

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

DATE: August 31, 2021

PAYROLL LETTER #21-011
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Jil Barraza, Chief
Personnel and Payroll Services Division

RE: AUTOMATION OF OTHER POST-EMPLOYMENT BENEFITS (OPEB) CONTRIBUTIONS

On September 1, 2021, the State Controller's Office (SCO) will implement a change to automate the withholding of Other Post-Employment Benefits (OPEB) in the payroll processing system.

Through the collective bargaining process and under the authority of Government Code section 22940 - 22944.5, OPEB is the method by which the State of California, as the employer, and its employees jointly prefund health benefits that current active employees will receive as state retirees. All employees in positions that are eligible for health benefits, whether or not currently enrolled, prefund OPEB. OPEB contributions are mandatory and calculated as a percentage of an employee's total pensionable compensation.

Employment History System (PIMS)

Effective January 31, 2019, the Employment History system was modified to include a new data element, OPEB Collective Bargaining Identifier (CBID). OPEB CBID identifies eligibility for OPEB and can be found on the PIMS Inquiry History Type A and B screens. If an employee is eligible, the OPEB CBID will have a value similar to the Employee CBID and if the employee is not eligible, OPEB CBID will be 'NON'.

Please refer to [Personnel Letter #19-005: New Data Item, OPEB CBID, and Related Mass Update](#) and the [OPEB CBID FAQs](#) for additional information. Note: OPEB CBID will be blank for CSU employees.

Screen A		EMPLOYEE HISTORY TYPES				PAGE 001 OF 001	
SSA#	NAME	TRAN 126C	POS#		SPBAY 8000	TEN P	CERT
EFF 01/31/19							
LST TB FT	CO 39	#MO	APEXP	00/00/00	PROB N	END	00/00/00
WWGRP SE PL#	-	PL	EXP	00/00/00	LEGAL REF	ANN	RGRET RMPL
DMOTN REAS	EX AUTH	LT JUST		00/00/00	ADD POS	SUBSTN	00/00/00 TBSUBSTN
OTHER SUBSTN					EMER QULFY		
REORG SUBSTN					LAST DA	PAY	EMPLOY LOA
TRNG SUBSTN	HEAR DECIS		/	/	INT HRS	EXP	BKUP INFO
RMPL DT 00/00/00	CLASS	TITLE	MED	CON I/DSS	A	CLASS	TITLE VARIATION
TAU CLEAR	CTYPE	EE-CBID	R16	OPEB-CBID R16	PS-CBID		
Screen B		EMPLOYEE HISTORY TYPES				PAGE 001 OF 001	
SSA#	NAME	TRAN 126C	POS#		SPBAY 8000	TEN P	TB FT
EFF 01/31/19							
BPAY 11250.00	PR M	FREQ M	PLUS		EXP 00/00/00	AN 05/19	AR A AL RG CR
ACSAL 11250.00	SALTOT	11250.00	SALFUL	11250.00	PR S	SHD	SPAY 2ND AN 00/00
SAL INC CERT 000000	SAL INC	DENIED	HAM	SUBSTN	COMMTMT	00/00/00	
FIRE SEAS	HEAR DECIS		/	/	CTYPE		
MHR	APT-TYP	B GSI	EE-CBID	R16	OPEB-CBID R16	PS-CBID	
-----ESTABLISHED EARNINGS-----							
0.00		0.00		0.00			

For OPEB eligible employees, OPEB contributions will be withheld from every payment issued for the September 2021 pay period or later. The OPEB contribution amount will appear as part of the root segment of the payment, similar to retirement contributions. It will no longer appear as a 354 deduction on the Miscellaneous Deduction screen.

The following changes are effective September 1, 2021:

Payment History System (HIST)

The Payment History Detail screen will include the new OPEB fields:

- GROSS SUBJ (OPEB Gross Subject)
- EE W/H (Employee Withheld Amount)
- EE Rate (Employee OPEB Rate)
- ER W/H (Employer Withheld Amount)
- ER Rate (Employer OPEB Rate)
- CBID (OPEB CBID)

- PAYMENT DETAIL -										PAGE 001 OF 002	
PAY PERIOD	A/R OR WARRANT#	DATE MODYYR	ORIGIS MODYYR	CLEAR NO.	LS/PP	TIME PAID DY	HR/UNT	GROSS	CBID- R16S	NET	SUSP CODE
0-11-19	06425948	120419		10299		10	6.00	5892.40		2755.22	
C R P P A S G S	W W G -	O T R S		SALARY	TIME	SALARY		BASE	TRANS	BATCH/PSD	
T L T S C D T P	F L S A	C D G T		TOTAL	BASE	FULL		PAY		FILE#	
1 1 0	0 1		1	12049.00		12049.00		12049.00	999	DQ717	
<<-----RETIREMENT----->>						<<-----FEDERAL TAX----->>					
SUBJ	W/H	ST-SHR	ID / RATE	GROSS	W/H	FD EX	HW MISC	GROSS			
5892.40	366.70	1227.67	DC*.10000	4816.63	1128.97	S 00		.00			.00
				OTH INCM	DPNDNTS	DEDUCTS	SD				.00
				.00	.00	.00	EID				.00
<<-----SOCIAL SECURITY----->>						<<-----STATE TAX----->>					
EE GROSS	EE W/H	ER GROSS	ER W/H	GROSS	W/H	CA EX	EXT				.00
5747.69	356.36	5747.69	356.36	4816.63	492.74	S 00 00	2-				.00
<<-----MEDICARE----->>						<<-----SDI----->>					
EE GROSS	EE W/H	ER GROSS	ER W/H	GROSS	W/H	ER W/H	3-				.00
5747.69	83.34	5747.69	83.34	.00	.00	.00					.00
<<-----OPEB----->>											BF
GROSS SUBJ	EE W/H	EE RATE	ER W/H	ER RATE	CBID						
5892.40	58.52	.01400	58.52	.01400	R16S						

