



Transaction Specialists' Educational Forum

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Office of State Controller Malia M. Cohen

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GARNISHMENT PROCESS DEMONSTRATION

Self-Paced Training Modules and References on the
Garnishment Process: [Garnishments](#)

Presented By: Michael Berlanda

Contact: PPSDTraining@sco.ca.gov



STATEWIDE BENEFITS ADMINISTRATION

Refresher Training

Savings Plus Over Deferral Process

Presented by: Katie Kerr
Contact: Leaverollover@calhr.ca.gov

What is an Over Deferral?

When a participant contributes more than the Internal Revenue Service (IRS) annual limits to a single IRS Plan type.

How is an over deferral determined?



Based on the employee's W-2 information

Based on the date the pay was issued to the employee - NOT the date the contribution was posted to their account



May include Plans outside of Savings Plus

457(b) and Federal Thrift Plan
401(k) and 403(b)

High-Level Overview

- At the end of the year, Savings Plus receives SCO Year-to-Date (YTD) information
- Identify participants who have exceeded the limit
- Notification and Corrective payment is issued
 - Coordinate with CSU on the 403(b) amounts
 - Letter sent to participant explaining they exceeded the limit
 - Check is issued to individual for the Over Deferred amount
 - Second check is issued for any earnings associated with the Over Deferral amount
- 1099-R issued the **next** January; 1 for the over deferral, 1 for earnings

Ongoing Process

Our Operations Team works year-round to help participants understand the contribution limits and what their options are.

Notifications

- Savings Plus sends three letters a year:
 - March – End of year letter, for prior tax year Over-Deferrals
 - May and September – two warning letters for potential Over-Deferrals

We generate data for these letters based on:

 - YTD information from SCO
 - Contribution elections on file
- Three Different Types of Warning Letters:
 - Approaching the Limit
 - Employed, Exceeded the Limit
 - Separated, Exceeded the Limit

So, I am nearing the limit...now what?

You will receive a letter with the following information:

- Reminder of the annual limit
 - Includes catch-up amounts, if applicable
- An alert that you may exceed the limit based on your current contribution amount
- Reminder that Savings Plus will NOT stop your contributions
- List of alternative ways to contribute more
- Details the automatic corrective action if you exceed the limits

So, I over deferred...now what?

- Distribution holds placed on account
- Letter sent with information on what to expect
- Corrective distribution issued via check(s)
 - Includes over deferral and associated earnings on amount

You have exceeded the IRS contribution limit for 2023

Access your information online
View your information online at savingsplusnow.com

Our records indicate you exceeded the contribution limit for the tax year 2023 for your retirement account. Please see the details below.

Plan details

Plan name: [Plan name]
Account number: [Account number]

Understanding the details

The Internal Revenue Service (IRS) allowed you to contribute up to \$22,500 for the 2023 tax year to your account. If you have obtained age 50, you are eligible to participate in Age-Based Catch-Up, which allows you to contribute an additional \$7,500 per year.

NOTE: If you are enrolled in the Traditional Catch-Up provision, that amount was added to your total contribution limit.

What to expect

We will send the check(s) to your address on record in the amount of your excess contribution, including any applicable gains or losses, no later than April 15, 2024. You will receive Form 1099-R(s) by January 31, 2025 for this amount, which will be subject to ordinary income tax.

Common Questions from Employees

- Do they need to have their Over Deferral fixed immediately?
 - No action required by the employee – Savings Plus has a process!
 - Two 1099-Rs will be issued in January 2025 for the correction (per money type – Roth/Pre-tax)
 - One for the over deferral, coded as income earned in the prior year
 - One for the associated earnings related to the over deferred amount, earned in the current tax year
- What if they want to deal with the Over Deferral before the end of the tax year?
 - Anyone who has been identified as Over Deferred can request a corrective distribution at any point
 - This allows for the correction to happen in the same tax year as the contribution was earned
 - If they are active, we ask they turn their contribution to \$0 before we send the corrective payment to them

Where can I get more information?

- **Employees** may call the Savings Plus Solutions Center at (855) 616-4776
- **HR/Payroll/Transactions staff** can call Savings Plus at (916) 909-3717

Optional Membership

Erika Stewart-Sanchez

Employer Account Management Division

Topics

- Definition of an optional member
- What are their options
- Type of optional members
- Required forms from each optional member
- Implications of choosing optional membership
- End to end process
- Best practices
- Resources

Definition of an optional member

The California Public Employees' Retirement Law (PERL) describes optional membership rights for certain public officers and employees, such as city council members, county board of supervisors, legislative employees, and those that are directly appointed by the Governor. Those eligible optional members are excluded from membership unless a signed election is filed with CalPERS.

