All HR Offices must promptly address all email messages that come through their Departmental Universal Email established with SCO (e.g., Ding Notices, ConnectHR Direct Deposit Feature – Approval Required, etc.)
- The <a href="PPSD Register">PPSD's Monthly Newsletter</a>
- Check out our recommended Human Resources <u>subscriptions</u>
- HR offices calling the <u>Statewide Customer Contact Center</u> (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!



# **Helpful Resources**

#### **State Controller's Office:**

- SCO Website
- <u>Library and Resources</u>\* Communication. Manuals/Guides/Toolkits. Forms. FAQs.
- Personnel Action Manual (PAM)
- Payroll Procedures Manual (PPM)
- Statewide Customer Contact Center (SCCC)

#### CalHR:

- CalHR Website
- Contact CalHR\*
- Human Resources Professionals
- Benefits Website

#### CalPERS:

- CalPERS Website
- Circular Letters
- my|CalPERS
- State Reference Guide (PDF)
- CalPERS Email Subscriptions



# **SCO Contacts**

#### Websites:

- Human Resources (HR)
- State Employees

### **SCO Key Initiatives:**

- SCOConnect
- California State Payroll System Project

#### **Contacts:**

- Affordable Care Act (ACA) Email <u>ACASupport@sco.ca.gov</u>
- Cal Employee Connect (CEC) Help and Feedback
- ConnectHR Help and Feedback
- California Leave Accounting System (CLAS) Email <a href="mailto:CLAS@sco.ca.gov">CLAS@sco.ca.gov</a>
- CS Escalation Email (HR Supervisors and Managers) <a href="mailto:PPSDOps@sco.ca.gov">PPSDOps@sco.ca.gov</a>
- Decentralized Security Administration & ViewDirect Access (916) 619-7234 or DSA@sco.ca.gov
- HR Suggestions Email (All HR Staff) <a href="mailto:PPSDHRSuggestions@sco.ca.gov">PPSDHRSuggestions@sco.ca.gov</a>
- Management Information Retrieval System (MIRS) Email <a href="mailto:PPSDMIRS@sco.ca.gov">PPSDMIRS@sco.ca.gov</a>
- Statewide Customer Contact Center (SCCC) (916) 372-7200