OPEB contribution amounts are based on a payment’s Retirement Gross. If an employee reaches the annual compensation limit for retirement, the OPEB employer and employee contributions will stop and display zero. If an employee reaches Retirement Max mid-month, the mid-month Retirement Gross will be used for OPEB calculations. Please refer to [CalPERS Circular Letter 200-001-21](#) regarding current compensation limits.

New OPEB Deduction Code

Deduction code 009 is created for SCO’s use when manual OPEB adjustments are required. Deduction code 009 will have the new deduction type, Employee Benefit (EB). When a 009 deduction is processed, it appears in the deduction segment of the payroll transaction.

MISCELLANEOUS DEDUCTIONS

0-11-19 PT CT AR/WARRANT# DATE
 0 1 06425948 120419

DED ORG	AMOUNT	PP	TP	AGY-RU	GROSS	ST SHR	ID	RATE	OPEBCBID
009	86.19	*	1119	EB	800948	6156.60		86.19	.01400 R16S

Year to Date Screen

The Year to Date (YTD) Totals screen will include OPEB TAX GRSS (OPEB Taxable Gross) and OPEB EE WTHLD (OPEB Employee Withheld) fields.

SSN:	2019 YEAR TO DATE TOTALS	
NAME:	FEDERAL	CALIFORNIA
GROSS	104972.19	104972.19
TAX GROSS	92929.01	92929.01
IDL/LC4800		
TAX WITHHELD	17229.86	6866.75
SS TAX GROSS	102642.00	
SS WITHHELD	6363.84	
MED TAX GROSS	102642.00	
MED WITHHELD	1488.31	
SDI TAX GROSS		
SDI WITHHELD		
OPEB TAX GRSS	12049.00	12049.00
OPEB EE WTHLD	144.71	144.71
FLEX DED	2185.48	2185.48
DEPEND CARE		
EPMC	9712.99	9712.99
EARN INC CRED		
FRINGE BNFT	1000.00	1000.00
TSA-403B		

Earnings Statement

The OPEB description on the Earnings Statement will change from OPEB/CERBT to OPEB. It will also include both Employee and Employer Contribution amounts.

			12 10 2019	**111.46
AGY/UNIT	PAY PERIOD	SOC SEC NO	WARRANT NO	
TAX YEAR 19	11/19	02-890537		
ISSUE DATE	12/10/19			
ST M00	FD M00	OTHIN	DED	DEP
	175.00	0.00	0.00	0.00
		154.87	63.54	111.46
REGULAR	102173.35			
	175.00	FEDERAL TAX	18.58	
		STATE TAX	10.22	
		*RETIREMENT	14.00	
		*OPEB	6.13	
		SOC SEC	10.47	
		MEDICARE	2.45	
		CASDI	1.69	
RETIREMNT	SOC SEC	MEDICARE		
53.93	10.47	2.45		
OPEB				
6.13				

The online Paycheck Calculator will reflect the OPEB contribution amount. The OPEB CBID will need to be completed to compute the employee's OPEB Withheld amount.

The [Payroll Procedures Manual \(PPM\)](#) Sections, B and H are being updated to reflect the new payroll changes. Additionally, the [OPEB Payroll Automation FAQs](#) document is published on the State Controller's Office website.

The [Personnel Action Manual \(PAM\)](#) is being updated to reflect all OPEB related changes.

For additional questions, please use the following contact information:

<u>SUBJECT AREA</u>	<u>CONTACT</u>	<u>TELEPHONE NUMBER/EMAIL</u>
Program Administration (e.g., rules, regulations, benefits/pay impacts)	Personnel Services Branch CalHR	(916) 323-3343/ psb@calhr.ca.gov
General Payroll Procedures Disability Payroll Procedures Employment History Procedures	Statewide Customer Contact Center SCO	(916) 372-7200
HR Suggestions Email Inbox (All HR Staff)	Personnel and Payroll Services Division SCO	PPSDHRSuggestions@sco.ca.gov
Escalation Email Inbox (HR Supervisors and Managers)	Personnel and Payroll Services Division SCO	PPSDOps@sco.ca.gov
Cal Employee Connect Help	Personnel and Payroll Services Division SCO	connecthelp@sco.ca.gov
Cal Employee Connect Feedback	Personnel and Payroll Services Division SCO	connectfeedback@sco.ca.gov

SCO Key Initiatives:

- [Cal Employee Connect Project](#)
- [California State Payroll System Project](#)

JEB:HK:PMAB