

TRANSACTION SPECIALISTS' EDUCATIONAL FORUM QUESTIONS & ANSWERS – DECEMBER 2024

The following questions were submitted during the forum:

Question: What qualifies an employee for first and second tier retirement? Is the system generated or does the employee select the tier?

Answer: Members are automatically placed in first tier. Eligible (State Miscellaneous and Industrial) members must elect second tier.

Question: Is there a way to view which tier an employee is placed in on the Payroll Online Information System?

Answer: You can tell which tier they are placed in by viewing their retirement code and rate.

Question: Should we be providing the Receipt of Retirement Information Acknowledgment Form to new hires?

Answer: Yes, the Receipt of Retirement Information Acknowledgment Form and the [State Miscellaneous and Industrial Members Second Tier Benefit Election Package](#) (PUB 52) must be provided to new state hires.

Question: How do you find out which tier you are in? Is it by calling CalPERS?

Answer: You can log into your myCalPERS account and see what formula you are currently in for retirement. You can also check employee's employment history, retirement codes, and rates.

Question: Why does the Receipt of Retirement Information Acknowledgment Form have to be mailed? Can we fax or email them instead?

Answer: You may fax them into the number listed on the top of the form.

Question: How will we be notified if an employee's payroll is mismatched?

Answer: We send notification letters to the department when a member elects second tier. It is then the specialist's responsibility to make a change in the Personnel Information Management System (PIMS) to update the employee's contribution reporting. If both payroll and myCalPERS accounts later do not match, then you will be notified by processing errors.

Question: Can employees change tiers at a later time?

Answer: Employees can only elect within 180 days from their hire date. If the election is received after that date, then the election will be denied.

Question: Are members automatically placed in first tier?

Answer: Members are automatically placed in first tier.

Question: If an employee elected second tier during the duration of their career, are they able to change to first tier upon applying to retirement?

Answer: This is a Service Credit Purchase option that must be made prior to retirement. They would then need to purchase all of the second tier time to convert it to first tier contributions. It is very expensive due to the compounded interest applied to the purchase.

Question: Can we order the CalPERS Pub 52 pamphlets from CalPERS?

Answer: You can request access to the publication by utilizing the CalPERS [Forms and Publications](#) webpage.

Question: Who do we contact if we have a question regarding a deferral that has been issued but there is a discrepancy on the number of days it will be issued?

Answer: Please contact the [Statewide Customer Contact Center](#) (SCCC) and select Payroll to best address your inquiry.

Question: Can we key the S70 transaction code first, before sending the Personnel Action Request form for deferral? If not, why?

Answer: Yes, you can key the S70 first for regular pay.

Question: Regarding the Savings Plus Lump Sum Separation Pay Contribution Election Form, let's say year 1 is 2024 and year 2 is 2025, if an employee is deferring into 2025 only, does that mean they only fill in Plan Year 2 box?

Answer: Yes. If the employee is only deferring into 2025, they should select Custom Deferral Option and complete only the second table for year 2025. The HR/payroll/personnel must also wait to submit the Personnel Action Request (PAR) package until the 2025 due date (SCO cannot start processing PARs for 2025 until the close of the 2024 tax year).

Question: If we key an S70 transaction code, will the packet submitted to SCO be as an S70C to process the deferral?

Answer: Yes, that is correct.

Question: Is there a form that an employee needs to complete to elect to have their Lump Sum cashed out into two tax years?

Answer: There is no extra paperwork, outside of the Lump Sum Separation Pay Contribution Election Form, that an employee must complete in order to roll over their Lump Sum across two separate tax years (provided they meet the eligibility requirement of having a separation date in November or December). Please have the employee follow the instructions on the form and review the [Frequently Asked Questions](#) on our website to ensure they complete the form accurately.

Question: In the future, can you schedule training on days that we do not key in payroll for Bargaining Unit 18 employees? The majority of our personnel specialists are keying in pay and cannot attend this training.

Answer: We do our best to schedule around dates. Thank you for the feedback.

Question: Can you verify that separating and retiring employees can cash out their lump sum in two different tax years?

Answer: Please refer to labor code 201 and 202 for clarification.

Question: Regarding Bargaining Unit 18 employees who are semimonthly, if they apply for Voluntary Personal Leave Pay (VPLP), when do their accruals start? We have employees that signed up in September for October, but no accruals have shown up yet.

Answer: The VPLP program runs at the end of the month with the time posted two days after the last green cycle of the month. Please reach out to clas@sco.ca.gov to discuss your specific employees.

Question: If an employee (attorney) is receiving a Hire Above Minimum (HAM) of \$71 and the Merit Salary Adjustment (MSA) is going to run on 12/30/24 for January 2025, which will put the employee at MAX, does the SCO system recognize to cancel the HAM and put the attorney at MAX, or how as an agency do we process this so there is no overpayment?

Answer: The MSA Program will adjust the Plus Salary, so no overpayment should result.

Question: If a STD. 674 A/R Form was sent to SCO to set up an Accounts Receivable (A/R) and was sent back for corrections, then re-submitted, does that mean it will be another one plus year before the A/R is established?

Answer: If you receive a PR250 notification, you must respond with a corrected document within two business days and include the PR250 notification so we can expedite the document. If you do not include the PR250 notification, then the document will be worked on based on the new received date.

Question: Regarding Accounts Receivables (A/Rs), does the S01 transaction code have to be keyed prior to SCO establishing the A/R?

Answer: Yes, please review the [Payroll Procedures Manual](#) (PPM) for instructions on how to expedite the A/R.

Question: Who can I reach out to regarding how to issue the 401(k) money related to the Bargaining Unit 6 Pay Letter 24-019 on a STD. 674 Form? I need instructions on how exactly to complete the form.

Answer: Please contact the [Statewide Customer Contact Center](#) and the Miscellaneous Deduction Unit for further instructions.

Question: The State Controller's Office keyed one of our employee's separation due to a Reduction in Salary (PUN); all his pay has issued except one month went to suspense. I attempted to key ETC/DCK, but it did not work. I submitted a STD. 674 Form to be keyed, but it still has not been processed. How can I expedite the issue to be addressed?

Answer: Please review the [Escalation Email](#) guidelines to determine if this payment request can be escalated.