

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
JANUARY 2007**

Date: February 15, 2007

To: All Civil Service/Exempt Departments

From: State Controller's Office
Pam Keegan, Manager
Cynthia Rounds, Manager
Personnel/Payroll Operations
(916) 323-2539/324-6290

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the January 11, 2007 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the March 8, 2007 meeting.

We would like to thank those department representatives that participated in the January meeting for their time and effort. There were 27 representatives from 23 departments that participated in this meeting.

Personnel/Payroll Review Committee
January 11, 2007 Meeting Notes

Pam Keegan called the meeting to order at 1:30.

Departments Represented:

Board of Equalization, California Highway Patrol, Child Support Services, Community Services and Development, Conservation, Corporations, Corrections, Developmental Services, Emergency Services, Food and Ag, Forestry and Fire Protection, Franchise Tax Board, General Services, Health Services, Inspector General, Mental Health, Office of Systems Integration, Peace Officer Standards & Training, Secretary of State, State Controller's Office, Toxic Substances Control, Unemployment Insurance Appeals Board, 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 December 2006 meeting notes.

Guest Speaker: Karen Roy from the 21st Century Project attended this month's meeting to provide a project update. Karen provided us with an update on the completion of the Blueprint Phase informing us that they were on target and on schedule. The Realization Phase of the project began on December 13, 2006. The goal in this phase of the project is to configure, test, and validate the SAP system based on the Blueprint document. We will begin to prepare the Workforce Transition Plan and the End User Training Plan.

We will also begin to assist departments in transitioning to the new system. We will be asking for agency leadership to become actively involved. We will be making sure that employees understand what the impact of change will mean to them personally. The end user training team will begin to develop their training material. The workforce must be trained and have the right skills and knowledge to perform their jobs in the new environment.

Guest Speakers: Lynetta Moses, 21st Century Project, SCO Benefits Team Manager
Bob Aquino, 21st Century Project, BearingPoint Benefits Team Manager

One of the 21st Century Project's many goals is to enhance the dental enrollment processes. The 21st Century System will achieve that goal in these areas.

- SAP has the capability to electronically enroll employees and dependents into benefit plans, thereby reducing many paper processes.
- The goal is to utilize this functionality and have enrollment information available from the SAP application. This should reduce the issue of providers not being able to verify coverage.
- The goal is to reduce telephone inquiries regarding enrollment and dependent information.
- The project is drafting functional specifications to communicate and confer with DPA.

Pending Decision:

- SAP and BearingPoint are working on the process to populate enrollment information for conversion from the current system to SAP.
- We are working with DPA to ensure best solution to the conversion of current enrollment information.

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Question: Will we begin requiring birth certificates to enroll a new dependant?

Answer: No, there will be not a change in current business practices for this type of activity. SAP does require dependant information when the party code is greater than one (employee only).

Question: Will employee share dollar amounts increase or decrease automatically?

Answer: Yes, the appropriate tables will be updated when changes are put into effect, and SAP will pick up this new information when a subject payment is created.

This benefit screen print from the SAP system was provided in a handout and is included for you to see.

The screenshot shows the SAP 'Change Health Plans' interface. The top menu bar includes 'Infotype', 'Edit', 'Goto', 'Extras', 'System', and 'Help'. The main window title is 'Change Health Plans'. On the left, there is a search sidebar with options like 'Person', 'Collective search help', 'Search Term', and 'Free search'. The main area displays personnel information for Personnel No. 19, including name 'Miss Dev1 San1', EE group 'Salaried', and start date '01.01.2007'. Below this, the 'Plan' is identified as 'CHPD CAHP Blue Cross Dental'. The bottom section shows 'General plan data' with fields for Benefit area (ZZ SCO), Plan type (DENT Dental), Benefit plan (CHPD CAHP Blue Cross Dental), Health Plan Option (STND Standard), and Dependent Coverage (0002 EE+Spouse/DP/Child). The 'Planning Parameters' section shows Cost Rule Variant (0002 EE+Spouse/DP/Child). The taskbar at the bottom shows the Start button, several open applications, and the system clock at 6:02 PM.

