

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

DATE: June 30, 2015

PERSONNEL LETTER #15-011
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Lisa Crowe, Chief
Personnel and Payroll Services Division (PPSD)**RE: EMPLOYEES' RETIREMENT CONTRIBUTION RATE INCREASE FOR MEMBERS IN
THE CATEGORY OF 2ND TIER RETIREMENT, EFFECTIVE JULY 1, 2015**

As part of the ongoing implementation of the Public Employees' Pension Reform Act of 2013 (PEPRA) a number of changes for certain employees are required to ensure their withholdings are consistent with the increased retirement contribution rates for state employees per Government Code Section 20683.2. Refer to the Department of Human Resources' (CalHR) Policy Memo #2015-017, dated June 11, 2015.

State miscellaneous and industrial retirement members who have elected the 2nd Tier retirement category will have an increase in their employee contribution rate. Currently the rate is 3% the new rate will be 3.75%.

Employment History (EH) Mass Update

Employee EH records will be updated on July 07, 2015 to reflect the new retirement contribution rate. 505 Account Code transactions will be posted to the employment history data base (EHDB) effective 7/1/15. Records identified as exceptions to the mass update will be excluded from the automated process.

Mass Update Exception

Exceptions to the mass update will be processed manually by the Personnel/Payroll Services Division (PPSD), when possible. For example, employees with an EH record reflecting an out-of-sequence status (i.e., the effective date on the most current transactions is after July 1, 2015), will be processed manually.

PPSD is unable to update the EH records to reflect the new rates when the employee is off pay status (e.g., on a leave of absence, or an Appointment Expiration Date prior to July 1, 2105). These employees' Item 505 – Account Code field must be updated by the appointing agency once their appointment is extended or the employee returns to active pay status following a leave of absence.

Although Item 505 is not a required field when returning an employee to pay status, the account code must be entered on the Personnel Action Request (PAR) in order to reflect the new retirement rate on the employee's record. If the account code is not entered, the retirement contribution will be withheld at the incorrect rate and will require future adjustments.

Contacts

For assistance with EH documentation, contact SCO's Personnel Liaison Unit by telephone at (916) 372-7200.

For questions regarding payroll retirement contributions and account codes, contact SCO's Retirement Liaison by telephone at (916) 324-1471.

For questions regarding CalPERS' eligibility and benefits, contact CalPERS by telephone at (888) 225-7377; while questions regarding the Alternate Retirement Program (ARP) eligibility should be directed to the ARP Employer line at (916) 324-2909.

For retirement policy and legislation assistance, contact Desi Rodrigues, CalHR representative, by telephone at (916) 324-9400.

LC:PMAB:jw