



November 2022

Transaction Specialist Educational Forum Notes

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SURVEY QUESTIONS:

The following questions are submitted prior to the forum via [Survey Monkey](#).

Question: Can Salary Rule 599.677 be applied to Temporary Authorization (TAUs) returning after a permanent separation? Also, are there any salary regulations that allow TAUs to keep the Merit Salary Adjustment (MSA) increases they have earned when moving to another class?

Answer (CalHR): If the appointment when the employee separated was in a TAU, they cannot retain their salary because they hold no status rights to the pay because they didn't hold a permanent or probationary appointment.

TAU's and any other temporary appointments do not retain rights to MSA's when moving to another class. The department can request a salary exception from PSB and we may or may not allow the employee to retain the salary, depending on the situation.

Question: When will a 7k training be available?

Answer (SCO): We are unable to offer this training course currently and do not foresee us offering it in the future. However, we do have several courses available to you in our [Statewide Training Programs](#).

Question: For Std. 674 Accounts Receivables (AR) that have been sent a long time ago, where is the best department to ask questions in regards to the status? Would that be Payroll-General payroll questions?

Answer (SCO): Please go to the [SCCC directory](#) and direct your questions to the program area in which the AR is related to.

SCO – Lump Sum Separation Introduction – Renee McClain and Christina Campbell (SCCC@916-372-7200)

Recap of Last Forum:

- SCO Lump Sum Process & Workflow
- Required Lump Sum Package Documents
- Lump Sum Timelines and Post-Audits Ding Notices
- Address Common PAR Issues
- NEW PS Separation Checklist & Employee Retirement Guide

If you missed that forum, we highly recommend reviewing the [August 2022 forum notes](#).

- You also have access to the [Transaction Supervisor Forum Notes](#) and those

We Will Be Covering:

- Reminders on Inquiries, Post-Audits Ding Notices & ConnectHR
- Lump Sum Peak Season Due Dates
- Pre-Tax Calculator Walk-Through
- Common 2nd Tax Year PAR Package Errors

Inquiry Process: Checking the status of _?

Step #1: Research

- ✓ Check employment history, if payment issued, review YTD, etc.
 - SCO often receives inquiries on documents already processed. Always check first prior to reaching out.
- ✓ Check your Universal Email for Ding Notices and other SCO communication
 - SCO is often waiting for a response from the PS. A reminder, Post-Audits Ding Notices provides details in the email per PAR Item on what is needed for SCO to process.
- ✓ Review [Weekly Processing Dates](#)
 - If the “Oldest Date” is before the “ConnectHR Upload date”, then SCO has not started processing your document. SCO processes documents in the order received.

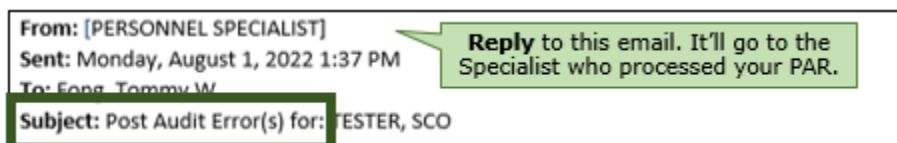
Step #2: Call The Sccc At (916)372-7200

- SCCC reviews internal SCO notes to provide the information you need.

DO NOT submit inquiries or duplicate documents (e.g. duplicate PAR Package) via ConnectHR. SCO will not respond to these. This just adds time and work for SCO, causing additional delays.

CS Audits: Post-Audits Ding Notices – Tommy Fong (SCCC (916) 372-7200)

- Post-Audit Ding notices (PSD40) are sent *via email* by the Specialist who is working on your PAR.



- Reply back via email to the Post-Audit ding notice within 1 business day.
 - The PAR will be canceled if you don't respond to the ding notice within 1 business day.
- If a PAR is cancelled, resubmit via ConnectHR with the ding notice on top of the PAR package.

- By placing the ding notice on top, this will allow SCO to route to the Specialist who originally processed your PAR.
- Allow 3-5 days for SCO to key (only true for PAR and Stipulation packages).
 - For Lump Sum PAR corrections, these may take longer than 3-5 days due to the Lump Sum process.

Error Details Are Sent In The Body Of The Post-Audits Ding Email

- Under the asterisks (*) are a list of all the error(s) and action(s) that require your attention.

Error Status:

- **Needs Correction:** Agency responsibility to correct.
- **Corrected:** Agency responsibility to learn and train others to not repeat. SCO corrected for the agency and sent this notification as a training opportunity.

The screenshot shows an email error message with several callouts:

- Item (Field) Number:** A yellow callout points to the field number 888, stating: "Item (Field) Number: References the PAR Item # that requires attention and correction."
- Error Description:** A green callout points to the error text: "Error: Item is not open or allowable on transaction and has been lined off. Reference(s): PAM 3.205. Error Status: Needs Correction. Responsible Party: Agency." It states: "This bottom section describes the error in detail, where to Reference (PAM) & whether this needs the agency to correct."
- General Error:** A blue callout points to the error text: "Error: See Custom Message." It states: "If you see 'General' and 'See Custom Message', scroll to the bottom of the email and you will find the custom message."
- Custom Message:** A blue callout points to the custom message text: "CUSTOM MESSAGE Item 888 is not open or allowable on a S01 transaction."

ConnectHR & Document Retention – Renee McClain and Christina Campbell (SCC (916) 372-7200)

- ✓ Route documents properly by selecting the correct drop down via ConnectHR. Misrouted documents creates SCO processing delays.
 - Utilize the [ConnectHR CS Directory](#)
- ✓ Save all ConnectHR Email Confirmations. You may need these to verify submission dates.
 - If you are not receiving ConnectHR emails confirmations, email connecthrhelp@sco.ca.gov.
 - Upload History in ConnectHR lists all documents that you upload.
- ✓ Retain your own documents per the Secretary of State & State Personnel Board retention policy. SCO does not retain your documents.
 - SCO does not provide copies of documents you submitted.

