STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
November 2009

Date: December 15, 2009

To: All Civil Service/Exempt Departments

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

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the November 5, 2009 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the **January 14, 2010** meeting.

We would like to thank those department representatives that participated in the November meeting for their time and effort. There were 29 representatives from 18 departments that participated in this meeting.

Personnel/Payroll Review Committee
November 2009 Meeting Notes

Ann Mitchell called the meeting to order at 1:30.

Departments Represented:

Board of Equalization, California Unemployment Insurance Appeals Board, Developmental Services, Department of Personnel Administration, Employment Development Department, Food and Agriculture, Franchise Tax Board, Industrial Relations, Justice, Managed Care, Pest Regulation, Secretary of State, State Controller's Office, State Treasurer's Office, Transportation, Veteran Affairs, Water Resources and Water Resources Control Board.

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

Discussion:

Approved September 2009 meeting notes.

Guest Speakers:

Bryan Bruno, DPA/Benefits:

Just a reminder that age 23 year old dependents will be automatically dropped by the dental and vision plans. The dental premiums will still be generated at the party code (party code two or three) unless a 692 is submitted to SCO to delete the overage dependent. Any time an age 23 dependent is identified; a STD 692 must be completed and sent to SCO, with a copy maintained in the personnel file.

As you manage your COBRA notices make sure that your employees are getting their initial general notices. The notice should have a listing of all the events that an employee should be reporting, one of those events being an age 23 dependent child. An employee receiving the notice is informed to report any event that is a qualifying event, such as a dependent turning age 23. Also tell your employee to report the event to your office. Remember the protected method for an initial general notice is to send it through US First Class Mail. Be sure you are logging the COBRA information you send to your employees (initial general notice, COBRA offer letter based on the event, etc.), especially if you transmit the COBRA initial general notice or any COBRA materials by any method other than US first class mail.

COBRA PowerPoint

COBRA TRAINING -
01-2009 old format.p

A new bill SB 54 has the recognition of same sex marriage contracted outside the state of California. It was chaptered on 10/11/09 with an effective date of 1/1/10. The bill clarifies if there was a same sex marriage contracted outside of California where the laws were valid in that state, territory, or country that it would have recognition in California before the window period set by the Supreme Court, after, and ongoing. DPA will be issuing a PML in more detail about this bill. Wikipedia has a link to show recognition areas. It is fairly accurate about what states have certain laws and any areas of dispute.
http://en.wikipedia.org/wiki/Same-sex_marriage_in_the_United_States

For the state dental program an economically dependent child and the natural parent cannot live in the same household. PERS may handle this a little differently, but this requirement is for the state dental program. Remember for any economic dependent an employee is enrolling onto their benefits, the employee would have to fill out a DPA 25, which is the DPA affidavit for economic dependents within the employees' household. They are affirming under penalty of perjury that the dependents listed on the document reside in the household and the natural parent does not reside in the household.

As far as the appeals on dental we have a new analyst. Patty Rosales-Abila (pattyrosalesabila@dpa.ca.gov) is the new analyst and she will be working with Linda McCarthy (lindamccarthy@dpa.ca.gov). Patty's phone number is (916) 324-0521. Patty handles A-L and Linda will handle N-Z. Linda's phone number is (916) 324-0866.

If you are a department staff member who is on our eligibility verification list to the plans, the last list went to our plans mid October. I've already received some calls saying there are changes to that. If there is anyone else that needs changes just let me or Penny Jones know (contact: pennyjones@dpa.ca.gov or call at 916-327-4874). If there is someone else in your office that can call the plans get in touch with them and have them call the plan. You don't need to go through DPA if you have a department representative on the call-in list, but if you have any problems definitely give DPA a call. On eligibility make sure the deduction is showing when you call. If it's not showing make sure you have the enrollment form. If it shows they're eligible and everything is correct on the document then call the plan if you're on the call-in list. Delay in premium posting may occur sometimes because SCO may be catching up or it may have been a later submission where they are getting the key entry done. If you have any questions about the eligibility process please feel free to call me at (916) 445-9841. As the open enrollment questions and appeals to DPA are starting to slow down we are catching up on phone calls. Also, if you can't reach me, Penny, Linda or Patty by telephone, then please email us. My e-mail address is bryanbruno@dpa.ca.gov

Question:
COBRA election notices are being sent to the employee's from PERS. Do we still need to send one out?

Answer:
Yes, departments still need to send out their own COBRA election notice. The notice from PERS as I understand it at this time should not be considered a sufficient notice because the one page letter doesn't carry with it enough information on the COBRA election for the employee. The letter from PERS has also been sent out prior to the actual event (age 23), and is not, to our knowledge, sent out by PERS for an employee terminating employment.

