

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

DATE: January 24, 2011

PERSONNEL LETTER #11-002  
(CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

FROM: Lisa Crowe, Chief  
Personnel and Payroll Services Division (PPSD)**RE: NEW RETIREMENT ACCOUNT CODES FOR EXCLUDED/EXEMPT AND RANK AND FILE EMPLOYEES IN BARGAINING UNITS 1, 3, 4, 11, 14, 15, 17, 20 AND 21**

The State Controller's Office (SCO) has established new retirement account codes for excluded/exempt employees and rank and file employees in units 1, 3, 4, 11, 14, 15, 17, 20 and 21 first employed by the State on or after January 15, 2011. This is a result of Senate Bill (SB) X6 22 that established new retirement benefit formulas based on the highest average salary during a 36-month consecutive period. The new account codes are necessary for CalPERS to specifically identify employees subject to the new benefit formulas.

All excluded/exempt employees and rank and file employees in units 1, 3, 4, 11, 14, 15, 17, 20 and 21 first employed on or after January 15, 2011 (with no prior State service) should be placed in one of the account codes listed below. Agencies are responsible for entering the appropriate account code on respective appointment transactions. To determine which account codes to use, refer to the Account Code Chart attached to [CalPERS Circular Letter 200-081-10](#) dated December 30, 2010 located.

| Retirement Category | New Account Code                | Rate | Exclusion Amount | Benefit Formula | Final Comp |
|---------------------|---------------------------------|------|------------------|-----------------|------------|
| Miscellaneous       | 2S (Not Subject to SS/Medicare) | 9%   | \$317            | 2% @ 60         | 3 yrs      |
| Miscellaneous       | 2T (Subject to Medicare)        | 9%   | \$317            | 2% @ 60         | 3 yrs      |
| Miscellaneous       | 4V (Subject to SS/Medicare)     | 8%   | \$513            | 2% @ 60         | 3 yrs      |
| Miscellaneous       | 2Y (Subject to SS/Medicare)     | 8%   | \$513            | 2% @ 60         | 3 yrs      |
| Industrial          | 9R (Not Subject to SS/Medicare) | 9%   | \$317            | 2% @ 60         | 3 yrs      |
| Industrial          | 9S (Subject to Medicare)        | 9%   | \$317            | 2% @ 60         | 3 yrs      |
| Industrial          | 9P (Subject to SS/Medicare)     | 8%   | \$513            | 2% @ 60         | 3 yrs      |
| Safety              | 1V (Subject to Medicare)        | 9%   | \$317            | 2% @ 55         | 3 yrs      |
| Safety              | 1W (Not Subject to SS/Medicare) | 9%   | \$317            | 2% @ 55         | 3 yrs      |
| POFF                | 5Y (Not Subject to SS/Medicare) | 11%  | \$513            | 2.5% @ 55       | 3 yrs      |
| POFF                | 5V (Subject to Medicare)        | 11%  | \$513            | 2.5% @ 55       | 3 yrs      |
| POFF                | 5W (Not Subject to SS/Medicare) | 11%  | \$863            | 2.5% @ 55       | 3 yrs      |
| POFF                | 5X (Subject to Medicare)        | 11%  | \$863            | 2.5% @ 55       | 3 yrs      |
| ARP - Misc          | AT (Subject to SS/Medicare)     | 8%   | \$513            | 2% @ 60         | 3 yrs      |
| ARP - Ind           | AU (Subject to SS/Medicare)     | 8%   | \$513            | 2% @ 60         | 3 yrs      |

The aforementioned employees that are first employed on or after January 15, 2011 (with no prior State service) in a miscellaneous or industrial retirement position should be placed in ARP code AT or AU. Once employees complete 24 months of ARP participation, SCO will convert the employees from ARP to the respective CalPERS account codes 4V or 9P. To determine ARP eligibility and the correct ARP account codes for a newly hired employee, use DPA's [ARP Eligibility Worksheet](#) located under the HR Staff tab.

For PAR documentation assistance, contact SCO's Personnel Liaison Unit at (916) 322-6500. For questions regarding CalPERS eligibility and benefits, contact CalPERS at (888) 225-7377. For retirement policy and legislative information, contact Desi Rodrigues, DPA at (916) 324-9400.

Revisions to the Payroll Procedures and Personnel Action Manuals are forthcoming.

LC:PMAB:DW