Lump Sum Important Dates – Renee McClain and Christina Campbell (SCCC (916) 372-7200)

Timelines: PARs must be submitted via ConnectHR to SCO by the following timelines

Separation Month	Submit 1st PAR to SCO no later than...	Submit 2nd PAR to SCO between these dates...
October	ASAP	N/A
November	12/9/22	12/12/22 to 12/23/22
December	12/9/22	12/29/22 to 1/13/23

Reminder: PAR packages received by SCO after the dates specified will be processed; however, there may be charges assessed by CalHR to the agency (as stated in [section 1802 of the CalHR Manual](#)) and/or a corrected W-2 for the 2022 tax year.

Please submit these forms timely and accurately.

Government Codes 201 & 202 – Renee McClain and Christina Campbell (SCCC (916) 372-7200)

- Review Labor Codes [201](#) & [202](#)
- 5-Day Rule For Savings Plus Election Form
The election form must be signed, dated, and officially submitted by the employee a minimum of five (5) workdays prior to their separation date. Once submitted to the SCO this form is irrevocable.
- *Remember:* You can submit early! We encourage EE's and PS to submit before the last possible day.

Lump Sum Separation Toolkit – Renee McClain and Christina Campbell (SCCC (916) 372-7200)

Checklist for Personnel Specialists

- NEW: HR Separation Checklist

Lump Sum Guide and Tools for Personnel Specialists

- Lump Sum Separation FAQ
- A Guide to Avoiding Common Errors: Lump Sum Documentation and Processing
- Lump Sum Worksheet
- Lump Sum Pre-Tax Calculator
- 1st Tax Year PAR Package Sample
- 2nd Tax Year PAR Package Sample

Planning and Training for Departmental Human Resource Offices

- Talking Points and Activities for a Lump Sum Peak Workload Kickoff Meeting
- eLearning Series for Personnel Specialists

Lump Sum Information for Employees

- NEW: Civil Service State Employee Guide to Retirement
➤ https://sco.ca.gov/ppsd_lump_sum_separation_tool_kit.html

Statewide Payroll Program - Personnel and Payroll Operations Bureau (Contact SCCC @ (916) 372-7200)

Lump Sum Separation: Using the Pre-Tax Calculator for a Two Tax Year Contribution

Overview: In this session we will be demonstrating how to use the pre-tax calculator to help document a two tax year Savings Plus contribution. The pre-tax calculator is part of the [Lump Sum Separation Toolkit](#), which may be accessed on SCO's website. Use of the calculator and other components of the toolkit is suggested for documenting a lump sum separation.

About the Pre-Tax Calculator

What is the pre-tax calculator? The pre-tax calculator is one tool in the Lump Sum Separation Toolkit. The toolkit is designed to provide one-stop support and reference for documenting lump sum separations. The calculator assists the personnel specialist with processing and projecting lump sum balances.

Why did we create it? A review of questions and suggestions from departments identified specific areas to target additional support.

How is it being used?

- To determine if there is enough lump sum to meet the employee's request
- To project the leave balance by pay period
- To project the leave balance across one or two tax years

Overview of the Three Projections: For a Savings Plus Pre-Tax Account Contribution Over Two Tax Years

In this scenario: The employee is choosing to make a pre-tax contribution over two tax years. The calculator may be used to calculate three different outcomes:

1. Projection of total lump sum time and dollar amounts to determine if there is enough lump sum to meet the employee's contribution amounts as indicated on the election form
2. Projection of the 1st tax year's time and dollar amounts
3. Projection of the 2nd tax year's time and dollar amounts

1st Tax Year PAR

STATE OF CALIFORNIA - STATE CONTROLLER'S OFFICE										001		
PERSONNEL ACTION REQUEST										SEQUENCE NUMBER 1 OF 1		
STD: 892A (REV. 01/02/19)										DOCUMENT PROCESSING NUMBER 90		
MAKE NO ENTRIES IN SHADED AREAS												
1	000-00-0000	Smith	John	051	100	5393	001					
2	S70	11/15/21										
6	REASON FOR SEPARATION	PAY PERIOD	TIME TO BE PAID (MINS)	TIME TO BE PAID (HRS)	PAY (MINS)	LUMP SUM TO BE PAID	LUMP SUM EXTRA HOURS	LUMP SUM PAYMENT CODE	LUMP SUM UNIT	SEPARATION DATE	SEPARATION EXPIRATION DATE	
			10 000 00		X	94 006 00		3	912			
8	888	1200										
9	999	See Remarks										
10	<input type="checkbox"/> ON FILE FOR ALERT <input checked="" type="checkbox"/> SUBSTANTIATION IN REMARKS OR SEE ATTACHED REMARKS: First Tax Year PAR-401 = \$20,000										REVIEW BY INITIALS	DATE
11	FOR THE APPOINTING POWER: For Agencies in State Payroll System: The foregoing addition to, deletion from, or change in the original payroll roster of the herein named state agency are true, correct, and in accordance with law. All persons added to the payroll roster, or whose status is modified by this payroll roster change were employed in approved established positions. Any units required by Sections 12110 through 12113 of the Government Code law have been taken and is on file in the employee's official file. Prepared by the State where required under Sections 12475 through 12481, inclusive, of the Government Code is hereby approved. Attendance data stated herein is correct, complete and in accordance with all laws and regulations.										CONCLUDING APPOINTING POWER SIGNATURE(S)	
	Stephanie Wonders	11/01/21	916-111-1111	Stephanie Wonders								

Disclaimer: This publication is intended for reference only. It does not supersede current applicable laws or regulations, and it is not intended for purposes of providing legal advice.

