

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

DATE: October 16, 2003

PERSONNEL LETTER # 03-017
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief
Personnel/Payroll Services Division**RE: EMPLOYEE RETIREMENT CHANGE**

Pursuant to recent Department of Personnel Administration actions, employee retirement contributions for CalPERS First Tier members and STRS members will be reduced as specified below.

ELIGIBLE EMPLOYEES

- a) Excluded employees
- b) Judicial Council employees (except Commission on Judicial Performance)
- c) Bargaining Unit 01, 04, 05, 08, 09, 10, 11, 14, 15, 16, 17, 19, 20, and 21 employees

EFFECTIVE DATE

The effective date of this change is October 1, 2003. The reduction amount will continue through September 30, 2004 except for employees in Bargaining Unit 17 and excluded employees. Their reduction amounts will continue through June 30, 2004. Continuation of reduced contributions for excluded employees will be reconsidered in June 2004.

The retirement change requires new account codes for some employees. The chart below identifies new account codes and retirement rates.

Current Account Code	New Account Code	New Rate
T	T	3%
TA	TC	3%
10	11	1%
12	33	1%
19	67	1%
30	68	1%
34	34	1%
36	36	1%
40	05	1%
42	06	1%
43	4A	0% (see note below)
45	24	0%
46	93	1%
48	97	1%
49	99	0%
5A	5A	1%
5B	5B	1%
55	55	3%

56	56	3%
57	5C	3% (see note below)
58	5D	3% (see note below)

NOTE: Excluded employees aligned with Unit 7 will be moved from retirement account codes 43 to 4A, 57 to 5C and 58 to 5D.

PROCESSING

The Controller's Office has planned two Employment History mass updates to post 505 transactions. The first mass update processed the evening of October 7, 2003 and included rank and file employees in Bargaining Units 01, 04, 09, 10, 11, 14, 15, 17, 20 and 21 and all Civil Service excluded employees. The second mass update will process on October 17, 2003 and will include rank and file employees in Bargaining Units 05, 08, 16 and 19 and eligible Judicial Council employees. Turnaround PARS will be generated after the second mass update is posted.

Employees with appointment or separation expiration dates prior to October 1, 2003, will not be included in the mass updates. 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 a 505 transaction effective October 1, 2003 that reflects the correct account code per the above chart.

The Controller's Office will post 505 transactions to the Employment History Data Base based on transactions processed prior to the mass update. If an employee's most current transaction reflects an effective date equal to or less than October 1, 2003, the 505 transaction will be posted by the mass update process. If an employee's most current transaction is effective after October 1, 2003, the 505 transaction will be posted by the Controller's Office beginning October 21, 2003. 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 mass update. Failure to do so could result in an incorrect withholding of employee retirement contributions.

CONTACTS

If you have any questions concerning this letter, please contact Sandy Westlake at (916) 324-9008 or by email at swestlake@sco.ca.gov. For PAR documentation, contact the Personnel Liaison Unit at (916) 322-6500. Revisions to the Payroll Procedures Manual and the Personnel Action Manual are forthcoming.

JRH:SW/PMAB