Government Code (GC) 20320 – 20325

Options for Optional Members

- May be elected at any time while still in the same eligible position or elected term of office.
- Irrevocable election
- A new election form must be submitted for each optional membership position, even if the position is with the same employer.
 - An election of optional membership is required for each position or elected term of office the optional member serves

Types of Optional Members

- Legislative Employees ([GC Section 20324](#))
- Elective Officers ([GC Section 20322](#))
- State Appointees ([GC Section 20320](#))

Forms Required for Each Type of Optional Member

Optional Member Type	Applicable Optional Member form
Legislative Employees	my CalPERS Form 0840
Elective Officers	my CalPERS Form 0841
State Appointees	my CalPERS Form 0842

Legislative Employees ([myCalPERS 0840](#))

CalPERS - Election of Optional Membership Form – Legislative Employee

Section 1: Legislative Employee Information

Complete and return this form to your Human Resources Office to establish membership with CalPERS.

Position Title	Agency	Agency Contact
Agency Phone Number	Position Start Date(mm/dd/yyyy)	

Section 2: Applicant Signature and Certification

In accordance with the provisions of Gov. Code section 20324, I elect to become a member of CalPERS. I request this election be filed with the CalPERS Board of Administration as my election to become a member.

I understand this election is **irrevocable** as long as I remain in this position.

Name of Applicant (First Name, Middle Initial, Last Name)	Social Security Number or CalPERS ID		
Address	City	State	Zip Code
Signature of Applicant	Date (mm/dd/yyyy)		

Your enrollment eligibility date is determined based upon the provisions set forth by law.

- If we receive the completed election within 90 days from the date you became eligible for membership for the term/appointment, this eligibility date will be used as your CalPERS enrollment date.
- If we receive the completed election after 90 days from the date you became eligible for membership for the term/appointment, your enrollment eligibility date will be the first day of the month the election was received by CalPERS.

Elective Officers ([myCalPERS 0841](#))

Complete and return this form to your Human Resources Office to establish membership with CalPERS.

I am an **Elective Employee** as defined in Gov. Code section 20322, being a(n)
(position title) _____ with the
(agency) _____, represented by
(agency contact) _____, at
(agency telephone) _____.

I was first elected to this position on _____ (MM/DD/YYYY). My present term will expire on _____ (MM/DD/YYYY). In accordance with the provisions of Gov. Code section 20322, I **elect to become a member of CalPERS**. I request this election be filed with the CalPERS Board of Administration as my election to become a member.
I understand this election is **irrevocable** as long as I remain in this position.

Print Full Name _____ Signature _____ Date _____

CalPERS ID or Social Security Number _____ Daytime Telephone Number _____

Address, City, State Zip _____

Your enrollment eligibility date is determined based upon the provisions set forth by law.

- If we receive the completed election within 90 days from the date you became eligible for membership for the term/appointment, this eligibility date will be used as your CalPERS enrollment date.
- If we receive the completed election after 90 days from the date you became eligible for membership for the term/appointment, your enrollment eligibility date will be the first day of the month the election was received by CalPERS.

State Appointees ([myCalPERS 0842](#))

Complete and return this form to your Human Resources Office to establish membership with CalPERS.

I am a **Appointed Officer** as defined in Gov. Code section 20320 or 20321, being the (officer/position title) _____ of the (state agency) _____.

I was first appointed on _____.

My present term will expire on _____.

Agency contact name _____.

Agency telephone _____.

In accordance with the provisions of Gov. Code sections 20320 or 20321, I elect to become a member of CalPERS. I request this election be filed with the CalPERS Board of Administration as my election to become a member.

I understand this election is **irrevocable** as long as I remain in this position.

