

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

DATE: July 25, 2025

LEAVE ACCOUNTING LETTER #25-007

TO: All Agencies in the California Leave Accounting System (CLAS)

FROM: Lisa Dean, Acting Chief
Personnel and Payroll Services Division

RE: NEW AUDIT REPORT – PRIOR EMPLOYER LEAVE BENEFIT REPORT

The State Controller's Office is pleased to announce the launch of a new audit report, titled "PDSQ0139 – Prior Employer Leave Benefit Report" (PELB), available via [ViewDirect and Mobius View](#) beginning July 17, 2025. This report supports departments in identifying employees who carry employer-level leave benefits in the California Leave Accounting System (CLAS) from a prior department.

The report includes:

- Employee SSN
- Employee Name
- Leave Benefit ID
- Remaining Balance
- Prior Employer Name

The report is generated monthly, following the CLAS Monthly Accrual Cycle, with run dates posted on the [Civil Service Decentralized Calendar](#).

Included Leave Benefits:

Administrative Time Off (AT), Compensating Time Off (CT), Excess Hours (EH/EX), Holiday Credit (HC), Holiday Credit – Work on Holiday (HT), Personal Leave Time (LT), Medical Officer of the Day (MO), On Call Assignment (OC), Professional Leave (PR), Union Conference or Training (UC), Union Paid Leave (UL), Vacation Bank (VB), and V-Time (VT).

DEPARTMENTAL COMPLIANCE AND PROCESSING RESPONSIBILITIES

Departments are required to review each leave benefit listed in the report and take the following steps:

1. Determine whether the benefit was already paid out OR
2. Assess whether the benefit is eligible for transfer or should have been paid out to the employee prior to transfer OR
3. Identify if the benefit requires a system reset.

4. Then, locate the last leave period at the prior department at which the benefit was earned.
5. Apply the appropriate processing option based on the findings.

Processing Option 1: Transfer Remaining Balance to Current Department

This applies to the following earned leave benefits: HC, HT, LT, MO, PR, VB, VT

1. Using the B50 – LB Transaction Entry screen, key a Debit Adjust transaction (code 15) in the amount of the remaining balance for the last leave period the employee worked at the prior department. This will create a zero balance at the prior department.
2. Using the B50 – LB Transaction Entry screen for the first leave period of the appointment to your department, key a Begin Balance transaction (code 24) in the same amount, which will "transfer" the remaining balance to your department.

Note: If the last leave period of employment with the department where the remaining leave was earned is older than 5 years, only a Purge Balance transaction will be listed on the B16 – LB Transaction History Inquiry screen. In that case, follow the instructions for Processing Option 5: Contact CLAS. If the standard process is followed, it will result in error message 989055 "TRANS LEAVE PERIOD NOT WITHIN ACTIVE LEAVE HISTORY" due to the last month not being available on CLAS.

Reference: [CLAS Workbook](#), Earned Benefit Transfer Procedure, page 21.

Processing Option 2: Notify the Prior Employer that a Cash Out is required

This applies to the following earned leave benefits: CT, EX, EH, OC

1. Contact the previous employer to process the cash out of time that is not eligible to transfer with the employee.
2. Once the cash out has been processed, using the B50 – LB Transaction Entry screen, key a Lump Sum (code 37) or a Cash Out (code 36) in the amount of the remaining balance for the last leave period the employee worked at the prior department. This will create a zero balance for that leave benefit.

Processing Option 3: Key a Cash Out or Lump Sum Transaction for a Previously Paid Out Remaining Balance from Prior Department

This applies to the following earned leave benefits: CT, EH, EX, HC, HT, LT, MO, OC, PR, VT

1. Using the B50 – LB Transaction Entry screen, key a Lump Sum (code 37) or a Cash Out (code 36) in the amount of the remaining balance for the last leave period the employee worked at the prior department. This will create a zero balance for that leave benefit.