2nd Tax Year PAR

STATE OF CALIFORNIA - STATE CONTROLLER'S OFFICE										008 SEQUENCE NUMBER 1 OF 1		
PERSONNEL ACTION REQUEST										010 DOCUMENT PROCESSING NAME: 91		
MAKE NO ENTRIES IN SHADED AREAS												
1	SOCIAL SECURITY NUMBER 000-00-0000	EMPLOYEE LAST NAME Smith	FIRST NAME AND MIDDLE INITIAL John	AGENCY UNIT 051 100	POSITION NUMBER CLASS 5393 001	DRFT CODE	CBD	COUNTY CODE	OTHER POSITION	BIRTH DATE	OPER CBD	
2	TRANSACTION CODE S70C	DATE 11/15/21	EFFECTIVE DATE AND HOURS	EMPLOYMENT HISTORY REMARKS								
6	REASON FOR SEPARATION	PAY PERIOD	TIME TO BE PAID (NEW)	TIME TO BE PAID (OLD)	PAY METHOD	LUMP SUM TO BE PAID	LUMP SUM EXTRA	PERMINT CODE	UNIT	SERIAL	DATE	FIRST/FINAL DED.
						99 008 00	99 008 00					
9	960	051-100-5393-001	999	See Remarks								
10	BACKUP INFORMATION		REMARKS							KEYED BY INITIALS	DATE	
	<input type="checkbox"/> ON FILE FOR AGRPT	<input checked="" type="checkbox"/> SUBSTITUTION IN REMARKS OR SEE ATTACHED	Second Tax Year PAR. 401 = \$21,000									
11	FOR THE APPOINTING POWER: For Agencies in State Payroll Systems: The foregoing additions to, deletions from, or changes in the original payroll roster of the herein named state agency are true, correct, and in accordance with law. As mandated by date by payroll roster changes filed with the State Controller, to and including the within, said original payroll roster is true, correct, and in accordance with law. All persons added to the payroll roster, or whose status is modified by this payroll roster change were employed in approved established positions. Any such required by Sections 13110 through 13115 of the Government Code has been taken and is on file in the employer's official file. Prerequisite by the State when required under Sections 12470 through 12481, inclusive, of the Government Code is hereby approved. Attendance data stated herein is correct, complete and in accordance with all laws and regulations.											
	SIGNATURE Stephanie Wonders	DATE 12/15/21	PHONE 916-111-1111	CONTACT PERSON Stephanie Wonders								

Hours and days entered on the 2nd Tax Year PAR represent the EE's total leave accrual.

Today's Example: Savings Plus Pre-Tax Account Contribution Over Two Tax Years

Employee (EE): John Smith

Separation Effective Date: 11/15/2021

Salary Rate: \$5,000.00

Leave Accruals:

- Lump Sum Vacation: 100 Days (Documented on the PAR as 99 Days 8.00 Hours)
- Lump Sum Extra: 100 Days (Documented on the PAR as 99 Days 8.00 Hours)

Social Security (SS) = Yes; Medicare (Med) = Yes

Social Security Withheld: \$2,500.00

Medicare Taxable Gross: \$40,000.00

Lump Sum Separation Pay Contribution Election Form Section II B

- 1st Tax Year (2021): \$20,000.00 into 401(k)
- 2nd Tax Year (2022): \$21,000.00 into 401(k)

1. Projection of Total Lump Sum Time and Dollar Amounts

Employee Name		Pre-Tax Lump Sum Calculator										Instructions		Clear	
John Smith															
Regular Pay		LS PP		Days Hours		Salary Rate		Tax Year		Social Security		Medicare			
1121		10 0		\$ 5,000.00		2021		Yes		Yes					
Vacation		Extra		Sick *		*Applies only to S71 disability approved retirement									
Days Hours		Days Hours		Days Hours		SS Withheld		Med Tax Gross		Buffer		Max Amt.		Contribution Amount	
99 8		99 8		0 0		\$ 2,500.00		\$ 40,000.00							
1121		12						\$ 169.09		\$ 39.55		\$ 100.00		\$ 2,418.00	
1221		22						\$ 310.00		\$ 72.50		\$ 50.00		\$ 4,567.00	
0122		21						\$ 310.00		\$ 72.50		\$ 50.00		\$ 4,567.00	
0222		21						\$ 310.00		\$ 72.50		\$ 50.00		\$ 4,567.00	
0322		22						\$ 310.00		\$ 72.50		\$ 50.00		\$ 4,567.00	
0422		2						\$ 29.52		\$ 6.90		\$ 50.00		\$ 389.00	
0422				19				\$ 280.48		\$ 65.60		\$ 50.00		\$ 4,127.00	
0522				22				\$ 310.00		\$ 72.50		\$ 50.00		\$ 4,567.00	
0622				22				\$ 310.00		\$ 72.50		\$ 50.00		\$ 4,567.00	
0722				22				\$ 310.00		\$ 72.50		\$ 50.00		\$ 4,567.00	
0822				15				\$ 211.36		\$ 49.43		\$ 50.00		\$ 3,098.00	
														\$ -	
Total:												\$ 42,001.00		\$ -	

Tips

- In this scenario, the employee has 100 days of Vacation and 100 days of Extra, which projected to \$42,001.00, and this is enough to meet the request of \$20,000 for the first tax year and \$21,000 for the second tax year.
- Use the Std. 640 pay period calendar to verify time possible for the pay period, based on the separation effective date.
- Verify the Social Security (SS) and Medicare withholding in TAXI.
- If regular pay is due and has not issued for the pay period, use the paycheck calculator to determine the SS withholding that will be applied, and add it to the amount entered into the SS Withheld box.
- If regular pay is due and has not issued for the pay period, use the paycheck calculator to determine the Medicare Taxable Gross that will be applied and add it to the Med Tax Gross box.