Print Full Name	Signature	Date
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CalPERS ID or Social Security Number	Daytime Telephone Number
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Address, City, State Zip

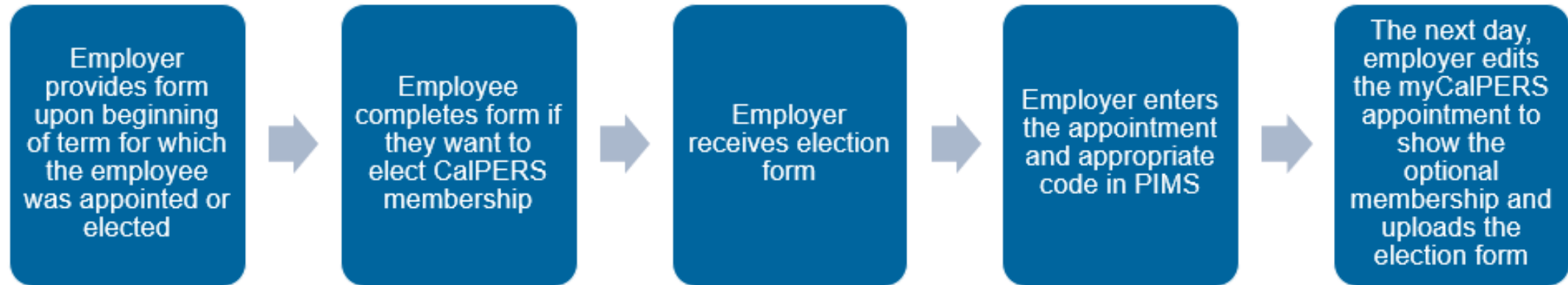
Your enrollment eligibility date is determined based upon the provisions set forth by law.

- If we receive the completed election within 90 days from the date you became eligible for membership for the term/appointment, this eligibility date will be used as your CalPERS enrollment date.
- If we receive the completed election after 90 days from the date you became eligible for membership for the term/appointment, your enrollment eligibility date will be the first day of the month the election was received by CalPERS.

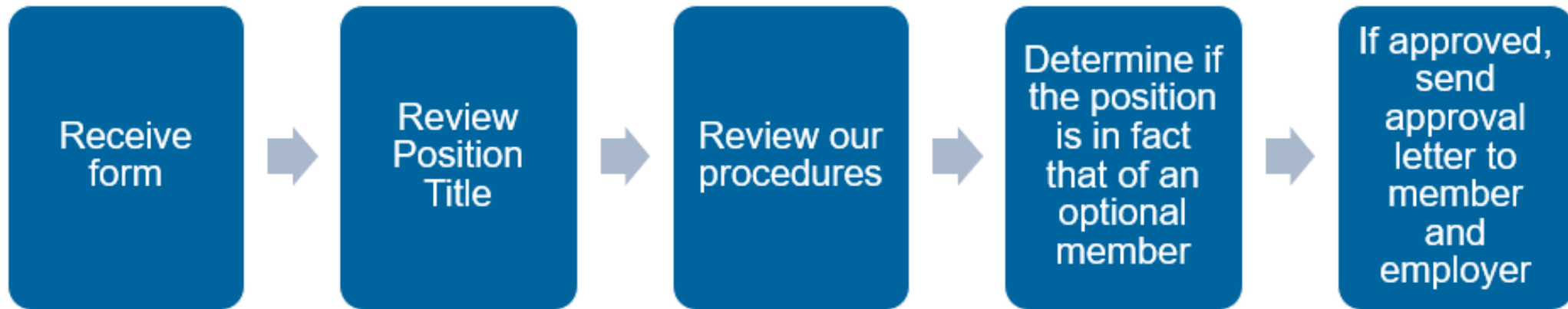
Retirement of Elected Official Optional Membership

- Earn service credit for the position or term of office elected
- Retirement cannot occur in the middle of the elected term
- If member is re-elected into the same position where service credit was earned, suspension of benefits for that portion of their service credit will be suspended while serving
- Member can choose to re-instate from retirement if they wish to elect membership while serving into their elected/appointed position

Process – Employer



Process - CalPERS



Best Practices 1 of 2

- For State Appointees—enter the membership information in PIMS, then the next day go into myCalPERS and upload the Optional Membership election.
- For Legislative Employees— Legislative employees' election of optional membership are enrolled directly into myCalPERS since they are not reported through SCO.