For events under COBRA, the COBRA rule is that the event has to occur first before the offer. DPA's information as provided through the Benefits Administration Manual (BAM) is compliant with state and federal law. The PERS letter, as I am seeing the example here, is unclear if the materials being provided to the qualified beneficiary are complete. I would be careful with that letter and still follow the general procedures in the BAM on the COBRA offers based on qualifying events. Make sure the election form and materials are sent out to the qualified beneficiary and that the forms come back to you per BAM instructions. That way your department and personnel office stays compliant with federal law.

Question:
Is the date the COBRA election is sent out based on the permitting event date or the date they lost coverage?

Answer:
The employer has 14 days from the qualifying event or the loss of coverage to send the notice out and the person has 60 days to elect. To protect the qualified beneficiary under COBRA, COBRA provides that it will go by the later date of the qualifying event/notice or loss of coverage. You can send the election notice when an employee separates as a qualifying event, but remember that COBRA is always going to protect the qualified beneficiary so it's always considered that the 60 days election start date will be going from later of the qualifying event or the loss of coverage point. The reason again is COBRA is protecting the individual that has a loss of coverage.

Question:
We are having problems with faxing retiree dental 3-4 times to PERS and it is taking 2-3 months to get their dental started.

Answer:
DPA is still the administrator for retiree dental. If you run into any more difficulties with retiree dental give Penny Jones a call at (916) 327-4874. As the administrator we will do what we can to assist you in completing the enrollment and/or contacting PERS. You can also email me or penny at pennyjones@dpa.ca.gov.

Please note to NEVER send an unsecure email with a SSN on it. If you need to send a SSN we can send you an encrypted email where you can reply and include the SSN in your message back to us. If you need to call us, you can leave a SSN with your message on any of our voicemail boxes as they are secured by pass code. We are the only ones who have access to our fax.

Linda's voicemail is full most of the time so if you would like an immediate response an email would be the best way. Her email is lindamccarthy@dpa.ca.gov. Please bear in mind our staff has a considerable workload because of appeals and open enrollment.

Question:
Currently there is a minimum 12 month enrollment for retiree vision. Is that going to change?

Answer:
Not right now. We will probably revisit the issue at a later time. We haven't received too many complaints so it seems the plan design is working well. We continue to review the Retiree and Annuitant Vision plan and will be completing a plan review on the next renewal.

Agustin Maravilla, DMHC/Office of Patient Advocate:

We call this reaching out to state of California employees and guiding them to better health care information.

I'm going to talk about:

- What is the Office of the Patient Advocate?
- How can we help you help your employees get the most out of their health insurance coverage?
- What should you do if your employees have a problem with their health insurance?

The Department of Managed Health Care and the Office of the Patient Advocate were both created in July 2000. The Department of Managed Health Care was created to regulate, license, and oversee the HMO's in California. They have a help center when people have problems. They wanted an office to be the voice for the people or an advocate and that's how Office of the Patient Advocate was created. Our office is more of a consumer education program. DMHC regulates and Office of the Patient Advocate educates.

Statutory Mandates:

- Consumer Education
- Health Care Quality Report Card
- Advice & Assistance to Health Plan Enrollees
- Recommendations to DMHC
- Collaborations with Other Organizations

Our goal is to engage and empower your employees with information so they can proactively participate in their own health care and act as their own advocate to access and use quality health care from their health plan. Our main purpose is to provide useful tools. We rely on the DMHC help center.

When employees are faced with health problems they should:

- Seek information
- Ask questions
- Make informed decisions
- Identify and resolve problems
- Advocate for themselves

We are trying to get into personnel offices to spread the word to their employees.

Healthcare can be complicated and patients are challenged with terms such as:

- HMO
- PPO
- Drug formularies
- Prior authorization

- Independent medical review
- Tiered benefits
- Fee for service
- Networks

When do employees go to their HR?
- New state employees
- Open enrollment
- When employees have problems
- Retiring employees

The Office of Patient Advocate provides tools that:
- Can guide, help, and educate employees on how to get the most from their health plan. Not just now, but in the future as well.
- Can help HR staff better understand employee needs and guide employees when faced with health plan problems.

One of the mandates we have is the report card. It's an annual report card that comes out every year. It's a web based program that rates the quality of California HMO health plans. The report card rates quality and consumer satisfaction surveys. The report card usually comes out around open enrollment, but because of the budget it will come out around January.

The guide was developed with the help of UC Berkley. The guide is there to educate people and provide resources in case you ever do have a problem with your health care. We also provide a guide for seniors.

It has information such as: how to use your health care, what is a health plan, how to choose a health plan, what is COBRA, what is Medicare, what is MediCal, how do I speak to my doctor, if I have a problem who do I go to, do I have medical managed care, if I lost my job, etc. It has all the resources and it is written in a way that is very easy to read. All this information is free.