SCO Update:

Pam Keegan addressed the following:

There are a few W-2 related items to tell you about. We will mail the first group of STD. Forms W-2 s tomorrow, January 12, 2007, and anticipate having all the 2006 forms mailed by January 19th. We will have printed and mailed approximately 300,000 forms for 2006-tax year.

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Remember any W-2s that are undeliverable by the Post Office will be returned to your agency. Please be sure to turn these around and get them out to your employees as soon as possible. If they don't get the original, they will request a duplicate that may cost them \$8.50. It is always a good idea to provide any employee who has a returned W-2 with an EAR form to update the mailing address. Please also advise any separating employee of the necessity of keeping their address current until they have received their last form W-2 covering their State wages.

We have revised the STD. Form 436, which is used to request a duplicate W-2. The new form has a 9-06 revision date. The change to the form is to clarify that we do not accept personal checks to pay for the duplicate W-2. Current state employees should plan on having a payroll deduction for the \$8.50. Any employee not currently working must pay with either a cashier's check or a money order. The new form is not yet available on our website but can be found on the DGS website at <http://www.osp.dgs.ca.gov/StandardForms/Fill+and+Print+Standard+eForms.htm>. We will have it on our website as soon as possible.

W-2 Correct: There is a new format for this form. It is a 16x11 one-page, perforated form. This change was necessary because we no longer have the impact printers that could print on the prior sealed stock. The data is the same and the individual sections are perforated so that the copy for IRS, FTB, etc. can easily be separated. You will receive the form in a large envelope, but you may fold it again to make it easy to mail to your employee. You will also receive the standard letter explaining the reasons that a W-2 correct is generated. A Payroll Letter is forthcoming on this new form.

Benefits: Leonard Squires, the Benefits Unit supervisor, is leaving to go to the 21st Century benefits team. We are going to miss Leonard terribly as he has been with us a long time and has a huge amount of benefits knowledge. We are also happy that the 21st Century will have the benefit of Leonard's skill as they build the new benefits processes.

Staff losses: We lost 5 very experienced and valuable staff in December due to retirements. We are going to be adjusting to this loss for a while. These staff were from the Employment History (2), IDL (1), NDI (1) and CSU (1) areas.

Payroll Specialist Exam: We held a one-day file in person exam on January 3, 2007. There were approximately 400 applicants. We hope to have the process complete by April and to fill our vacancies at that point.

Health Benefit Enrollment: When enrolling an employee in Health benefits, please be sure to check the Deduction History to be sure the person isn't getting Flex Cash. Flex Cash must be cancelled before the Health is added. They cannot have both and it is very cumbersome to fix if it processes incorrectly.

Dental for Separating Employees: Be sure that all dental cancellations are made timely, for example that 23-year-old children are deleted. DPA only allows adjustment for 6 prior months so if a dependant is carried for longer than that; there is no way to recoup those additional premiums.

Benefit Coverage Verification: If your employee was paid correctly and the premium was withheld but the provider still requires verification of coverage do not call PPSD.

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You should call CalPERS for Health and Jody Jones at DPA for Dental. Jody can be reached at (916) 324-0525.

Benefit Fax Documents: We cannot accept Fax documents for benefits. At this time we have no authority to accept documents that do not have an original signature.

7-06 Bonus Payments: If you have any employees who you believe are entitled to a bonus but have not received it, do not wait any longer. Send STD. Form 674 now to request payment. We will have them audited for eligibility and issue the payments as soon as we can.

Retroactive GEN Adjustments: Several of you mentioned that your employees are still missing the 7-06 GEN salary adjustments. Please call the Phone Liaison unit at (916) 323-3081. This type of request does not require a 674.

