

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

DATE: September 19, 2001

PERSONNEL LETTER #01-011
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: RALPH ZENTNER, Acting Chief
Personnel/Payroll Services Division
State Controller's OfficeRE: **EMPLOYEE RETIREMENT CHANGE**

This Personnel Letter provides information concerning employee retirement changes as a result of collective bargaining agreements effective August 31, 2001.

The Department of Personnel Administration (DPA) reached agreements with bargaining units 05, 07, 08, 10, 12, 13, 16, 18, and 19 that reduce the employee retirement contribution by 2.5% for all CalPERS members with an employee retirement contribution. The same reduction also applies to non-represented employees including DPA exempt, statutory exempt and Judicial Council employees with the exception of the Judges. Also, non-represented employees aligned with bargaining units 06 and 07 will have a change in their retirement exclusion amount.

The retirement changes will necessitate new retirement account codes for some employees. Below is a chart identifying the affected retirement account codes, corresponding new retirement account codes (if applicable), old employee rate, new employee rate, old exclusion amount (if applicable) and new exclusion amount (if applicable).

Current Account Code	New Account Code	Old Rate	New Rate	CBIDs
T	TB	8%	5.5%	E99, S21
10	11	6%	3.5%	M16, M18, R16, R18, R19, S17, S18, S19
12	33	6%	3.5%	R16, R18, R19, S17
17	67	6%	3.5%	R12, R13, S08, S09
18	68	6%	3.5%	R12, R13, S08, S09
19	67	6%	3.5%	M01, M09, M12, M16, M18, R07, R10, R12, R13, R16, R18, R19, S01, S03, S06, S09, S11, S12, S13, S15, S16, S17, S18, S19, S20
23	23	6%	3.5%	R07
30	68	6%	3.5%	M01, M03, M12, M16, M18, R07, R12, R13, R16, R18, R19, S01, S03, S06, S07, S09, S11, S12, S13, S15, S16, S17, S18, S19, S20
31	31	8%	5.5%	E48, R08, S08
32	32	8%	5.5%	R08, S08
34	34	6%	3.5%	E99, M01, M08, R08, S08
36	36	6%	3.5%	E08, E99, M08, R08, S08
39	55	8%	5.5%	C06, M06, S06 (also, see below note)
39	57	8%	5.5%	M07, S07 (also, see below note)
39	39	8%	5.5%	E48, E97, E98, E99, M01, M02, R07
40	07	6%	3.5%	C01, C04, E07, E10, E48, E88, E97, E99, M01, M02, M09, M17, R07, R10, R12, R18, R19, S01, S02, S04, S07, S09, S10, S11, S12, S14, S18, S19, S20

42	09	6%	3.5%	C01, C04, E48, E88, E98, E99, M01, R07, R18, S01, S04, S09, S12, S17, S18
43	43	5%	2.5%	E48, M07, R07, S07
45	24	5%	2.5%	C01, C02, C04, C07, C09, C19, C21, E07, E08, E10, E12, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01, M02, M03, M07, M09, M10, M12, M16, M17, M18, M19, M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, S01, S02, S03, S04, S06, S07, S08, S09, S10, S11, S12, S13, S14, S15, S16, S17, S18, S19, S20, S21
46	93	6%	3.5%	C01, C04, M16, R13, R16, R19, S01, S02, S12, S16, S19, S20
48	97	6%	3.5%	C04, E99, M01, M16, R16, R19, S01, S09, S17, S19, S20
49	99	5%	2.5%	C01, C02, C04, E48, E50, E79, E97, E98, E99, M01, M02, M03, M06, M09, M19, R10, R12, R16, R19, S01, S02, S04, S06, S09, S10, S12, S15, S17, S19, S20, S21
50	56	8%	5.5%	M06, S06 (also, see below note)
50	58	8%	5.5%	M07, S07 (also, see below note)
50	50	8%	5.5%	C02, E48, E88, E97, E98, E99, M01, M02, R07
55	55	8%	5.5%	E98, S06
56	56	8%	5.5%	E98, S06
57	57	8%	5.5%	R07
58	58	8%	5.5%	R07

NOTE: Exclusion amount changes are as follows:

Unit 06 - from \$238 to \$863

Unit 07 - from \$238 to \$513

PROCESSING

The Controller's Office processed an Employment History mass update the night of September 18, 2001 to post 505 transactions. The transactions are effective August 31, 2001. Turnaround PARS will be issued from the update.

Employees with appointment expiration or separation expiration dates prior to August 31, 2001 were not included in the mass update. Therefore, agencies must determine if the employees are to be re-appointed or separated and key enter the appropriate transaction. If re-appointed, key enter an August 31, 2001 effective dated 505 transaction reflecting the correct account code per the above chart.

The Controller's Office posted the 505 transactions to the Employment History Data Base based on transactions processed prior to the September 18 mass update. If an employee's most current transaction reflects an effective date equal to or less than August 31, 2001, the 505 transaction was posted by the mass update process. If an employee's most current transaction is effective after August 31, 2001, the 505 transaction will be manually posted by the Controller's Office beginning September 19, 2001. Also, subsequent transactions will be corrected as needed.

Agencies are responsible for updating the Employment History Data Base with the correct retirement account code information for transactions keyed after the September 18 mass update. Failure to do so could result in the over or under withholding of employee retirement contributions.

SEMI-MONTHLY PAID EMPLOYEES

The September 2001 first half pay period payments that were issued prior to the mass update were made at the higher employee retirement contribution rate. The second half pay will issue with the reduced employee retirement rate. For most semi-monthly paid employees, the retirement amount withheld from the first half payment will be considered in the total monthly retirement calculation. As a result, some employees may have little or no retirement withheld from their second half pay. Further, some employees will be due a retirement refund. The Controller's Office will manually adjust the pay records as needed.

CONTACTS

If you have any questions concerning this letter, please contact Sandra Young at (916)324-1293 or CALNET 454-1293. For PAR documentation, contact the Personnel Liaison Unit at (916) 322-6500 or CALNET 492-6500. Revisions to the Payroll Procedures Manual and the Personnel Action Manual are forthcoming.

RZ:LB/PMAB