

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

DATE: March 9, 2023

PAYROLL LETTER #23-003
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Jil Barraza, Chief
Personnel and Payroll Services Division

RE: UPDATE: 5K A/Rs DUE TO RETROACTIVE RETIREMENT CONTRIBUTION RATE CHANGE FOR REPRESENTED (R18) STATE SAFETY, TIER 1 BARGAINING UNIT 18 EMPLOYEES

Per Government Code sections 20683.77 and 20683.78, effective July 1, 2021, Represented (R18) State Safety, Tier 1 retirement members in Bargaining Unit 18 received a change to their employee retirement contribution rate for fiscal year 2021-2022. The new rate was announced in CalPERS [Circular Letter 200-061-21](#) dated October 13, 2021 and is as follows:

Represented (R18) Bargaining Unit 18 State Safety, Tier 1 employees:

Effective 7/1/2021, the employee retirement contribution rate changed from 11.00% to 11.50%.

Please refer to [Personnel Letter #21-021](#) and [Payroll letter 22-015](#) for additional information.

The deduction arrears accounts receivable (5K A/R's) for the July 2021 through December 2021 pay periods have been established as one time deductions for the under-funded retirement contribution amounts as outlined below:

July 2021 retirement adjustments will be collected from November 2022 pay period.

August 2021 retirement adjustments will be collected from December 2022 pay period.

September 2021 retirement adjustments will be collected from January 2023 pay period.

October 2021 retirement adjustments will be collected from February 2023 pay period.

November 2021 retirement adjustments will be collected from March 2023 pay period.

December 2021 retirement adjustments will be collected from April 2023 pay period.

AGENCY PROCESSING INSTRUCTIONS:

- A/R deduction code 035: SCO established the deduction code 035's to be withheld from each pay period as outlined above. If a payment for that pay period with time and sufficient net to withhold the deduction amount is not issued, the deduction remains suspended for four months on the Payroll Monthly File. At the end of 4 months, the deduction is purged from the Payroll Monthly File. Agencies must send a 674AR to SCO to change the method of collection to Agency Collect. See [Payroll Procedures Manual \(PPM\) Section I 011](#) for more information.

- Separating employees: Agencies are responsible for clearing outstanding A/Rs and 035 transactions for separating employees. Agencies must follow the Accounts Receivable process in the [Payroll Procedures Manual \(PPM\) Section I 014](#) for separating employees. If it is necessary to change the method of collection for the established A/Rs, please refer to [Payroll Procedures Manual \(PPM\) Section I 026](#).

Contacts:

- Affordable Care Act (ACA) Email acasupport@sco.ca.gov
- [Cal Employee Connect \(CEC\) - Help and Feedback](#)
- [ConnectHR - Help and Feedback](#)
- California Leave Accounting System (CLAS) Email Clas@sco.ca.gov
- CS Escalation Email (HR Supervisors and Managers) PPSDOps@sco.ca.gov
- Decentralized Security & ViewDirect Access - (916) 619-7234 or DSA@sco.ca.gov
- HR Suggestions Email (All HR Staff) PPSDHRSuggestions@sco.ca.gov
- Management Information Retrieval System (MIRS) Email PPSDmirs@sco.ca.gov
- [Statewide Customer Contact Center](#) (916) 372-7200

SCO Key Initiatives:

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

Websites:

- [HR](#)
- [State Employees](#)