

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

DATE: May 2, 2016

PERSONNEL LETTER #16-006  
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Debra Spellman, Chief  
Personnel and Payroll Services Division (PPSD)

**RE: BARGAINING UNITS (BU) 13, 18, AND 19 LOCKED-IN SHIFT DIFFERENTIAL KEYING PROCESS**

Per agreement with BU13 effective 07/01/1995, BU18 effective 07/01/2015, and BU19 effective 07/01/2014 shift differential pay is not subject to retirement. Refer to Pay Differential 85 and BU contracts for more information.

The current process is for retirement contributions to be initially withheld from shift differential payment type 2 and the Employment History Data Base (EHDB) locked-in shift differential payment type 0. Subsequently, the retirement contributions are retroactively refunded to employees via two processes.

1. Payment type 2 retirement contribution refunds are automated via a quarterly look-back process.
2. EHDB locked-in shift differential payment type 0 retirement contribution refunds are processed manually on a flow basis.

Moving forward to streamline the refund process and to eliminate manual processing, the State Controllers Office (SCO) is instructing departments to remove the EHDB locked-in shift differential. On current basis, departments must post a 345 transaction to remove locked-in shift differential for employees represented by BU13, 18 and 19. Once this occurs, shift differential payments must be processed as a payment type 2 via PIP transaction. Refer to section K in the Payroll Procedures Manual (PPM) for keying instructions.

Departments will have 60 days from the release date of this personnel letter to correct the EHDB. If not corrected within 60 days, the SCO will administratively remove locked-in shift differential by posting a 345 transaction.

Please direct questions on Locked-in Shift Differential as follows:

<u>SUBJECT AREA</u>	<u>CONTACT</u>	<u>TELEPHONE NUMBER</u>
Program Administration (e.g., rules, regulations, benefits/pay impacts)	Personnel Services Branch CalHR	(916) 323-3343
General Payroll Procedures Disability Payroll Procedures Employment History Procedures	Customer Contact Center SCO	(916) 372-7200

DS:RK:PMAB