

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

DATE: September 30, 2013

PAYROLL LETTER #13-012

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

FROM: Lisa Crowe, Chief
Personnel/Payroll Services Division

RE: **TAX CORRECTION PURSUANT TO IRS RULING ON SAME SEX MARRIAGES**

Consistent with the June 26, 2013, U.S. Supreme Court ruling, Human Resource (HR) Offices can now accept same sex marriage certificates for benefit eligibility and enrollment under the same rules as opposite sex marriages. Please refer to CalPERS Circular Letter 600-047-13 dated July 22, 2013, and CalHR PML 2013-024 dated July 19, 2013 for information on the special open enrollment period for benefit changes.

Prior to the Supreme Court ruling the State was obligated to report benefits provided to same sex spouses as income and withhold Federal Income taxes and FICA (social security and Medicare) tax from the employee's paycheck. Employees who were in a same sex marriage may now request that SCO refund Federal Income tax and FICA for 2013. A FICA tax refund will also be issued for prior years, based on the date of marriage. Federal Income tax cannot be refunded for prior years but employees may file amended tax returns if they believe they are due a refund. These refunds for 2013 and prior years will be processed for tax years that are open based on the IRS statute of limitations (generally 3 years from the date the original return was filed). These refunds will cause W2Cs to be produced reflecting corrected Federal taxable gross, social security, and Medicare.

Personnel Specialists must complete, sign, and submit the STD. 674, Payroll Adjustment Notice Form to the State Controller's Office to stop the extra tax withholding and to request an employee's tax refund if they were in a same sex marriage prior to the Supreme Court's ruling and had a spouse enrolled on their health or dental benefits. See attached "sample" STD. 674.

- Write on the top of the STD. 674 the word: "DOMA 2013" (referring to the Defense of Marriage Act 2013). This notation will expedite processing.

Complete in the "REMARKS:" section the following information and mark the applicable boxes:

- Marriage date.
- Attach copy of PERS-HBD 12 (Health Benefit Plan Enrollment Form) on file showing the employee's spouse and/or dependents.
- Attach copy of STD. 692 (Dental Plan Enrollment Authorization) on file showing the employee's spouse and/or dependents.
- Certify the employee agrees to the issuance of the W2Cs and tax refunds for applicable tax years.

For further information on same-sex married couple's enrollment in medical or dental coverage and refund of taxes, refer to the IRS Revenue Ruling 2013-17 or visit the IRS.gov website.

If you have any questions regarding this Payroll Letter, please contact Elena Oberman at eoberman@sco.ca.gov.

LC: JD: EO: TSS

Enc: STD. 674 Sample Form

STATE OF CALIFORNIA
PAYROLL ADJUSTMENT NOTICE

STD. 674 (REV. 10-2000)

DOMA 2013

DOCUMENT NO.

(1) TO STATE CONTROLLER'S OFFICE: ADMIN. & DISBURSEMENTS PPSD/PAYROLL OPERATIONS PPSD UNIT DESTINATION: <input type="checkbox"/> PAYROLL <input type="checkbox"/> GARNISHMENTS <input type="checkbox"/> DISABILITY <input type="checkbox"/> RETIREMENT <input type="checkbox"/> W-2/Non USPS <input checked="" type="checkbox"/> BENEFIT DEDUCTIONS <input type="checkbox"/> MISC. DEDUCTIONS	(2) SOCIAL SECURITY NUMBER 555-55-5555	(3) NAME Employee Name	(4) POSITION NUMBER <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>AGENCY</th> <th>UNIT</th> <th>CLASS</th> <th>SERIAL</th> </tr> <tr> <td>1 XXX</td> <td>XXX</td> <td>XXXX</td> <td>XXX</td> </tr> <tr> <td>2</td> <td></td> <td></td> <td></td> </tr> </table>	AGENCY	UNIT	CLASS	SERIAL	1 XXX	XXX	XXXX	XXX	2																						
AGENCY	UNIT	CLASS	SERIAL																															
1 XXX	XXX	XXXX	XXX																															
2																																		
(5) CORRECT/ISSUE PAYMENT AS INDICATED BELOW: <input type="checkbox"/> PAYMENT REQUEST <input type="checkbox"/> RETURN WARRANT ONLY ADJUSTMENT REQUEST <input type="checkbox"/> SALARY <input type="checkbox"/> TIME <input type="checkbox"/> TRANSFER OF FUNDS		PAY FREQUENCY <input type="checkbox"/> MONTHLY <input type="checkbox"/> SEMI MONTHLY <input type="checkbox"/> BI WEEKLY <input type="checkbox"/> INTERMITTENT REMARKS: Check all that applies: 1. Marriage Date: _____ 2. [] Attached PERS-HBD 12, Health Benefit Plan Enrollment Form 3. [] Attached STD. 692, Dental Plan Enrollment Form 4. [] I certify that employee agrees to the issuance of W2c's and applicable tax refunds																																
DATES/HOURS ON DOCK: <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td><td>16</td><td>17</td><td>18</td><td>19</td><td>20</td><td>21</td><td>22</td><td>23</td><td>24</td><td>25</td><td>26</td><td>27</td><td>28</td><td>29</td><td>30</td><td>31</td> </tr> </table>				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31				

(6)	P O S I T I O N	ISSUE DATE			PAY PERIOD			SALARY TYPE	SALARY FULL	TIME WORKED			APPT. FRAC.	GROSS TYPE	PMT. TYPE	PAY SUFFIX	ADJ. CODE	EARNINGS ID	SHIFT CODE	GROSS	NET PAY	ACCT. REC. OR WARRANT NO.	RELEASED	RETURNED	HELD BY CONTROLLER
		MO.	DY.	YR.	T.	MO.	YR.			STD.	DYS.	HOURS													
A.																									
B.																									
C.																									

(7) FORM COMPLETED BY: ► HR Officer Name (AGENCY NAME)	TELEPHONE NUMBER AND EXTENSION (XXX-) XXX- XXXX	I HEREBY CERTIFY THAT THE EMPLOYEE NAMED ABOVE IS ENTITLED TO THIS PAY BASED ON THE APPROPRIATE GOVERNMENT CODES. Payroll information correct in accordance with B/C Rule 660.
FROM: AGENCY NAME	AUTHORIZED SIGNATURE ►	DATE