

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
SEPTEMBER 2005**

Date: November 4, 2005

To: All Civil Service/Exempt Departments

From: State Controller's Office
Don Ward, Operations Manager
Personnel/Payroll Operations
(916) 322-8805

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the September 8, 2005 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the November 10, 2005 meeting.

We would like to thank those department representatives that participated in the September meeting for their time and effort. There were 29 representatives from 19 departments that participated in this meeting.

Personnel/Payroll Review Committee
September 8, 2005 Meeting Notes

Don Ward called the meeting to order at 1:30.

Departments represented:

Board of Equalization, California Integrated Waste Management, Consumer Affairs, Corporations, EDD, Environmental Health Hazard, Franchise Tax Board, General Services, Justice, Lottery, Lt. Governor's Office, Office of Systems Integration, State Controllers Office, State Teacher's Retirement System, Toxics Substances Control, Transportation, Veterans Affairs, and Water Resources.

Old Business:

None

New Business:

Agenda Items
Distribute Handout Materials
Approve Prior Meeting Notes
Guest Speakers
SCO Update
Department Issues/Concerns
Confirm Next Meeting Agenda, Time and Place

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Discussion:

Approved July 2005 meeting notes.

Guest Speakers: William Page, Benefits Manager, DPA (916) 445-9801, addressed Health, Dental, Flex Elect, and CoBen Cash Option Open Enrollment beginning 9-15-05 and ending 10-15-05. PML 2005-028 attachment A is the employee letter. The employee letter can also be found in "What's New" on DPA's Web site under Dental Program. DPA noticed retirees and Cobra Dental enrollees, and sent a post card to PI employees that they must re-enroll each year. Employees with a dental reimbursement account must re-enroll each year. The listings for departments with employees who are enrolled in reimbursement accounts went out in August. Departments may want to notify these employees that they need to re-enroll to participate in 2006.

There have been increases in the dental and vision premiums and the Co-Ben allowance has also been increased. There was a change in rates prior to 1-1-2006 for BU7. Flex elect handbooks were mailed on September 9th. The Co-Ben handbooks have not yet been mailed, maybe next week. If you do not receive these publications call Susan Coats @ (916) 327-6429. The Co-Ben calculator is not yet updated for 2006, 9-13-05 is the target date.

The change in the period of retroactivity for dental is being reduced to 6-months effective January 1, 2006. PML 2005-024 with employee letter announced this change. If an employee is tardy in reporting a change DPA Benefits Division will recommend denial of BOC claims, if the employee wants to recover retroactive premiums for more than six months.

IRS will allow a significant change in the way medical and dependant care reimbursement account funds can be used. There will now be a 2½ month grace period into the next plan year where an employee can continue to use funds remaining in the prior plan year accounts for services provided 2½ months into the next plan year. The 2006 Flex Elect handbook will cover this change. Call Susan Coats if you do not receive the Flex Elect Procedures manual.

Question: What is the state share amount for dental for 2006?

Answer: This information will be found in PML 2005-028 and the employee letter. The PML on the State's Health contribution to be released September 9th.

Glenda Hlawaty, CalPERS EMHS Eligibility and Enrollment Section (916) 795-1242, addressed Health Open Enrollment and the Circular letter on Open Enrollment. There is a new user-friendly tool on the CalPERS website to assist employees with direct comparison of the different health plans.

The period for which an employee can receive reimbursement for Health premiums when they have had a reduction in the number of covered dependants is changing to 6 months. Although the regulations were effective July 1, 2005, we implemented the

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changes effective October 11, 2005. This only covers those instances that the employee has control of, like an aging out child.

An employee on a non-paid leave of Absence (LOA) is covered in Circular Letter 3-28600-210-05. Members must be offered the opportunity to make Direct Pay remittance of premiums. **If there is no election for direct pay**, they will be canceled and they must re-enroll when returned from LOA.

Question: Is there a contact for State departments to directly contact CalPERS? We used to call William Greenhalgh.

Answer: Calls need to go through our liaisons for tracking and statistical purposes. We use the numbers from the various liaisons to make staffing decisions. If there is a call that they cannot answer, it will be elevated as appropriate.

Question: We need specific help when dealing with employees with end-stage diseases. Who can we speak with directly to get this help?

