

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

DATE: September 13, 2019 PAYROLL LETTER #19-017

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: Marissa Revelino, Chief
Personnel and Payroll Services Division

RE: LUMP SUM SEPARATION PAY AND DEFERRAL CONTRIBUTIONS

As the year-end peak workload of employee separations with lump sum deferrals quickly approaches, the Personnel and Payroll Operations Bureau (PPOB) would like to remind agencies/campuses of some important dates as well as procedures and tools available to prepare the separation PAR/PPT and supporting documentation.

NEW Support for 2019 Lump Sum Separation Pay Documentation and Processing

- Lump Sum Separation Pay Quick Start Guide and Checklist: This Guide & Checklist covers common steps when preparing lump sum separation pay, and provides helpful hints for those more challenging parts of the documentation and processing. It includes important dates and timelines, links to relevant forms, manuals, and FAQs, as well as helpful tools. Because it is limited in scope, it should be used along with the relevant manuals and training documents. Notification of when it is available will be through the ListServ.
- Civil Service (CS) PAR Tracker email notification: SCO (State Controller's Office) will send an email to the contact name on the PAR to notify agencies when a PAR package is received.

Savings Plus Lump Sum Separation Pay Contribution Election Form

- The Savings Plus Lump Sum Separation Pay Contribution Election Form (Election Form) must be signed, dated, and officially submitted by the employee at least five workdays (Monday through Friday, excluding Saturdays, Sundays and legal holidays) prior to the separation effective date. Agencies/campuses should encourage employees to submit the necessary documentation 30-45 days in advance to allow time to address questions, verify calculations of the lump sum, and prepare the PAR/PPT.
- The SCO and CalHR recommend that agencies/campuses date stamp documents when received. PPOB will cancel and return any PAR/PPT packages when the employee documentation does not meet the five day requirement (see the Election Form and California Labor Codes 201 and 202).

Deferring Into the Next Tax Year

- For those employees deferring into the next tax year, agencies/campuses must indicate on the PAR/PPT a separation effective date in November or December only. (The employee's CalPERS retirement date must be on or after November 2, 2019; employees with a CalPERS retirement date before November 2, 2019, do not qualify to defer into the 2020 tax year.)

Questions, Concerns and Errors

- To help avoid lengthy processing times, missing important deadlines, or the need for SCO to contact you regarding questions, concerns, or errors on the PAR/PPT or other documents, it is recommended that you use the Lump Sum Separation Pay Quick Start Guide and Checklist along with relevant manuals and training documents when documenting forms.
- PPOB will attempt to contact the agency/campus contact or alternate contact regarding PAR/PPT errors. However, if PPOB does not receive a response by close of business (COB) the following working day, the PAR/PPT will be cancelled and returned. For example, if PPOB leaves a voicemail message on Friday and does not receive a response from the agency by Monday COB, PPOB will cancel the PAR/PPT and return it to the agency/campus contact. PPOB will notify the agency/campus of the PAR/PPT being cancelled via email and a hard copy notice may also be sent.

Dates and Guidelines for Submitting All Required Documents to SCO

- PPOB recommends mailing/faxing/hand delivering the PAR/PPT to SCO as early as possible.
- The month of separation determines the date or timeline by which documents must be received by SCO. See the dates in the table below to allow SCO adequate time to process incoming separations. PAR/PPT packages received by SCO after the dates specified will be processed; however, there may be charges assessed by CalHR to the agency/campus (as stated in section 1802 of the CalHR Manual) and/or a corrected W-2 for the 2019 tax year.
- SCO will send an email to the contact name on the PAR to notify agencies when a PAR package is received.

Separation Month	1st PAR Received at SCO by...	2nd PAR Received at SCO by...
September-October	As early as possible	NA
November	12/12/19	12/27/19
December	12/12/19	1/10/20

- Refer to the weekly processing dates on the SCO website to monitor processing times.
- Delivery Options
 - **Mail:**
Personnel and Payroll Services Division PO Box 942850
Sacramento, CA 94250-5878
Attn: CS Personnel/Lump Sum PAR or CSU Personnel/Lump Sum PPT
 - **Fax:** Fax one copy of the PAR/PPT and supporting documents to PPOB. Include item 10 remarks on the fax cover sheet and do not reduce the size of the original documents, as data may be too small to read. Please do not call to verify that PPOB received your fax. You will receive an email confirmation upon receipt. Include an agency/campus contact name, complete telephone number including extension and identify an alternate contact on the fax cover page. PPOB will communicate with the agency/campus contact or the alternate contact as needed.
 - Civil Service and Statutory PARs fax to (916) 322-8865
 - CSU PPTs fax to (916) 322-8113
 - **Hand delivery:** The receptionist window is open from 8:00 a.m. – 5:00 p.m. and located on the 10th Floor at 300 Capitol Mall, Suite 1001. Please provide a contact name, complete telephone number including extension, and an alternate contact on the PAR/PPT so that we may contact you or the alternate contact as needed.

- **Please be advised this is a time sensitive workload, so if PPOB processed the lump sum package as requested, we will not reprocess the documents. Please provide the appropriate information to your employees to ensure they make a thoughtful decision regarding their options before submitting documents. The Savings Plus website includes a [Learning Center](#) to help employees with items that they should consider when retiring.**

Please refer to the SCO Statewide Customer Contact Center (SCCC) at (916) 372-7200 for further assistance, or visit the [SCO website](#) for additional contact information.

For questions related to PAR/PPTs, please contact the liaisons for Civil Service (CS) or CSU Personnel.

For assistance with payroll or deferred compensation please contact the liaisons for CS or CSU Payroll. Please refer to the [SCCC Call Tree](#) on the SCO website to aid in directing your call to the appropriate area.

MR:RM:DH:PPOB