

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

DATE: May 20, 2015

PAYROLL LETTER #15-005  
(CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

FROM: Lisa Crowe, Chief  
Personnel and Payroll Services Division (PPSD)

**RE: 2015 EXCLUDED EMPLOYEE LEAVE BUY-BACK PROGRAM**

This amends Payroll Letter #15-003, dated April 28, 2015. Specifically, the calculated gross in the sample shown below. For details of the program, please reference CalHR's Personnel Management Liaison (PML) memorandum 2015-012.

Departments electing to participate in the 2015 Excluded Employee Leave Buy-Back Program must submit payment requests between May 1, 2015 and no later than June 25, 2015. Per CalHR, payments must be charged to the fiscal year 2014-2015; therefore, payments must be issue dated by June 26, 2015.

The 2015 Excluded Employee Leave Buy-Back payments are based on the employee's hourly salary rate multiplied by the number of hours bought back. For example, the calculation for an employee whose salary full rate is \$4,200.00 and the State is buying back 40 hours of annual leave credits is as follows:

Hourly Rate (\$4,200.00 divided by 173.33 hours)

\$24.23

Annual Leave hours bought back

Multiplied by 40

Annual Leave Buy Back Gross

\$969.20

Note: If the employee participates in the Voluntary Personal Leave Program (VPLP), the VPLP amount must be added to the hourly rate for calculations.

### TAXES

The 2015 Excluded Employee Leave Buy-Back payments are subject to federal and state income tax withholdings. Payments are also subject to Social Security and Medicare tax withholdings where applicable. The 2015 Excluded Employee Leave Buy-Back payments are NOT subject to retirement. The tax rates are as follows:

25% Federal Tax (flat rate)

6.6% State Tax (flat rate)

6.2% Social Security (if applicable)

1.45% Medicare (if applicable) **OR**

2.35% Medicare for wages over \$200,000 (if applicable)

## PROCESSING PAYMENTS

Submit all payment requests via the Payroll Input Process (PIP) System. Use form STD. 671, Miscellaneous Payroll/Leave Actions to document the information to enter into the PIP System and keep forms for department records. Please refer to the Payroll Procedures Manual (PPM) Section G 105 and below for form STD. 671 completion instructions and PPM Section K for PIP System instructions. Also review the PIP exceptions in PPM Sections G 045 and G 105.

Use the following Earning ID's to request Leave Buy Back payments, and manually update leave balances.

<u>PAYMENT REQUEST</u>	<u>EARNINGS ID</u>
Annual Leave and Vacation Buy Back	9V
Holiday Credit Buy Back	9H
Personal Holiday Credit Buy Back	9P
Personal Leave Buy Back- Personal Leave 1992, 2003, 2010/2011/2012 and/or	99*
Voluntary Personal Leave	

For California Leave Accounting System (CLAS) users the Earnings ID's listed below will issue Leave Buy Back payments and update CLAS leave records.

<u>PAYMENT REQUEST</u>	<u>EARNINGS ID</u>
Annual Leave Buy Back	AL34
Holiday Credit Buy Back	HC34
Personal Holiday Buy Back	PH34
1992 Personal Leave Buy Back	PL36*
2003 Personal Leave Buy Back	LD36*
2010/2011 Personal Leave Buy Back	LP36*
2012 Personal Leave Buy Back	LV36*
Voluntary Personal Leave Buy Back	PV36*
Vacation Leave Buy Back	VA34

\*For the 2015 Excluded Employee Leave Buy-Back Program, Earnings ID's 99, PL36, LD36, LP36, LV36 and PV36 "Cash Out" transactions will be used to issue payments.

Before keying via PIP, complete form STD. 671, items 1 through 3, 15 through 17, and 19 through 21 as follows:

<u>ITEM NUMBER(S)</u>	<u>ITEM NAME</u>	<u>ACTION</u>
1 through 3	Pay Period	Complete (must be May 2015 or June 2015)
15	Earnings ID	Complete
16	Days	Blank
17	Hrs/Hdths	Blank if Earnings ID = 9V, 9H, or 9P Complete if Earnings ID = 99, AL34, HC34, PH34, VA34, PL36, LD36, LP36, LV36, or PV36
19	Hourly Rate	Blank
20	WWG/FLSA	Blank
21	Computed Gross	Blank if Earnings ID = 99, PL36, LD36, LP36, or LV36 Complete if Earnings ID = 9V, 9H, 9P, AL34, HC34, PH34, PV36 or VA34

Note: Earnings ID's AL34, HC34, PH34, PV36, and VA34 will generate as Payment Type 9 with associated suffices V, H, P, or 9 payment. Also, the payments will not reflect hours paid on the payroll outputs (i.e., warrant register, Payroll On-Line Information System (POIS)).

#### FORM STD. 674 PAYMENT REQUESTS

Earnings ID's 99, PL36, LD36, LP36 and LV36 will issue as Payment Type 1(overtime). For these Earnings ID's submit a form STD. 674 to request pay only if:

1. The employee's Leave Buy Back hourly rate includes premium pays that are NOT locked-in on the employee's employment history record, or
2. The employee's premium pay is locked-in and the premium pay rate is not included in overtime payments but should be included in the leave buy back hourly rate. Please refer to the Human Resource Network (HR NET) or the CalHR Payscale for applicable pay differential information.

If an employee is off pay status during May 2015 or June 2015, pay must be requested via form STD. 674. If requesting payment using form STD. 674, do not use the CLAS earnings ID's. Refer to PPM Section G 045 and G 105 for form STD. 674 completion instructions for requesting leave buy back payments.

Please direct questions regarding Leave Buy Back payments to the Customer Contact Center at (916) 372-7200. Questions regarding CLAS should be directed to the CLAS Hot Line at (916) 327-0756.

LC:JM:PMAB