2. 1st Tax Year Projection of Time and Dollar Amounts

Employee Name		Pre-Tax Lump Sum Calculator										Instructions		Clear	
John Smith															
Regular Pay		LS PP		Days Hours		Salary Rate		Tax Year		Social Security		Medicare			
1121		10 0		\$ 5,000.00		2021		Yes		Yes					
Vacation		Extra		Sick *		*Applies only to S71 disability approved retirement									
Days Hours		Days Hours		Days Hours		SS Withheld		Med Tax Gross		Buffer		Max Amt.		Contribution Amount	
94 6		0 0		0 0		\$ 2,500.00		\$ 40,000.00							
1121		12						\$ 169.09		\$ 39.55		\$ 100.00		\$ 2,418.00	
1221		22						\$ 310.00		\$ 72.50		\$ 50.00		\$ 4,567.00	
0122		21						\$ 310.00		\$ 72.50		\$ 50.00		\$ 4,567.00	
0222		21						\$ 310.00		\$ 72.50		\$ 50.00		\$ 4,567.00	
0322		18 6						\$ 264.20		\$ 61.79		\$ 50.00		\$ 3,885.00	
														\$ -	
Total:												\$ 20,004.00		\$ 20,000.00	

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- To determine exactly how much leave time is needed to meet the EE's request for the 1st tax year, adjust the leave boxes (Vacation and/or Extra boxes), and review the amounts in the Max Amt. column – continue to adjust as needed.
- Remember - When projecting, Vacation is used before Extra.

Result: For the 1st tax year, 94 days and 6 hours of lump sum Vacation is needed to process the EE's request to contribute \$20,000.00 into their 401K account for the 2021 tax year.

1st Tax Year PAR Documentation

Item 606: 10 Days

Item 620: 94 Days 6.00 Hours

3. 2nd Tax Year Projection of Time and Dollar Amounts

Employee Name		Pre-Tax Lump Sum Calculator										Instructions	Clear	
John Smith														
Regular Pay														
LS PP	Days	Hours	Salary Rate	Tax Year	Social Security	Medicare	Contribution							
0322	18	6	\$ 5,000.00	2022	Yes	Yes								
Vacation		Extra		Sick *		*Applies only to S71 disability approved retirement								
Days	Hours	Days	Hours	Days	Hours	SS Withheld	Med Tax Gross	Buffer	Max Amt.	Contribution Amount				
5	2	99	8	0	0									
0322	3	2				\$ 45.80	\$ 10.71	\$ 100.00	\$ 582.00	\$ 582.00				
0422	2					\$ 29.52	\$ 6.90	\$ 50.00	\$ 389.00	\$ 389.00				
0422			19			\$ 280.48	\$ 65.60	\$ 50.00	\$ 4,127.00	\$ 4,127.00				
0522			22			\$ 310.00	\$ 72.50	\$ 50.00	\$ 4,567.00	\$ 4,567.00				
0622			22			\$ 310.00	\$ 72.50	\$ 50.00	\$ 4,567.00	\$ 4,567.00				
0722			22			\$ 310.00	\$ 72.50	\$ 50.00	\$ 4,567.00	\$ 4,567.00				
0822			15			\$ 211.36	\$ 49.43	\$ 50.00	\$ 3,098.00	\$ 2,201.00				
										\$ -				
Total:										\$ 21,897.00	\$ 21,000.00			

- If regular pay has not issued and will have an issue date in the 2nd tax year, use the paycheck calculator to determine the Social Security withholding that will be applied and add it to the SS Withheld box.
- If regular pay has not issued and will have an issue date in the 2nd tax year, use the paycheck calculator to determine the Medicare Taxable Gross that will be applied and add it to the Med Tax Gross box

Result: 5 days and 2 hours of lump sum Vacation and 99 days and 8 hours of lump sum Extra will issue, and the EE's request to contribute \$21,000.00 into their 401(k) account for the 2nd tax year will be processed. The remaining lump sum of \$897.00 (\$21,897.00 - \$21,000.00) will issue to the EE and will be subject to all applicable taxes.

2nd Tax Year PAR Documentation

Item 606: 10 Days

Item 620: 99 Days 8.00 Hours

Item 625: 99 Days 8.00 Hours

How will pay issue?

- 1st tax year PAR time will issue accordingly:**
 - Regular pay (10 days) will issue as payment type 0 in 2021.
 - Lump sum Vacation (94 days and 6 hours) will issue as payment type 4 in 2021.
 - The 401(k) contribution (\$20,000.00) will be deposited in 2021.
- 2nd tax year PAR time will issue accordingly:**

- Lump sum Vacation (5 days and 2 hours) will issue as payment type 4 in 2022, and lump sum Extra (99 days and 8 hours) will issue as payment type 3 in 2022.
- The 401(k) contribution (\$21,000.00) will be deposited in 2022.

Note: See the Lump Sum Separation FAQ for information regarding when Savings Plus contributions will post to an EE's account.

Lump Sum Separation Toolkit

Where is the Toolkit: [Lump Sum Separation Toolkit \(ca.gov\)](#)

- Separation Checklist for Personnel Specialists
- A Guide for Avoiding Common Errors: Lump Sum Documentation and Processing
- Lump Sum Worksheet
- Lump Sum Pre-Tax Calculator
- Lump Sum Separation FAQ
- Talking Points and Activities for a Lump Sum Peak Workload Kickoff Meeting
- Lump Sum Separation Process eLearning Series

Lump Sum – Training Modules – Joa Lleren (SCCC (916) 372-7200)

[Online Trainings](#) are Available and [Highly Recommended](#)

There are trainings available that walks through step-by-step how to calculate contributions and correctly fill out Lump Sum Separation forms.

- **Module 1** - Lump Sum Overview (23 min.)
- **Module 2** - Lump Sum Where to Begin (13 min.)
- **Module 3** - Lump Sum Determination Tools Leave Accruals (28 min.)
- **Module 4** - Lump Sum Worksheet and [Pre-Tax Calculator](#) (28 min.)
- **Module 5** - Lump Sum PAR Documentation (25 min.)
- **Module 6** - Lump Sum Separation Current Tax Year & Contribution (13 min.)
- **Module 7** - Lump Sum Separation Cash & Deferred Tax Year (24 min.)
- **Module 8** - Lump Sum Submission (17 min.)

SCO highly recommends all PS staff to go through these training modules. It will help reduce PS frustrations on the process, reduce common errors, and saves time for everyone.

