

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

DATE: September 19, 2001

PERSONNEL LETTER #01-012
(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: **ADDITIONAL EMPLOYEE RETIREMENT CHANGE**

DPA has provided additional information regarding the recent employee retirement rate changes as outlined in Personnel Letter #01-011 dated September 19, 2001.

Per DPA, non-represented employees in seasonal/temporary classifications (identified by a collective bargaining identifier of 'E' with no associated bargaining unit) are to receive the 2.5% employee retirement contribution reduction. An Employment History mass update will be processed tonight, September 19, 2001, to reflect the rate change.

The following identifies the account code changes that will occur as a result of the mass update:

Current Account Code	New Account Code	Old Rate	New Rate
40	07	6%	3.5%
45	24	5%	2.5%
49	99	5%	2.5%

505 transactions will be posted by the mass update with an August 31, 2001 effective date. Turnaround PARS will be issued from the update.

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

The mass update will be based on transactions processed prior to the September 19 mass update. If an employee's most current transaction reflects an effective date prior to September 1, 2001, the 505 transaction will be posted by the mass update process. Otherwise, the 505 transaction will be manually posted by the Controller's Office after the mass update. 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 19 mass update. Failure to do so could result in the erroneous withholding of employee retirement contributions.

DPA has also identified additional non-represented employees in the Peace Officer/Firefighter retirement category who are aligned with bargaining units 06 and 07 and thus, entitled to the retirement exclusion amount change. As a result, the employees' account code will need to be changed. The Personnel/Payroll Services Division will manually correct the 505 transactions posted by last night's Employment History mass update as follows:

Current Account Code	New Account Code	New Exclusion Rate	Amount
39	55 (if aligned with Unit 06)	5.5%	\$863
39	57 (if aligned with Unit 07)	5.5%	\$513
50	56 (if aligned with Unit 06)	5.5%	\$863
50	58 (if aligned with Unit 07)	5.5%	\$513

Questions regarding the identification of the non-represented employees who are aligned with bargaining units 06 and 07 can be directed to Julie Chapman, DPA, at (916) 324-9420 or CALNET 454-9420. All other questions regarding this letter can be directed to Sandra Young at (916) 324-1293 or CALNET 454-1293.

RZ:LMS/PMAB