

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

DATE: December 27, 2018

PAYROLL LETTER #18-025
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Marissa Revelino, Chief
Personnel and Payroll Services Division

RE: ONE-TIME BUY-BACK/CASH OUT FOR EMPLOYEES AFFECTED BY WILDFIRES

This Payroll Letter provides information on how to process payments for one-time leave buy-back/cash out option for employees directly impacted and displaced due to the fires in Butte, Los Angeles and Ventura counties. For details about the program and employee eligibility, please reference [CalHR's Human Resources Manual Section 2104](#).

Departments must submit payment requests no later than January 11, 2019. Per CalHR, payments must be issued by January 14, 2019. The payments are based on the employee's hourly salary rate multiplied by the number of hours bought back.

For employees that receive pay differentials, each pay differential should be reviewed. If the pay differential indicates "yes" to "lump sum vacation" or "lump sum extra" the pay differential amount shall be included when calculating the eligible employee's hourly salary rate for purposes of the cash out. Refer to [CalHR's website](#) for pay differential information. If the employee participates in the Voluntary Personal Leave Program (VPLP), the VPLP amount must be included when calculating the hourly rate for purposes of the cash out.

Bargaining Unit 6 – 7K Exemption Employees

Please reference the Unit 06 Salary Conversion Tables located on [CalHR's website](#) in order to calculate the hourly rate.

TAXES

The payments are NOT subject to retirement. The payments are subject to other mandatory deductions (where applicable) and the tax rates are as follows:

- 22% Federal Tax (flat rate)
- 6.6% State Tax (flat rate)
- 6.2% Social Security (if applicable)
- 1.0% State Disability Insurance (if applicable)
- 1.45% Medicare (if applicable) **OR**
- 2.35% Medicare for wages over \$200,000 (if applicable)

PROCESSING PAYMENTS

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 see instructions below to complete the form STD. 671.

PIP Earnings IDs for non-CLAS Departments

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

PIP Earnings IDs for CLAS Departments

The following Earnings IDs will issue Leave Buy-Back payments and update CLAS leave benefits.

<u>PAYMENT REQUEST</u>	<u>EARNINGS ID</u>
Annual Leave Buy-Back	AL34
Holiday Credit Buy-Back	HC34
Holiday Credit - Work on Holiday – Buy-Back	HT34
Personal Holiday Buy-Back	PH34**
1992 Personal Leave Program Buy-Back	PL36
2003 Personal Leave Program Buy-Back	LD36
2010 Personal Leave Program Buy-Back	LP36
2012 Personal Leave Program Buy-Back	LV36
VPLP Buy-Back	PV36
Vacation Buy-Back	VA34

* For BU06 7K- exemption employees use the Earnings IDs for non-CLAS departments to issue payment and update leave balances manually in LAS.

**Personal Holiday is cashed out in units, not hours. When using PH34, units must be keyed as days.

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

<u>ITEM NUMBER</u>	<u>ITEM NAME</u>	<u>ACTION</u>
1 through 3	Pay Period	Complete
15	Earnings ID	Complete
16	Days	Complete with PH units if Earnings ID = PH34
17	Hrs/Hdths	Blank if Earnings ID = 9V, 9H, or 9P Complete if Earnings ID = 99, AL34, HC34, HT34, 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, HT34, PV36, VA34 or PH34

If an employee is off pay status during the cash out pay period, pay must be requested via form STD. 674. If requesting payment using form STD. 674, do not use the CLAS Earnings IDs. Refer to PPM Section G 105 for form STD. 674 completion instructions.

Please direct questions regarding cash out payments to the Statewide Customer Contact Center at (916) 372-7200. Questions regarding CLAS should be directed to the Leave Accounting Liaison at (916) 327-0756.

MR:AFB:PMAB