

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

DATE: July 14, 2006

PERSONNEL LETTER # 06-009
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: DON SCHEPPMANN, Interim Chief
Personnel/Payroll Services DivisionRE: **CONVERSION OF ALTERNATE RETIREMENT PROGRAM EMPLOYEES TO CALPERS**

This memo is to inform you of the process to convert employees in the Alternate Retirement Program (ARP) to miscellaneous or industrial membership in CalPERS. As outlined in Personnel Letter 04-009 and the Department of Personnel Administration Personnel Management Liaison Memo dated August 18, 2004 (Reference Code: 2004-040), an employee who has completed 24 months of ARP participation must begin making contributions to CalPERS. Personnel Letter 04-009 instructed departments to process a 505 transaction to change the employee's retirement account code to the appropriate CalPERS retirement account code. The letter also indicated that the SCO would study the feasibility of developing a tracking and reporting process to assist departments in identifying employees whose 24 months in ARP is nearing completion.

After further review, it has been determined that departments do not need to manually process the 505 transactions. Instead, the SCO will automate the processing of the transactions each month beginning with the August 2006 pay period. This is the first pay period in which some employees must begin making CalPERS retirement contributions due to completion of their 24 months of ARP participation.

The 505 transactions will be processed during the first week of the month and will involve employees whose 24 months of ARP participation ended the prior month. The CalPERS retirement account code on the 505 transactions will be based on the employee's ARP retirement account code as follows:

ARP CODE	CalPERS
TK	45
TP	49
TR	4B
TE*	4G
TF*	9A
TG*	4H
TH*	9B

*Effective 07/01/2006 new account codes for BU02 employees-see Personnel Letter # 06-008 for more information.

Turnaround PARs will be generated from the 505 transaction mass update process. The monthly civil service decentralized calendars will reflect the run dates of the new update process. The calendars can be accessed at the following website address: <http://www.sco.ca.gov/ppsd/decentcal/index.shtml>. When the turnaround PARs are received, departments must provide the employees with the CalPERS State Miscellaneous and Industrial Members Retirement Benefit Election Package. CalPERS will be releasing a Circular Letter shortly with a reminder that this information needs to be provided to new CalPERS members. If you have questions on the CalPERS process, please contact CalPERS directly at 888 CalPERS (888-225-7377).

Refer to the DPA Saving Plus web site at <http://www.dpa.ca.gov/spp/ARPmain.shtml> for information regarding the administration of the ARP accounts. Questions regarding the SCO employment history conversion process should be directed to Lisa Callaghan at (916) 327-3923.

DS:JD:PMAB