Lump Sum – Common Errors – Renee McClain and Christina Campbell (Contact SCCC @ (916) 372-7200)

- Error #1: Not setting enough lump sum time aside for the second tax year, or issuing all of their lump sum time out for the first tax year.
 - ✓ Use the Pre-Tax Calculator to determine the lump sum time for both tax years
- Error #2: The Savings Plus Election Form had changes from the 1st Tax Year PAR Package to the 2nd Tax Year PAR Package (SCO received a completely different Savings Plus Election Form).
 - ✓ The Savings Plus Election Form should not change at all. Use the same election form for both the 1st Tax Year PAR Package and the 2nd Tax Year PAR Package.
(Note: Although the Election Form stays the same, the PARs will be different.)

- Error #3: 457(b) Traditional Catch-Up Contribution amount on Savings Plus Election Form is not filled out correctly.
 - ✓ EE must add-in the desired 457(b) Traditional Catch-Up contribution amounts on the actual Election Form. Follow the example below.

Scenario:

Jo's is approved to contribute the following:

Contribution Year	Max Contribution Amount	Jo's 457(b) Approved Catch-Up Amount	Jo's Max Contribution w/ 457(b) Catch-Up
2021	\$19,500	\$19,500.00	\$40,000.00
2022	\$20,500	\$20,500.00	\$41,000.00

Jo has enough leave to contribute the maximum amount with the 457(b) catch-up (green). Jo would like to contribute the maximum amount possible.

- Incorrect Election Form Example

Incorrect Election Form Example:

Plan Year	457(b)	
	Pre-tax	
2021	\$ 19,500	\$
2022	\$ 20,500	\$

This is incorrect because Jo wants to contribute the max amount with their approved 457(b) catch-up. This is showing the general Max Contribution Amount.

SCO will only key what is shown on the Election Form, regardless of the 457(b) approval letter or comments on any other documents.

With this Election Form, SCO will key up to \$19,500 for 2021 & \$20,500 for 2022.

- Correct Election Form Example

Correct Election Form Example:

Plan Year	457(b)	
	Pre-tax	
2021	\$ 40,000	\$
2022	\$ 41,000	\$

This is correct because the Election Form is showing the contribution request amounts per what Jo wants and is eligible for.

You must include the Traditional 457(b) Catch-Up totals on the Election Form. SCO only uses the Election Form to determine the contribution amounts. SCO only references the Savings Plus Catch-Up Approval Letter to verify approval.

With this Election Form, SCO will key up to \$40,000 for 2021 & \$41,000 for 2022.

- Error #4: Not including the Savings Plus 457(b) Traditional Catch Up Approval letter when applicable
 - ✓ You must include the Approval Letter. SCO requires the Approval letter to verify catch-up dollar amount entered on the Savings Plus Election Form.
- Error #5: The Savings Plus Election Form requested contributions are often calculated incorrectly.
 - ✓ Check the YTD Screen. First determine what the EE has already contributed for that Tax Year.
 - ✓ Utilize the [Lump Sum Pre-Tax Calculator](#). This provides an accurate contribution estimate for your EE.
 - ✓ Include the 457(b) Traditional Catch-Up contributions on the form. If applicable, see Error #3 for an example.
 - ✓ Do not write "Max," "Remainder" or any words on the form. The election form must have numeric totals and not written words.

Lump Sum Deferral Guidelines and Resources Julie Schultze (Julie.Schultze@calhr.ca.gov)
www.savingsplusnow.com | (855) 616-4776

Lump Sum Separation Definition

What is Lump Sum?: The opportunity to defer a portion or all of an employee's unused vacation and annual leave (minus Social Security and Medicare) upon separation from state service to the Savings Plus 401(k) and/or 457(b) Plans.

Disclaimer: This publication is intended for reference only. It does not supersede current applicable laws or regulations, and it is not intended for purposes of providing legal advice.

What are the benefits?

- Tax break
- Deferring into two tax years
- Can combine with Catch-up program

Plan Contribution Limits for 2022

Plan Type	Normal Contribution Maximum	Age-Based 50+ Contribution	Total Contribution Allowable
401(k)	\$20,500	\$6,500	\$27,000
457(b)	\$20,500	\$6,500	\$27,000
Total	\$41,000	\$13,000	\$54,000

- Employer's Part
 - Provide an estimate of cashable accumulated leave time available
 - Reinforce the 5 workday timeframe for completing the form (Savings Plus can assist participant with completing it)
 - [HR Manual](#) Sections 1802 & 1803 provide guidelines
 - Send completed form to State Controller's Office
- Employee's Part
 - Retirement
 - Contact CalPERS (no more than 120 days prior)
 - Notify your Personnel Office (45-65 days prior)
 - Traditional 457(b) Catch-up
 - Complete and submit form to Savings Plus (45 days prior)
 - Lump Sum
 - Fill out the Lump Sum Separation Pay Contribution Election form and submit to their Personnel Office (30 days prior)

California Labor Code: Lump Sum Separation Pay paperwork must be officially submitted five (5) workdays (Monday through Friday, excluding Saturdays, Sundays and legal holidays) prior to separation in accordance with California Labor Code Sections 201(b) and 202(b). No changes will be accepted after the five day threshold has passed.

