

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
P.O. BOX 942850
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DATE: January 4, 2017

LEAVE ACCOUNTING LETTER #17-001

TO: All Agencies in the California Leave Accounting System (CLAS)

FROM: Debra Spellman, Chief
Personnel and Payroll Services Division (PPSD)

RE: SAVINGS PLUS BANK FOR LEAVE CONVERSION

Per the California Department of Human Resources' (CalHR) [Personnel Management Liaison \(PML\) Memorandum #2016-032](#), the current leave Buy-Back Program is being enhanced as follows: excluded employees with Vacation or Annual Leave balances in excess of 640 hours as of December 1, 2016, may transfer future leave accruals into their Savings Plus 457(b) and/or 401(k) Plan accounts.

In response, the CLAS unit is creating a new leave benefit: Savings Plus Bank (SV). The purpose of the SV benefit is to bank Vacation and Annual Leave accruals for those employees who elect to participate in the new Buy-Back program. The employee's Vacation or Annual Leave accrual will be deducted each month from those benefits and credited to the new SV benefit. Since this program is irrevocable, transferring the hours to the new benefit will prevent employees from using the hours, as well as assist with tracking the amount of hours elected by the employee to transfer into Savings Plus. Likewise, it provides departments a way to set aside (or bank) the hours until the department announces whether or not they are able to fund the program.

The department HR staff is responsible for keying Transfer To (46) and Transfer From (47) transactions to the Vacation/Annual Leave and Savings Plus Bank benefits, respectively. Since elections are made during December, eligible future accruals are for the January through May leave periods. Transfers will be keyed to the February through June leave periods, since Vacation/Annual Leave accruals are not available until the first of the following leave period. Each month's transfer transactions should be keyed immediately following the Monthly Accrual Cycle for the previous month. Since all of the tracking will be done at the departments, the departments should retain the election forms for future reference.

According to the program timeline, in May departments will determine whether or not they have the funding to participate in the Buy-Back Program. If they participate, in June the HR staff will convert the hours in the SV bank to the employee's Savings Plus account. If the department does not participate, the hours will be returned to Vacation or Annual Leave.

Detailed instructions will be added to the CLAS Website in January 2017, and a leave letter will be released when the instructions and the new leave benefit are available.

If you have any questions regarding this letter, please contact the Leave Accounting Liaison Unit at (916) 327-0756.