STD. Form 674 Completion: When you need to request an adjustment to one payment type, overtime for example, you need to show ALL the payment type 1 that issued in the pay period in item 6A and the correct payment type 1 payments in 6B. You need not and should not show any other payment types on the 674. We do not need to see them and you can save yourselves some time by not making extra lines and squeezing in all those extra payments.

If your request is for an adjustment to a premium pay, please include the earnings ID. There are so many premiums that we must have the earnings ID to do our research and be sure our adjustments are valid.

PSS R&R Pay: The View Direct listing of the group that reach their 12 month of qualifying pay periods at the end of December will be available soon. The Payroll Letter is almost ready to go out. Remember you must not pay these payments until 30 days after the eligibility is reached. If we see any that are issued early we will hold them.

Workload Inventory: We are approximately 15 days behind in processing the system message output. We are working overtime to bring this into a more acceptable timeframe.

Cynthia Rounds addressed the following:

Staff shortage: The IDL, NDI and Civil Service Audits areas also have a shortage of staff. Pam already told you about the 5 retirements in December, in the above areas; we have 2 personnel specialists in training, 3 payroll specialists in training and 3 vacancies. We are not severely backlogged right now, but we are just keeping up.

Preparing for the 21st Century: Please make working the PSD40s that our personnel unit sends you a top priority. We want all the employment history data to be as accurate as possible. When the 21st Century converts the data from our current system to the new process, inaccurate data will be a major problem. Also, our staff now sends the original PSD40 and one follow up. We do not have the staff time to send multiple reminders for the same issue.

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Retirement Account Codes: We know that there are a lot of problems in assigning the correct retirement account code to the PAR because there have been so many changes. Please verify the retirement account codes before keying.

Fiscal Year End: In preparation for this deadline, we encourage you to work your Periodic Position Control Reports. You should be making corrections as needed now. That will make your job much easier in June.

Fiscal Year End Contact: January 16th we will send out our Fiscal Year End Contact Letter. Please return the name, mailing address, agency code, and phone number of the contact person for your agency. All reports and materials will be sent to this contact person. The contact letter should be completed and mailed back to: SCO Personnel/Payroll Services P. O. Box 942850 Sacramento, CA 94250-0001 Attention Laura Miller.

Questions/Answers:

Question: If the employee has a forwarding address on file with the Post Office will the W-2 form be forwarded?

Answer: Yes, if there is a more current address in the Post Office files, it will overlay the SCO address on the form. In some cases, the Post Office does honor forwarding addresses made after the W-2 was printed and add the new address.

Question: I am a new specialist and have a question about the PSS R&R pay. Why have I not received a list of eligible employees for the month of December?

Answer: The listing is only generated once a year in January for that original group of specialists that all became eligible at the same time at the close of the December pay period. Any specialist reaching their 12th qualifying pay period at any other time during the year must be tracked by the agency.

Question: If an employee promotes out of the agency to an SSA position from the Personnel Specialist class, when should we pay the prorated amount of R&R?

Answer: This particular scenario is not addressed in the Pay Letter and therefore we suggest you inquire from DPA.

Question: Do part time specialists receive a part time R&R bonus?

Answer: Yes, the R&R is prorated by their time base. The calculation is in the payroll letter each year. The letter also includes the calculation for adjusting the overtime rate to include R&R if appropriate.

Next Meeting:

The next meeting is Thursday March 8, 2007 from 1:30 to 3:00 at:

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

The PPRC encourages attendance by department representatives interested in improving the efficiency of personnel/payroll administration. However, if you are unable to attend these meetings and you have an issue or question you would like the committee to address; please contact Pam Keegan or Cynthia Rounds with pertinent information.

Listed below are the PPRC meeting dates for the 2007 calendar year. All meetings are from 1:30 to 3:00 at the above location.

March	8,	2007
May	10,	2007
July	12,	2007
September	13,	2007
November	8,	2007

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact either Pam Keegan at (916) 323-2539 or Cynthia Rounds at (916) 324-6290. They can also be reached via email at pkeegan@sco.ca.gov and crounds@sco.ca.gov, respectively.