Employee Resources

- [Lump Sum Separation Pay Contribution Election Form](#)
- Contact a [Retirement Specialist](#)
- [Lump Sum Separation & 457\(b\) Traditional Catch-Up Webinar](#)

SCO KEY INITIATIVES:

SCOCONNECT: CONNECTHR & CAL EMPLOYEE CONNECT (CEC) – Moe Adam (ConnectHRhelp@sco.ca.gov)

ConnectHR

- Telework Stipend reminders
 - [Telework Stipend Toolkit](#)
 - [Telework Stipend FAQs](#)
- File Upload Document Directory reminder
 - ConnectHR [Help and Feedback page](#)
 - SCO HR page: [ConnectHR \(ca.gov\)](#)

CEC Phase II: Employee Services Features

- Wave one departments (110 civil service and 8 CSU campuses) have been deployed with Multifactor Authentication (MFA) and Direct Deposit features.
 - As of 11/01/22: 834 employees have enabled MFA
 - As of 11/01/22: CEC has received 295 direct deposit transactions.
- New [Help and Feedback](#) Web Form!
- Electronic W-2 Survey – Coming Soon!
- MFA/Direct Deposit Demonstration

CEC

- Our Promise Campaign Donations
 - How to [Donate Now](#)

SCO – California State Payroll System (CSPS) Project – Jeana Smith (CSPSHelp@sco.ca.gov)

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
- **Scope:** Personnel, Benefits, Position Control, Time & Attendance, Travel & Business Expense and Payroll
- **Why CSPS:** Current system is 50 years old and not integrated; current system does not reflect or incorporate IT, HR, PR innovations over past 50 years.
- **Who will this impact:** State HR and Payroll staff and all state employees



Status Updates / Progress:

- **Recent Progress:**
 - Delivered “Improving Employee Pay” presentation to the Labor Relations Forum

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- Data team has finalized the new Employee Master table
- DART Sponsor and Liaison October kickoff completed
- **Upcoming Activities:**
 - Continued meetings with FI\$Cal to mitigate risk
 - DART Sponsor and Liaison November kickoff
 - Completion of the Proof of Concept phase

- **Schedule:**

Activities	Start	End	Status
Conduct Solicitation Phase 2 - Proof of Concept and Evaluate Proposals	August 2022	November 2022	In progress
DART Sponsor and Liaison Kickoff Meetings	October 19, 2022	November 14, 2022	In progress
Conduct Solicitation Phase 3 – Negotiate and Select Vendor	November 2022	June 2023	

BENEFITS ADMINISTRATION:

SCO – Statewide Benefits Program - Ryan Baughman (ppsdcsbenefits@sco.ca.gov)

ConnectHR Tips & Reminders

- STD. 701c/702 Cash Option & STD.692 Dental
 - Employees often switch between Cash Option & Dental plan
 - It is OKAY to upload the STD.692 Cancel/Change/New with the STD. 701c/STD. 702 form in the same PDF. (Example: pg.1 701C New, pg.2 STD.692 cancel)
 - You will only upload once under the FlexElect dropdown, no need to upload another Dental Cancel/Change/New if uploaded with the FlexElect/CoBEN form
- Duplicate Forms
 - There is no need to upload "inquiry" forms anymore or submit duplicates
 - If you receive the receipt from ConnectHR, that means we have the form
- Open Enrollment Peak Workload
 - Check the [Civil Service Weekly Processing Dates](#) prior to calling for a status on a form
 - Peak Open Enrollment processing now, processing dates may stagnate temporarily
 - For a status on the form, contact Statewide Customer Contact Center (916-372-7200)

Affordable Care Act – Korinn Revelino (ACASupport@sco.ca.gov)

Information Reporting Penalties (IRP) – Corrections

- What is changing?
 - As of the 2021 reporting year (1095-Cs issued early 2022), the IRS is no longer providing relief to employers for incorrect reporting

- 2021 IRP Amount
 - \$280: Failure to file a correct 1095-C record to the IRS
 - \$280: Failure to provide a correct 1095-C to the EE
 - **Total: \$560 per corrected 1095-C**
- 2022 IRP Amount
 - \$290: Failure to file a correct 1095-C record to the IRS
 - \$290: Failure to provide a correct 1095-C to the EE
 - **Total: \$580 per corrected 1095-C**
- What does this mean?
 - The State of California will be assessed penalties for all corrected 1095-Cs once SCO submits the 2021 corrected 1095-Cs to the IRS (as early as 2024)
- Why should I care?
 - HR offices are responsible for maintaining accurate information in ACAS
 - IRPs will be passed down to the department at fault
 - Penalties compound over time

Information Reporting Penalties – Compounded Over Time

- Example A: "Department Z" became aware of a needed update for an employee's ACAS record in November 2022. The change dated back to January 2021. Time went on and for multiple reasons, the change did not get made until April 2024. When the change was made, it resulted in a correction to the employees 2021, 2022, and 2023 1095-Cs
- Resultant penalties:
 - Corrected 2021 1095-C: \$560
 - Corrected 2022 1095-C: \$580
 - Corrected 2023 1095-C: \$600 (estimated)
 - **Total: \$1,740.00**
- Example B: "Department Z" became aware of a needed update for an employee's ACAS record in November 2022. The change dated back to January 2021. The change was made as timely as possible, in November 2022. When the change was made, it resulted in a correction to the employee's 2021 1095-C.
- Resultant penalty:
 - Corrected 2021 1095-C: \$560
 - **Total: \$560.00**

	Example A	Example B
Total Penalty Assessed:	\$1,740	\$560
Total Savings:		\$1,180

Information Reporting Penalties (IRP) – Corrections

- What can we do to reduce our penalty liability?
 - ACA must be part of regular personnel and payroll processing
 - Contact your supervisor to register for ACA Training classes
 - Ensure you are addressing all Compliance Report errors on a monthly and quarterly basis

- Ensure you are addressing all errors identified on the monthly Safe Harbor report
- Additional Information
 - ACA Helpdesk consultants are available to assist you with questions, contact ACASupport@sco.ca.gov
 - Access ACA tools and resources available on the [SCO ACA Training Page](#)
 - Any questions?