If you are having health insurance problems the state help center can:
- Explain your rights and responsibilities
- Intervene with your health plan on your behalf if you file a complaint
- Get an independent medical review of your case
- Enforce the decision they make on your case
- Refer you to other sources of assistance

Our website was deemed by the governor as a one stop shop. If you go to our website at www.opa.ca.gov there will be information on the statewide level, other government agencies, resources, and local county organizations. We rely a lot on nonprofit organizations throughout the state. They also provide a lot of outreach for us.

If you have problems you can contact DMHC help center at 1-888-466-2219 or www.hmohelp.ca.gov or Office of the Patient Advocate, 980 9th Street, Suite 500, Sacramento, CA 95814, (916) 324-6407, www.opa.ca.gov .

DMHC only regulates commercial HMO's and 2 PPO's. Any other health plans would need to go through Department of Insurance. All that kind of information is included in the guide.

Question:
Is the guide available online?

Answer:
It is online, but we do not recommend it. You can order the guide online, order form in packet or via email.

Sally Durante, SCO/Disbursements:

The garnishment transmittal CD 155 is going to be changing because there were a few suggestions made from the agencies which we tried to implement in the redesign. On the old CD 155 the agency copy was on the top and the payee copy was on the bottom. The new form will be perforated down the middle with the payee copy on the left and the agency copy on the right. The payee copy on the old form has some things crossed out because it's not meant for the employee to see. On the new CD 155 that information has been removed from the payee copy. On the old form the agency copy has information that shows payee address, plaintiff, or petitioner, title of action and an unnecessary area. The new CD 155 will have payee address no change, address change, mail date. Another change on the new form is it has been formatted so when you fold the form it will fit in a #10 window envelope. We still have a number of the old forms in stock and we will be using the rest of those. The new CD 155 will not go into effect until sometime in January 2010. We cannot give you an exact date because we don't know when we will run out.

Question:
Where will this form go?

Answer:
The form will go to your accounting office. When the payroll letter is released you should forward it to your accounting office.

Question:
Why are the NOPA's no longer perforated?

Answer:
We have ordered new perforated stock. It will be available in the spring after the current stock is used.

Question:
What kind of backlog is there in Disbursements?

Answer:
We have verified that there are no backlogs in Disbursements. If an agency is receiving their reports late we suggest they check with their agency mail distribution center.

SCO Update:

Pam Keegan addressed the following information:

There is a draft of a payroll letter currently in review to remind everyone of the importance of reviewing the payroll cycles remaining in the year to ensure that retiring employees complete their requests for how to treat their final regular pay and lump sum cash outs. It's very important to communicate to employees at your departments that they need to get in to talk to you and go over what they want if they are going to retire near the end of the year. Once the calendar year is closed, there is no legal means to put money in savings plus or tax shelter annuities for the prior year.

Helpful Links:
Year-End Separation Workshop handbook
http://sco.ca.gov/Files-PPSD/yr_end_separation_hndbk.pdf

Request to Transfer Lump-Sum Separation Pay Booklet
https://www.nrsservicecenter.com/content/media/retail/legacy/SPP/Lump_Sum.pdf

Please remind all employees the importance of reviewing their address so that their W-2 will reach them timely. The address's we currently have on employment history were produced on the October 2009 earnings statement to assist employees with this review. If there should be a change, please enter that change as soon as possible.

How about the return address for the W-2 mailer? Is yours' up to date for the mailing? We sent payroll letter 09-012 dated 10/12/09 requesting that all employers verify this information and submit any corrections necessary by 11/2/09. If you find that a correction is needed, you can still submit that to the contact person identified in the payroll letter.

We are currently reviewing the draft of the payroll letter that will be sent out describing what will be reflected on the 2009 W-2. This letter is sent out annually. Please refer to this letter if employees come to you with questions regarding what is on their W-2.

We will send a payroll letter out on the changes to the CD155. This letter is going through review now.

A list of the PPRC meeting dates for 2010 is being provided to you today. January 14^{th} will be the date of our first meeting in the new year. We are returning to the second Thursday of every other month with the exception of November 2010 due to the Veteran's Day holiday. In November, the meeting will be the first Thursday of the month.

Pam Keegan addressed the following information for Cindy Rounds:

Tax exempt letters will go out in the mail December 30, 2009; departments should receive them on January 2, 2010. A listing will be sent to each department in alphabetical order of all the employees that have letters. **DO NOT** update prior to January 2, 2010. All EARS must be keyed by February 12th 2010 (the 14th is a Sunday so key by Friday February 12^{th}). The system will automatically change all exempts that have not been updated on February 15th, 2010 to single and 0. This date is hard coded into our system so it changes on the 15th whether it is a weekend or business day. If you have just updated the EAR in December you still must update the EAR between January 2nd and February 14th. Our system only reads changes made between these dates as updates for the new year.

