
STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P.O. Box 942850
Sacramento, CA 94250-5878

DATE: December 21, 2001

PAYROLL LETTER # 01-026
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: RALPH ZENTNER, Acting Chief
Personnel/Payroll Operations BureauRE: **RURAL HEALTH CARE EQUITY PROGRAM PREMIUM REIMBURSEMENT PAYMENTS**

This Payroll Letter provides information regarding the issuance of premium reimbursement payments for employees in the Rural Health Care Equity Program (RHCEP). Refer to the Department of Personnel Administration's (DPA) Personnel Management Liaison (PML) memorandum 2001-064 for additional information regarding the RHCEP.

This RHCEP premium reimbursement payment will be issued no later than December 27, 2001 and it will include a premium reimbursement for each qualifying pay period for the December 2000 through June 2001 pay periods. The payments are identified as payment type G with a payment type suffix D. They will be labeled on the earning portion of the Statement of Earning and Deductions as RHCEP PREM. Information on RHCEP premium reimbursement payments for subsequent pay periods will be communicated in a future DPA PML.

RHCEP premium reimbursement payments are subject to federal and state taxes withheld at the flat rate, 27.5% and 6% respectively. Payments are also subject to Social Security and Medicare tax withholding when applicable, but are not subject to retirement contributions.

As noted in PML 2001-064, Belinda Collins of DPA must be contacted prior to redepositing RHCEP premium reimbursement warrants. Questions regarding the RHCEP and the premium reimbursement payments can also be directed to Belinda Collins of DPA at (916) 324-0468. Payroll questions on the RHCEP premium reimbursement payments can be directed to Sandra Young at (916) 324-1293.

RZ:sjy/pmab