PROGRAM UPDATES:

CalPERS Retirement Reporting – Tracy Gutierrez (SCCC (916) 372-7200)

What SCO Reports to CalPERS

- Enrollments
 - Reported in a daily file when a new appointment or appointment change is keyed
 - New appointments create MyCalPERS account
 - Appointment changes update details such as bargaining unit and address
 - Best practice is to check MyCalPERS for enrollment the day after keying
- Contributions
 - Reported in a monthly file from payroll information
 - Regular and special compensation reported
 - Information used to determine service credit and retirement benefit
- Monthly Service Credit
 - Retirement service credits are reported by SCO in a monthly file
 - Retirement service credits are posted to MyCalPERS in the last week of the following month
- MyCalPERS Health Appointments
 - SCO does not report Health Appointments
 - When SCO encounters Health Appointment issues, SCO contacts CalPERS
 - CalPERS has a five (5) day Service Level Agreement with SCO
 - For inquiries regarding Health Appointments, please contact the Statewide Customer Contact Center at (916) 372-7200

CalPERS Administrative Fees for Arrears

- Cause:
 - Late enrollments
 - Active employee appointments keyed 90+ days after effective date
 - [Circular Letter #200-009-20: Notification of Reported Late Appointment \(Enhanced myCalPERS Functionality\)](#)
 - Late Retired Annuitant (RA) reporting
 - RA appointments keyed 30+ days after effective date
 - RA payroll keyed 30+ days after effective date
 - [Circular Letter #200-048-18: Enrolling and Reporting Retired Members \(ca.gov\)](#)
- Appeals:
 - Must be received by CalPERS within 30 days of invoice for waiver consideration
 - If you have questions regarding a received 'Notification of Reported Late Appointment' letter from CalPERS, send a copy to the PPSD Civil Service Retirement to ppsdcsretirement@sco.ca.gov.

Statewide Training Program – Michael Berlanda (MBerlanda@sco.ca.gov)

- Class Vacancy Reminders
- Course Preparedness
 - Pework
 - Lateness
 - Unregistered Participants
- California Department of Corrections (CDCR) technical issues with virtual training platform
- 2023 1st Trimester Needs Assessment – Upcoming
- NEW – New Personnel Specialist Certificate Program

SCO General Reminders

- Utilize ConnectHR to submit documents or upload data
- [ConnectHR Directory](#)
- Include the employee's complete social security number (SSN) when sending documents through ConnectHR
- Check [Weekly Processing Dates](#) before sending inquiries
- Utilize [California Personnel Office Directory \(CPOD\)](#)
- The [PPSD Register](#) – PPSD's Monthly Newsletter
- Recommended [subscriptions](#)
- Review Communication from State Policy and Instructional Departments for Business Process impacts
- It is recommended that the Human Resources (HR) staff follow [Section M](#) of the Payroll Procedures Manual (PPM) for certifying payroll, which requires HR staff to validate that both mandatory and voluntary deductions have been withheld appropriately and to certify the employee's payroll is accurate.
- Share this information with your peers!

SCO EMAIL SUBSCRIPTION SERVICE:

- To ensure you're receiving essential PPSD notifications, please subscribe to our email subscriptions listed below. Also, we invite you to share this information with anyone who would be interested in PPSD notifications.
 - [California Leave Accounting System \(CLAS\) Letters](#)
 - [State Controller's Office Letters \(Personnel / Payroll Operations\)](#)

SCO RESOURCES:

- Websites:
 - Human Resources (HR): https://sco.ca.gov/ppsd_state_hr.html
 - State Employees: 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
- Cal Employee Connect Email connecthelp@sco.ca.gov
- Cal Employee Connect Feedback Email connectfeedback@sco.ca.gov
- California Leave Accounting System (CLAS) Email Clas@sco.ca.gov
- ConnectHR Email (All HR Staff) connecthrhelp@sco.ca.gov
- ConnectHR Feedback Email (All HR Staff) connecthrhelp@sco.ca.gov
- HR Suggestions Email (All HR Staff) PPSDHRSuggestions@sco.ca.gov
- Management Information Retrieval System (MIRS) Email ppsdmir@sco.ca.gov
- [Statewide Customer Contact Center](#) (916) 372-7200

FORUM QUESTIONS:

The following questions were submitted during the forum:

Question: The pre-tax calculator does not go past 2022, will this be getting updated?

Answer: The SCO is working to get the calculator updated.

Question: How do I determine how to calculate placing deferral into 401IRA?

Answer: You would use the paycheck calculator to determine how many leave hours are needed to meet the employee's deferral dollar amount.

Question: 85% of what?

Answer: The SCCC receives several phone calls and inquiries on documents 85% of the time the documents have been processed. Please check PAY HIST, TAXI, EH before calling SCO.

Question: I've noticed when calling in, the weekly processing dates on the recording are incorrect. They are all stating as of January, this does not match the online listing. What is the correct one?

Answer: Not sure which que you are selecting, please use the Weekly Processing Dates on our site.

Question: What if you have to send another PAR package because of an error?

Answer: Please reach out to ConnectHRHelp@sco.ca.gov and request the document be pulled please include the upload confirmation.

Question: One business day, even if we are on vacation. So we should assume that if we did not respond in that 1 business day that the PAR has been canceled?

Answer: We use the universal email address to ensure someone will see the SCO emails and reply as your backup. If we cancel the PAR, your universal email will receive a cancellation email.

Question: What if we are out of the office the day you send the ding notice? Can the 1 day be extended?

Answer: We use the universal email address to ensure someone will see the SCO emails and reply as your backup.

Question: Also if the ding notices are now being sent to general / universal emails for the department it may take more than once business day for our management to distribute the ding notice.

Answer: The SCO has the SLA in place and we request all HR offices check their universal email boxes on a flow basis.

Question: Our ding notices are telling us to upload again in Connect HR PR250. But you want us to call in for ding notices and Inquiry.

Answer: If we have not worked on the corrected ding notice document and it has been longer than 2 business days, you may call the SCCC to check the status of the corrected document. Do not upload duplicate or inquiry documents.

Question: If the PAR is sent to CalConnect and the ding goes back to the general email, it can take more than one day to get emailed to the PS who submitted, then PS should assume that if no response is given within one day, will PS need to resend PS?

Answer: The SCO has the SLA in place and we request all HR offices check their universal email boxes on a flow basis.

Question: Is a ding notice sent when it's gone to the wrong place?

