

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

DATE: November 16, 2001

PERSONNEL LETTER # 01-019
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: RALPH ZENTNER, Acting Chief
Personnel/Payroll Operations Bureau
State Controller's Office

RE: **LUMP SUM PAYMENT DEFERRAL**

Effective immediately, PAR Item 877, Lump Sum Deferral, and the related processing instructions in PAM Section 5.76 - 5.76.2 are discontinued.

DPA PML 2001-035, dated September 14, 2001, provides questions and answers to clarify the Labor Code sections applicable to state employees. The answer to question number 16 states that lump sum deferral will not be allowed under Section 219 of the Labor Code. To be in compliance with the Labor Code provisions deferral of lump sum pay to the next calendar year is no longer an option available to separating employees. Per the PML, employees can instead use their leave credits and change the effective date of their separation. Note: CalPERS must be notified if separation type is retirement/ disability retirement and the effective date is changed due to the use of leave credits.

Revisions to the PAM are forthcoming. If you have any questions regarding the above EH changes, please contact Personnel Operations Liaison Unit at (916) 322-6500. Questions regarding the PML should be directed to Clarice Pace, DPA, at (916) 324-0439.

RZ:PMAB:jld