

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

DATE: October 19, 2005

PAYROLL LETTER #05-016
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief
Personnel/Payroll Services DivisionRE: **INTERIM IDL SUPPLEMENTATION CALCULATION INSTRUCTIONS FOR EMPLOYEES
SUBJECT TO STATE DISABILITY INSURANCE (SDI) WITHHOLDING**

The IDL Supplementation Calculator (IDL/S) will be modified to include SDI in the calculation in the near future. Until this modification is implemented, an interim manual calculation is required for employees subject to SDI withholding. Employees are subject to SDI withholding if their Collective Bargaining Identifier is R01, R03, R04, R11, R14, R15, R17, R20, R21, E01, E03, E04, E11, E14, E15, E17, E20 or E21 and pay is issued for the September 2005 or later pay periods.

Continue to use the current version of the IDL/S calculator if the employee is **not** subject to SDI or for all employees if computing pay for a pay period prior to September 2005.

This letter provides instructions and examples (see Attachment A) to assist agencies in computing IDL supplementation amounts, when an employee is subject to SDI withholding. Three examples are provided to illustrate the calculations to be used when an employee is due IDL supplementation pay. Example 1 illustrates the calculations to be followed in steps 2 through 7. Examples 2 and 3 are provided to demonstrate that the same steps must be followed when the employee is supplementing any type of IDL pay.

CALCULATION INSTRUCTIONS FOR EMPLOYEES SUBJECT TO SDI WITHHOLDING

Please refer to Payroll Procedures Manual section L 002 (Calculator Exception Conditions) before beginning the calculation.

STEP 1 Access the IDL/S calculator. Enter the 'Employee Information'. Using the figures from the 'Calculated Information' screen complete steps 2 through 7 to compute the IDL supplementation amount and leave credit hours required for supplementation. Allow five places to the right of the decimal.

STEP 2 Compute the SDI withholding amount on the Gross in the Full Net column and reduce the Gross Net by the SDI withholding amount.

Compute the SDI withholding amount as follows:

Gross x SDI Withholding Rate (the current rate is 1.08%) = SDI withholding amount
 $\$4155. \times 1.08\% = \44.87 (SDI withholding amount)

Reduce the Gross Net by the SDI withholding amount as follows:

Gross Net – SDI Withholding Amount = Gross Net with SDI computation
 $\$3039.64 - \$44.87 = \$2994.77$ (Gross Net with SDI)

STEP 3 Compute the SDI withholding amount for the regular pay, if applicable. Reduce the regular gross net by the SDI withholding amount.

Regular Gross x SDI Withholding Rate = SDI Withholding Amount
 $\$944.32 \times 1.08\% = \10.20 (SDI withholding amount)

Reduce the Regular Gross Net by the SDI withholding amount as follows:

Regular Gross Net - SDI Withholding Amount = Regular Gross Net with SDI computation
 $\$816.84 - \$10.20 = \$806.64$ (Regular Gross Net with SDI)

STEP 4 Compute the SDI withholding amount on the Unreduced IDL Full Gross, if applicable. Reduce the IDL Full gross net by the SDI withholding amount.

Salary Rate / Number of Hours in the Pay Period x Number of IDL Full Hours Paid =
Unreduced IDL Full Gross
 $\$4155. / 176 \times 48 = \1133.18 (Unreduced IDL Full Gross)

Unreduced IDL Full Gross x SDI Withholding Rate = SDI Withholding Amount
 $\$1133.18 \times 1.08\% = \12.24 (SDI withholding amount)

Reduce the IDL Full Gross Net by the SDI withholding amount as follows:

IDL Full Gross Net - SDI Withholding Amount = IDL Full Gross Net with SDI computation
 $\$844.43 - \$12.24 = \$832.19$ (IDL Full Gross Net with SDI)

NOTE: The gross shown in the IDL Full column is the reduced gross and cannot be used to calculate the SDI withholding amount.

STEP 5 Compute the Adjusted Supplementation Gross Net.

Subtract Regular Gross Net (if applicable), IDL Full Gross Net (if applicable) and IDL 2/3 Gross Net from the Full Gross Net.

Full Gross Net – Regular Gross Net – IDL Full Gross Net - IDL 2/3 Gross Net =
Supplementation Gross Net with SDI computation
\$2994.77 (Gross Net with SDI from STEP 2) - \$806.64 (Regular Gross Net with SDI from
STEP 3) - \$832.19 (IDL Full Gross Net with SDI from STEP 4) - \$1281.13 = \$74.81
(Supplementation Gross Net with SDI)

STEP 6 Compute the Gross for Full Supplementation.

