

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

DATE: November 16, 2009

PAYROLL LETTER #09-015

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: Don Scheppmann, Chief  
Personnel/Payroll Services Division

RE: **CALENDAR YEAR END SEPARATION DEADLINES**

Given the impact furloughs have through the remainder of the calendar year, the deadlines for processing year end separations/retirements become even more critical than in years past. Specifically, for those documents that must be submitted to the SCO for special handling of lump sum payments (deferral to savings plus), it is critical that you communicate the importance of notification of planned retirement as early as possible.

For retirements with special handling of lump sum cash outs, it is imperative that you review the available payroll cycle dates remaining in the calendar year. You will find this information in the Payroll Procedures Manual, Section D 200 @ [www.sco.ca.gov/Files-PPSD/PPM/d.pdf](http://www.sco.ca.gov/Files-PPSD/PPM/d.pdf)

For those employees who wish to defer some portion of their lump sum to savings plus in the current year, you must submit the separation PAR/PPT and supporting document(s) (NRM-4074CA4 (7/09)) as early as possible. This form can be found through the Department of Personnel Administration web site, [www.dpa.ca.gov](http://www.dpa.ca.gov) under Information for Employees/Savings Plus. For those interested in the Savings Plus program, you may assist your employees by directing them to the following web site: [www.nrsservicecenter.com/content/media/retail/pdfs/SPPFORU/forms/LumpSum.pdf](http://www.nrsservicecenter.com/content/media/retail/pdfs/SPPFORU/forms/LumpSum.pdf)

You will also find information on the SCO web site regarding year end separations at the following address: [www.sco.ca.gov/Files-PPSD/yr\\_end\\_separation\\_hndbk.pdf](http://www.sco.ca.gov/Files-PPSD/yr_end_separation_hndbk.pdf) Within this handbook, you will find information that will allow you to assist your retiring employees in making these important decisions on how to treat their lump sum cash out. Please remember, it's important to cancel direct deposit for retiring employees. You may then submit your documents to SCO early, allowing time to process the requested action through the employment history and payroll systems, leaving you time to review and verify the payments issued/deductions withheld. You are then in a position to hold the warrant until the employee's final day, at which time, you will release the payment to the employee.

You may FAX the PAR/PPT to our office, but please be careful that the savings plus or tax shelter annuity information in item 10 or remarks is clear. Do not reduce the size of the original document to the point where the data is too small to read. If you are concerned that your item 10 remarks will not be clear on the FAX, transfer that same information to the FAX cover sheet. Additionally, please do not call to verify that your FAX was received. If you receive an "OK" notification, then we have your documents and will work them in a timely manner. If the employee is participating in the Savings Plus 'Catch-Up' Program, you must submit the approved 'Catch-Up' form with the PAR and the NRM-4074CA4. Please FAX these documents to either of the following numbers:

(916) 322-8137 or (916) 324-0704. We ask that you include your name and complete telephone number, including extension, for ease in contacting you if we have questions on the documents submitted.

**The final payroll cycle of the 2009 calendar year will be completed the evening of December 28, 2009 and will be dated December 29, 2009.** After this point, there will be no means to withhold savings plus for the 2009 calendar year. We are requesting your assistance in communicating to your agency's/campus' employees the importance of early contact regarding retirement and then early submission of those appropriate documents to our office in order that we meet the retiring employee's instruction for final pay. For those employees who defer some or all of their lump sum cash out to the following calendar year, you must remember to submit the corrected PAR/PPT to our office after January 1, 2010 if there is savings plus or a tax shelter deduction involved. If there is only time to pay, you may key that action yourself. These corrected actions must take place during January or you will be out of compliance with AB2410, Timely Issuance of Pay.

For questions regarding Savings Plus, please contact the Department of Personnel Administration, Savings Plus. For assistance with payroll related issues, please contact the appropriate liaison, Civil Service Payroll Liaison @ (916) 323-3081 and campuses should contact CSU Payroll Liaison at (916) 322-7980.

DWS:PK:OPS