Reference: [CLAS Workbook](#), Earned Benefit Transfer Procedure, page 21.

Processing Option 4: Reset a Usage-Only Leave Benefit

This applies to the following usage-only leave benefits: AT, UC, UL

1. Using the B50 – LB Transaction Entry screen, key a Begin Total transaction (code 27) in the amount of zero for the last leave period the employee worked at the department where the time was earned. This would create a zero balance for that leave benefit.

Note: If the employee used the leave benefit you are attempting to reset during the last leave period they were employed at the agency they earned the leave, a Credit Adjust transaction (code 14) in the amount of the remaining balance should be keyed. If a reset is keyed, it will not zero out the leave benefit.

Reference: [CLAS Workbook](#), Usage Only Benefit Reset Process, page 30.

Processing Option 5: Contact CLAS

The message "CONTACT CLAS" under the Employer Name column is due to the department no longer participating on the CLAS.

1. Print out the B16 – LB Transaction History Screen displaying the leave listed on the report and keep it for your records.
2. Using the B50 – LB Transaction Entry screen for the first leave period of appointment to your department, transfer the balance to your department by keying a Begin Balance transaction [code 24 (Accrued and Earned Benefits), 25 (Regular CTO), or 26 (FSLA Premium CTO)] in the same amount, which will "transfer" the remaining balance to your department.

Note: If the benefit that you are transferring also has a begin balance or a purge balance in your department's name, you will need to complete the following additional steps:

- a. Void your department's purge/begin balance using the B52 – LB Void Transaction Entry screen.
 - b. Using the B50 screen, post a begin balance transaction to the oldest leave period on CLAS that the employee was employed with your department by combining the purge or begin balance from your agency with the purge balance from the previous agency.
3. Call the CLAS Liaison Line and leave the following information: Employee name, SSN, leave benefit needing to be deleted, confirmation of the printout (Step 1), and your contact information. The CLAS Unit will manually delete the leave benefit and contact you once it has been completed.

Additional Processing Guidance

- The B10 – LB Inquiry Screen and B14 – LB History Summary screens round balances to two decimal places. The B50 – LB Transaction screen will display the full reported amount, rounded to the thousandth place and should be used to zero out a leave benefit. Amounts below 0.004 will not appear on the B10 or B14 screen but still require action.
- Some negative balances from prior departments may not be displayed on the B10 screen. Use the B14 screen to identify the leave period where the balance became negative, which may trigger an out-of-service error. Even without an error message, such records still need correction.
- After processing, verify accuracy on the B10 screen:
 - Transferred benefits should show your department name
 - Cashed out or reset benefits should no longer appear
 - Deleted benefits must be fully removed

- If errors remain, void incorrect entries using the B52 – LB Void Transaction Entry screen and reprocess accordingly.

For additional assistance, refer to the [CLAS Workbook](#) or contact the Leave Accounting Liaison at (916) 327-0756.

For assistance with personnel or payroll related items, agencies can use the following contact information:

Contacts:

- Affordable Care Act (ACA) Email ACASupport@sco.ca.gov
- [Cal Employee Connect \(CEC\) Help and Feedback](#)
- [ConnectHR Help and Feedback](#)
- California Leave Accounting System (CLAS) Email CLAS@sco.ca.gov
- CS Escalation Email (HR Supervisors and Managers) PPSDOps@sco.ca.gov
- Decentralized Security Administration (DSA) & ViewDirect Access (916) 619-7234 or DSA@sco.ca.gov
- HR Suggestions Email (All HR Staff) PPSDHRSuggestions@sco.ca.gov
- Management Information Retrieval System (MIRS) Email PPSDMIRS@sco.ca.gov
- [Statewide Customer Contact Center](#) (SCCC) (916) 372-7200

SCO Key Initiatives:

- [Cal Employee Connect](#)
- [California State Payroll System Project](#)

Websites:

- [HR](#)
- [State Employees](#)

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