Supplementation Gross Net with SDI computation / Withholding Factor = Gross for Full
Supplementation with SDI computation
\$74.81 (Supplementation Gross Net with SDI from STEP 5) / .6135 = \$121.94 (Gross for
Full Supplementation with SDI)

NOTE: The Withholding Factor does not change because SDI is not withheld from IDL
supplementation pay.

STEP 7 Compute the Leave Credit Hours Required for Full Supplementation.

Divide the Gross for Full Supplementation by the Hourly Rate Used for Calculation and
round to the nearest whole hour.

Gross for Full Supplementation with SDI computation / Hourly Rate Used for Calculation
\$121.94 (Gross for Full Supplementation with SDI from STEP 6) / 23.60795 = 5.165 = 5.0
hours (Leave Credit Hours Required for Full Supplementation with SDI)

Notification will be published when the IDL Supplementation Calculator is modified. If you have
questions, please contact the Disability Telephone Liaison Unit at (916) 322-3619.

JRH:SW:PMAB

ATTACHMENT A

EXAMPLE 1 – Regular Pay, Full and 2/3’s IDL in the same pay period

Example 1 illustrates the calculation for SDI withholding and the calculations to arrive at the IDL supplementation amount and leave credit hours required for supplementation when an employee is due regular pay, Full and 2/3’s IDL pay in the same pay period. The employee’s salary is \$4155 per month and is subject to federal, state, social security, medicare and SDI taxes. Employee worked 5 days and is due Full IDL for 6 days and 2/3’s IDL for 11 days.

ISCF010 IDL SUPPLEMENTATION CALCULATOR 09/29/05
EMPLOYEE INFORMATION 12:50:36

SALARY INFORMATION

SALARY RATE : 4155.00 SALARY PER (M OR H) : M
PAY FREQUENCY (M, S OR B) : M DAYS IN PAY PERIOD : 22
TIME BASE FRACTION : /

RETIREMENT/SOC SEC INFORMATION

RETIREMENT ACCOUNT CODE : 45 PAY PERIOD : 09 / 2005
APPLY EXCLUSION AMT (Y/N) : (MM CCYY)
(FOR SEMIMONTHLY ONLY)

FEDERAL/STATE TAX INFORMATION

FEDERAL FILING STATUS : M TOTAL FED EXEMPTIONS : 0
STATE FILING STATUS : S REG STATE ALLOWANCES : 0
ADD’TNL STATE ALLOWANCES : TAX MONTH AND YEAR : 10/2005
(MM CCYY)

TIME FOR DAYS HOURS

REGULAR PAY : 5
IDL FULL PAY : 6
IDL 2/3 PAY : 11

COMMAND => CALCULATE=ENTER REFRESH=PF4 PRINT=PF12 EXIT=CLEAR

EXAMPLE 1

ISCF020 IDL SUPPLEMENTATION CALCULATOR 09/29/05
 CALCULATED INFORMATION 12:52:26

	FULL NET	REGULAR	IDL FULL	IDL 2/3
GROSS	4155.00	944.32	901.09	1385.00
RETIREMENT	182.10	21.57	56.66	103.87
SOCIAL SECURITY	257.61	58.55		
MEDICARE	60.25	13.69		
FEDERAL TAX	435.10	25.61		
STATE TAX	180.30	8.06		
SDI	44.87	10.20		
GROSS NET	3039.64	816.84	844.43	1281.13
	2994.77	806.64	832.19	

HOURLY RATE USED FOR CALCULATION: 23.60795

SUPPLEMENTATION GROSS NET: ~~97.24~~ DIVIDED BY .6135 = ~~158.50~~
74.81 **121.94**

GROSS FOR FULL SUPPLEMENTATION: ~~158.50~~
121.94

LEAVE CREDIT HOURS REQUIRED FOR FULL SUPPLEMENTATION: ~~7.00~~
5.00

COMMAND => LAST=PF3 PRINT=PF12 EXIT=CLEAR

EXAMPLE 2 – Regular Pay and 2/3's IDL in the same pay period

Example 2 illustrates the calculation for SDI withholding and the calculations to arrive at the IDL supplementation amount and leave credit hours required for supplementation when an employee is due regular pay and 2/3's IDL in the same pay period. The employee's salary is \$4155 per month and is subject to federal, state, social security, medicare and SDI taxes. Employee worked 11 days and is due 2/3's IDL for 11 days.