Best Practices 2 of 2

- If optional member is changing positions within the same Department, or with another State Department, the member must complete an additional optional member election
- Reference CalHR [Exempt Pay Scale](#) to locate your agency's exempt employees – only these members have the right to optional membership, otherwise they might fall under compulsory membership

CalPERS Resources

- [State Reference Guide](#)
 - [Legislative Employee](#)
 - [Elective Officers](#)
 - [State Appointee](#)
- Call (888) CAL-PERS
- Email the Member Election Team
[Member Election Team@calpers.ca.gov](mailto:Member_Election_Team@calpers.ca.gov) for any inquires

SCO-CalHR Resources

- [Exempt Pay Scale](#) from CalHR Website
- Personnel Action Manual (PAM): [Section 2 - PAR Items, Lines 1-7](#)
- [Statewide Customer Contact Center](#) 916-372-7200



STATEWIDE PROGRAM UPDATES



Business Systems Enhancements Section

Presenter: Reana Hlawaty

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

Semi-Monthly Retirement Exclusion Payroll Program Changes

- The Monthly Retirement Exclusion Amount will be split between the first and second half payments for Employees with a Semi-Monthly Pay Frequency.
 - The system modification is scheduled to be implemented within the next few months.
 - Payroll Letter will be released prior to implementation.
 - This change is being made to comply with CalPERS reporting requirements.
 - For an employee, with a monthly exclusion amount of \$513.00, \$256.50 will be applied to each half payment for the month.



Business Systems Enhancements Section

Presenter: Reana Hlawaty

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

Semi-Monthly Retirement Exclusion Payroll Program Changes

- Example: Employee with a Retirement Exclusion Amount of \$513.00 and 8.5% Retirement Rate before the Modification.
 - Pay Period 01-01-2025
 - Gross Amount Subject to Retirement $\$3,000 - \$513 = \$2,487 \times 8.5\%$
 $= \$211.40$ Retirement Withheld.
 - Pay Period 02-01-2025
 - Gross Amount Subject to Retirement $\$3,000 + \text{Previous Payment } \$3000 =$
 $\$6,000 - \$513 = \$5,487 \times 8.5\% = \$466.40 - \$211.40 =$
 $\$255.00$ Retirement Withheld.
 - Total Withheld for the Month of January is \$466.40.



Business Systems Enhancements Section

Presenter: Reana Hlawaty

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

Semi-Monthly Retirement Exclusion Payroll Program Changes

- Example: Employee with a Retirement Exclusion Amount of \$513.00 and 8.5% Retirement Rate after the Modification.
 - Pay Period 01-01-2025
 - Gross Amount Subject to Retirement $\$3,000 - \$256.50 = \$2743.50$
 $\times 8.5\% = \$233.20$ Retirement Withheld.
 - Pay Period 02-01-2025
 - Gross Amount Subject to Retirement $\$3,000 - \$256.50 = \$2743.50 \times 8.5\% = \233.20 Retirement Withheld.
 - Total Withheld for the Month of January is \$466.40.



Statewide Tax Support Program

Presenter: Monique Perez

Contact: PPSDW2MiscDED@sco.ca.gov

Exempt Employees Reminders:

- Employees who are filing exempt will need to file a new STD. 686 (Employee Action Request) form by February 14, 2025.
 - They will be switched to single for standard withholdings which is equivalent to single and zero for both Federal and State.
 - Listings and notices were sent to the HR offices at the beginning of January regarding those employees who were exempt as of December 2024.

For Additional Information:

- [Employee Action Request \(EAR\) STD. 686 Form and Federal Withholdings Toolkit](#)
- [Request a Duplicate Form W-2, Wage and Tax Statement](#)
- [Form W-2 Wage and Tax Statement FAQs](#)



Statewide Tax Support Program

Presenter: Monique Perez

Contact: PPSDW2MiscDED@sco.ca.gov

Internal Revenue Service (IRS) Lock Letter Reminders:

- IRS Lock Letter 2800C
 - Employee Copy
 - Specialists must read the IRS Lock letter
 - Informing the employee a lock-in letter was sent to their employer
- For Additional Information:
 - Website: [Internal Revenue Service](#)
 - Dispute IRS Lock Letter: 1-800-829-3676

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
- Please do not email forms that include employees' social security number (SSN) to the ConnectHR Team. All attachments containing SSNs are automatically deleted.
- Check [Weekly Processing Dates](#) before utilizing the [Escalation Email](#) process
- Update [California Personnel Office Directory \(CPOD\)](#)
- 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 [PPSD Register](#) – PPSD's Monthly Newsletter
- Check out our recommended Human Resources [subscriptions](#)
- 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!

Helpful Resources



State Controller's Office:

- [SCO Website](#)
- [Library and Resources*](#) - 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](#)

When in doubt, ask your Supervisor or Manager for guidance!

SCO Contacts

Websites:

- [Human Resources](#) (HR)
- [State Employees](#)

SCO Key Initiatives:

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

Contacts:

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