Answer: We will forward specific information to Don Ward to include with the notes.

Vicki Korach and Sandy Westlake from SCO's Program Management Analysis Bureau discussed the implementation of SDI. The program is scheduled to begin in September with deductions withheld from all eligible payments earned in the September 2005 pay period and later and that are issued October 2005 or later. The September 16th payroll cycle is cancelled to allow sufficient time to install the SDI programming modifications.

The Global Messages will appear on the earnings statements for those employees subject to SDI withholdings thru October 2005.

Question: We are concerned that we might not know our employee is on SDI. Is the agency not notified when a State employee files for SDI?

Answer: EDD is required to notify a department that their employee has filed a SDI claim. EDD is required to send this notice within two weeks of receiving the claim from the employee.

Question: What if the employee receives full pay and SDI?

Answer: EDD monitors these conditions and is responsible for collecting overpayments.

SCO Update:

We have had a number of recent staff changes in Personnel/Payroll Operations. Laura Miller is now the Payroll Operations Supervisor over the Direct Deposit and Position Control Units. Lynn Leino was recently promoted to Payroll Operations Supervisor over the Retirement Unit. Nancy Ciancio was promoted to a Payroll Officer in our Technical Support Unit. Sheila Frampton was promoted to a Senior

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Payroll Specialist in the W-2/Miscellaneous Deduction area. Also, Barbara Barrow was recently hired as a Personnel Specialist in our Civil Service Audits Unit. Since Barbara has prior SCO experience, we were able to redistribute the SSA # workload effective October 3, 2005. The following is the new assignment:

SSA	Name	Phone
000 – 544	VIRGINIA MIYATA-MOSELEY	322-8804
545 – 551	PAULETTE HADDOX	323-4381
552 – 558	LENNA LEDESMA	322-0608
559 – 565	GLORIA VALENZUELA	322-6508
566 – 572	VERONICA VALADEZ	322-6502
573 – 799	BARBARA BARROW	322-6501

Salary Advance Reporting Form 422: The STD. Form 422 has been modified to include SDI information. As a result of this change, reporting for only one employee per page is possible. Also, multiple page reporting cannot exceed 10 pages per the attached revolving fund check.

AR Half Slips: These forms will show a new field for SDI on both the paper and View Direct version.

New Automated Child Support System: SCO continues to work with the Department of Child Support Services on how we will identify and remit child support payments in the future. In preparation for this new process, we are currently developing an additional garnishment form to be used exclusively for child support and child support/spousal support when combined on the court order. Since deduction codes 038 and 339-002 are used for child support, spousal support and support of a Conservatee, we will be requesting your assistance in the near future to help us determine which of these are for just child support and child support/spousal support.

Turnaround PARs: When submitting PAR documentation for keying, please use the current Turnaround PARs and get them in by Personnel Cutoff not Master Cutoff.

Direct Deposit: Remember that we have an 11:00 AM cutoff for strips. Also, it is the department's responsibility to reschedule any pay that is stripped.

Accounts Receivable 674s: Remember to show **all** dock on 674s requesting an AR for dock.

Customer Satisfaction Survey: We will be conducting a Customer Satisfaction Survey in early November involving personnel, payroll and training. The survey will be sent out electronically to the Transaction Supervisors and they will be able to complete and return it via email.

California Personnel Office Directory: We are having some scheduling issues in getting updates out on the SCO web site as quickly as we would like. Please be patient while we work this out.

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Questions/Answers:

Question: When will Cheryl Salvador from CalPERS be coming back to the PPRC?

Answer: We hope to have her come to one of the next meetings.

Question: We need definitive information on the working while on SDI issue. When will this be provided?

Answer: We plan to issue a supplemental Payroll Letter.

Next Meeting:

The next Meeting is Thursday, November 10, 2005 from 1:30 to 3:30 at:

State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814

Listed below are the PPRC meeting dates for the 2006 calendar year. All meetings are from 1:30 to 3:30 at the above location.

January 12, 2006
March 9, 2006
May 11, 2006
July 13, 2006
September 14, 2006
November 9, 2006

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact Don Ward at (916) 322-8805 or via e-mail at dward@sco.ca.gov