ISCF010 IDL SUPPLEMENTATION CALCULATOR 09/29/05
EMPLOYEE INFORMATION 09:19:27

SALARY INFORMATION

SALARY RATE : 4155.00 SALARY PER (M OR H) : M
PAY FREQUENCY (M, S OR B) : M DAYS IN PAY PERIOD : 22
TIME BASE FRACTION : /

RETIREMENT/SOC SEC INFORMATION

RETIREMENT ACCOUNT CODE : 45 PAY PERIOD : 09 / 2005
APPLY EXCLUSION AMT (Y/N) : (MM CCYY)
(FOR SEMIMONTHLY ONLY)

FEDERAL/STATE TAX INFORMATION

FEDERAL FILING STATUS : M TOTAL FED EXEMPTIONS : 0
STATE FILING STATUS : S REG STATE ALLOWANCES : 0
ADD'TNL STATE ALLOWANCES : TAX MONTH AND YEAR : 10/2005
(MM CCYY)

TIME FOR DAYS HOURS

REGULAR PAY : 11
IDL FULL PAY :
IDL 2/3 PAY : 11

COMMAND => CALCULATE=ENTER REFRESH=PF4 PRINT=PF12 EXIT=CLEAR

EXAMPLE 2

ISCF020 IDL SUPPLEMENTATION CALCULATOR 09/29/05
 CALCULATED INFORMATION 11:48:30

	FULL NET	REGULAR	IDL FULL	IDL 2/3
GROSS	4155.00	2077.50		1385.00
RETIREMENT	182.10	78.23		103.87
SOCIAL SECURITY	257.61	128.81		
MEDICARE	60.25	30.12		
FEDERAL TAX	435.10	139.06		
STATE TAX	180.30	40.01		
SDI	44.87	22.44		
GROSS NET	3039.64 2994.77	1661.27 1638.83		1281.13

HOURLY RATE USED FOR CALCULATION: 23.60795

SUPPLEMENTATION GROSS NET: ~~97.24~~ DIVIDED BY .6135 = ~~158.50~~
74.81 **121.94**

GROSS FOR FULL SUPPLEMENTATION: ~~158.50~~
121.94

LEAVE CREDIT HOURS REQUIRED FOR FULL SUPPLEMENTATION: ~~7.00~~
5.00

COMMAND => LAST=PF3 PRINT=PF12 EXIT=CLEAR

EXAMPLE 3 – 2/3's IDL for the entire month

Example 3 illustrates the calculation for SDI withholding and the calculations to arrive at the IDL supplementation amount and leave credit hours required for supplementation when an employee is due 2/3's IDL pay for the entire pay period. The employee's salary is \$4155 per month and is subject to federal, state, social security, medicare and SDI taxes.

ISCF010 IDL SUPPLEMENTATION CALCULATOR 09/29/05
 EMPLOYEE INFORMATION 12:45:27

SALARY INFORMATION

SALARY RATE : 4155.00 SALARY PER (M OR H) : M
 PAY FREQUENCY (M, S OR B) : M DAYS IN PAY PERIOD : 22
 TIME BASE FRACTION : /

RETIREMENT/SOC SEC INFORMATION

RETIREMENT ACCOUNT CODE : 45 PAY PERIOD : 09 / 2005
 APPLY EXCLUSION AMT (Y/N) : (MM CCYY)
 (FOR SEMIMONTHLY ONLY)

FEDERAL/STATE TAX INFORMATION

FEDERAL FILING STATUS : M TOTAL FED EXEMPTIONS : 0
 STATE FILING STATUS : S REG STATE ALLOWANCES : 0
 ADD'TNL STATE ALLOWANCES : TAX MONTH AND YEAR : 10/2005
 (MM CCYY)

TIME FOR DAYS HOURS

REGULAR PAY :
 IDL FULL PAY :
 IDL 2/3 PAY : 22

COMMAND => CALCULATE=ENTER REFRESH=PF4 PRINT=PF12 EXIT=CLEAR

EXAMPLE 3

ISCF020 IDL SUPPLEMENTATION CALCULATOR 09/29/05
 CALCULATED INFORMATION 12:48:30

	FULL NET	REGULAR	IDL FULL	IDL 2/3
GROSS	4155.00			2770.00
RETIREMENT	182.10			182.10
SOCIAL SECURITY	257.61			
MEDICARE	60.25			
FEDERAL TAX	435.10			
STATE TAX	180.30			
SDI	44.87			
GROSS NET	3039.64 2994.77			2587.90

HOURLY RATE USED FOR CALCULATION: 23.60795

SUPPLEMENTATION GROSS NET: ~~451.74~~ DIVIDED BY .6135 = ~~736.33~~
406.87 **663.19**

GROSS FOR FULL SUPPLEMENTATION: ~~736.33~~
663.19

LEAVE CREDIT HOURS REQUIRED FOR FULL SUPPLEMENTATION: ~~31.00~~
28.00

COMMAND => LAST=PF3 PRINT=PF12 EXIT=CLEAR