When leaving a phone message for the IDL Unit, please speak slowly when giving the social security number and the phone number; remember to leave your extension.

Please do not contact the Disability Unit during green cycles to ask that we find previously faxed documents. If your fax machine said they went OK, then we received them. Give us at least one green cycle to get them processed. If you don't see the expected payment/adjustment, then give us a call.

Please do not call the Direct Deposit Unit twice to request reversals.

Please remember to audit (completed correctly and clearly), sign, date, and put your phone numbers on the 699's.

Do not submit Pending Budget Approval 607's to Position Control, we cannot work them.

When sending Inquiries, please re-sign and date them.

We have not been sending a PSD171 notifying departments that we have stipulations/decisions from SPB since last November 2008. Once the department receives the stipulation/decision from SPB, submit your PAR documentation along with a copy of the stipulation/decision.

Towards the end of the year we get a lot of retirement PARS, many with deferred comp. Please fax these PARS over as early as possible. Do not reduce the copy, instead copy the top and bottom half of the PAR and we will tape it together when we receive it. Please write legibly. Do not call Liaison to ask if we received the fax, we do not have time to look for it (if your fax confirmation says the fax went OK we should have it). Please do not send more than one copy. The PARS get distributed to staff and if two or more copies come, we are doing duplicate work.

If removing the furlough because of dock, make sure you are entering dock in item 215.

Question:
If SCO sees a 215 & dock, will SCO put the 350 back on?

Answer:
No, SCO will not put a 350 back on. That is up to the employer to put the 350 back on.

Question:
When will the personnel letter for disability & furlough be released?

Answer:
This letter should be out by the end of November.

Ann Mitchell addressed the following information:

Please audit your miscellaneous pay need, if it is strictly an adjustment to the over time or the SZ; you can pay it via PIP. To adjust an SZ payment, enter the remaining gross due which is the difference between the original payment and the total due to the employee. This request is keyed on a miscellaneous transaction 671 and it cannot be a duplicate of the original amount. Use the 683/adjustment transaction if your employee is due more overtime and the SZ is not overpaid. We are returning these STD 674's. We have over 2000 of these documents and we cannot get ahead of them. Please do not send inquiries to these documents, we are working the payments in date order. If all that is needed is a transfer of funds, those will be worked at a later date.

Remember when submitting STD 674s that you can only adjust one pay period per 674. If there are multiple pay periods involved in what you need to do, then you must submit multiple 674's.

The Phone Liaison Unit is on overload. Please do your research and be familiar with all the PMLs and Personnel letters that have been distributed regarding furlough. The September PPRC meeting notes have a very comprehensive section on furlough. If you cannot find an answer to your question then it would be appropriate to call us for assistance. Chances are, however, if it isn't covered in all the documentation, it may be a DPA question.

No Fridays left this year for furlough agencies. Please do not hold any end of year separations. Contact any employee who is probable for end of year separation so that if they are going to require special handling, you will have time to get them in to PPSD timely. You can submit separations for December as soon as November master is over. Dec 28th is the absolute last day we can do anything for 2009. If we get too many separations in on that day we may not get everything processed, so do not wait. This is a very critical financial process for your employees, so it must be done timely and accurately.

The time for submitting open enrollment documents is over. We are only accepting changes to previously submitted flex documents or cancel flex documents. All other documents received late are being returned for DPA approval. If we previously returned a document for correction, we will accept and process those through December 7.

Question:
When is the last day SCO will accept open enrollment documents?

Answer:
The last day SCO will accept open enrollment documents is October 28th.
Anything after that will need DPA approval.

Please remember that our Garnishment Unit has 1.5 people to handle the entire State workload including CSU. Most of the information regarding garnishments is covered in the PPM. We cannot assist you in interpreting your court orders.

While we are talking about garnishments, we will not accept faxed child support forms 639CFS. This is a rule that we cannot change. Be sure to include the court orders when sending these in to us.

Ann extends her thanks to everyone for their participation in the PPRC meetings through the years.

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
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Next Meeting:

The next meeting is Thursday, **January 14, 2010** from 1:30 to 3:00 at:

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 Cynthia Rounds or Pam Keegan with pertinent information.

Listed below are the PPRC meeting dates for the 2010 calendar year. All meetings are from 1:30 to 3:00 at the above location. **Please note, all meetings for 2010 will be the second Thursday of the specific month with the exception of November 2010 due to the Veteran's Day holiday.**

January	14,	2010
March	11,	2010
May	13,	2010
July	8,	2010
September	9	2010
November	4	2010

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact either Cynthia Rounds at (916) 324-6290 or Pam Keegan at (916) 322-8805. They can also be reached via email at crounds@sco.ca.gov and pkeegan@sco.ca.gov, respectively.