Answer: If your agency has been given a warning about misrouted uploaded documentation, then our OTs have been instructed to return the documents.

Question: Respond within two business days or one business day?

Answer: Two business days for 674's/garnishments and one business day for PAR.

Question: If we submitted a payroll doc but it wasn't processed correctly, do we reach out to someone directly? Or just call the call tree for payroll?

Answer: Please contact the SCCC.

Question: What if that time frame has passed for the ding notice, does the PS treat as a new submission?

Answer: If we do not receive a corrected document within two business days we will cancel it.

Question: What happens if ding notices are sent on a Friday and the employee responsible for resubmission is absent? Is there a grace period for these?

Answer: You must return the document by the following Tuesday.

Question: Where do I find this check list?

Answer: The SCO website.

Question: Does 5 day rule actually apply to when the EE submits the form or just signature date?

Answer: Signature date

Question: Will the lump sum calculator be updated to reflect the 2023 tax year in the near future?

Answer: Yes

Question: Why is the PAR documented 99 days and 8 hours? Why not just put 100 days?

Answer: The PAM line items reflect days and hours.

Question: Please explain how to get SS withheld and Med Tax Gross for calculator.

Answer: Please review the calculator instructions.

Question: Are going through what is the process when they are differing?

Answer: Please refer to the lump sum toolkit and the personnel specialist checklist.

Question: The SS Withheld and Med Tax Gross are the amounts from TAXI, correct?

Answer: Yes

Question: Do we need to account for the SS withheld if the master for the last month has not been issued yet?

Answer: Yes

Question: Please go over which line from TAXI is used for SS and Medicare.

Answer: TAXI will show Social Security and Medicare Line items.

Question: What happens if the employee elected to only take out a hundred dollars every pp but when it comes to retirement the employee wants to max out the 401K. How do we calculate the lump sum vacation for the first year so we don't go over? Assuming the EE has enough leave to cover the maximum.

Answer: You must utilize the lump sum calculator.

Question: Where do you get the amounts of the SS amounts and med tax gross?

Answer: TAXI

Question: Who should we go to if Savings Plus does not receive payroll deductions?

Deductions show in SCO, but no record in Savings Plus. Savings Plus has directed me to SCO (this is for a regular payroll deductions).

Answer: Please contact SPP office (855) 616-4776 M – F, 5:00 a.m. to 8:00 p.m. (PT). To speak with a Customer Service Representative press 0. asksavingsplus@nationwide.com

Question: Is the salary rate always 5,000 or does it depend on what savings plus says is the max per month?

Answer: The salary rate is based on your employee's salary. The amount on the calculator is only for demonstration (example).

Question: Can an EE defer into IRA?

Answer: Yes

Question: Is the timely response 1 business day or 2 business days? Both time frames were said.

Answer: 1 day for PARS, 2 Days for 674s, garnishments, benefit forms.

Question: Will the presenter show how to do this? I've never had one before and this year I do.

Answer: No. you will use the paycheck calculator as the amount is post tax.

Question: I'm sorry- I missed the SS withheld and MED Tax Gross fields- are those from TAXI?

Answer: Yes

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Question: I have been told not to reenter regular pay on second PAR?

Answer: Correct, please refer to second PAR tax year sample.

Question: Do we have any information regarding retirees that have been approved for catch up in 2024? My retirees have lots of time. Savings Plus said that 2024 does not apply except for retired annuitants?

Answer: SPP

Question: When can the 2nd year PAR be submitted?

Answer: Please refer to the SCO [Payroll letter 22-016](#).

Question: Signed or submitted? 5 day rule.

Answer: Please refer to the labor code. 5 business days prior to the employee's separation.

Question: Catch up approval amount should be added to the annual limit, correct? The catch letter is not the total allowed, it needs to be added.

Answer: Correct, the catchup amount must be included in the annual limit. Please refer to the Lump Sum toolkit for examples.

Question: If form is not updated before employee retires, can they put new amounts on old form?

Answer: The form must be signed at least 5 business days prior to the employee's separation date. Please refer to Labor Code 201 and 202.

Question: Will there be another training on lump sum talking about IRA and how to process them?

Answer: No, you may utilize the SCO online training modules.

Question: How do you determine the amount that can be deferred?

Answer: You may utilize the lump sum calculator.

Question: How long can a separated employee have access to Cal Employee Connect - like how many months after separation date?

Answer: Currently, even upon separation, the former employee can have access indefinitely as long as they have knowledge of their current log in ID and password. If they've lost it, they can request to reset it.

Question: What the process date is pass the form submitted?

Answer: Call the SCCC.

Question: When is the cutoff?

Answer: Cut off for new OE docs was 11/01/22. Cutoff for PR250 response on OE docs is 11/23/22.

Question: When employees are enrolling in health during open enrollment, ACAS says I cannot input an effective days over 45 days. When should I enter in ACAS?

Answer: The earliest employees are able to be keyed into the ACAS for open enrollment is 45 days prior to 1/1/23, which is 11/18/22.

Question: Safe harbor report?

Answer: This report is provided by CalHR and is used to ensure we offer health coverage to 95% of federal defined full time employees. If you are not having to correct errors on this report currently, then it is likely your department is within the 95% threshold.

Question: How do I obtain this report?

Answer: This report is provided by CalHR and is used to ensure we offer health coverage to 95% of federal defined full time employees. If you are not having to correct errors on this report currently, then it is likely your department is within the 95% threshold.

Question: What does the 5 day SLA mean? Is that how long it could take to see something updated?

Answer: I am unsure of this question or if this for ACA. Are they asking about EEs showing on the Compliance Reports after corrections have been made late in the month? If so, they should drop off the following month.

Question: If RA pay goes over to SCO electronically. Does the department still contact CalPERS for payroll reporting?

Answer: Not ACAS

Question: It is regarding a warrant I have on hold and I need to know if there is a supervisor or point of contact I am able to contact at SCO?

Answer: Disbursements