

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

DATE: July 31, 2023

PAYROLL LETTER #23-009
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Jil Barraza, Chief
Personnel and Payroll Services Division

RE: IMPROVING AFFORDABILITY AND ACCESS TO HEALTH CARE – BARGAINING UNITS R01, R03, R04, R08, R11, R14, R15, R17, R20, R21, ASSOCIATED EXCLUDED, AND EXEMPT EMPLOYEES

The California Department of Human Resources (CalHR) modified the eligibility criteria for Improving Affordability and Access to Health Care Payments for SEIU represented, associated excluded and exempt employees and they are no longer eligible as of the July 2023 pay period.

Effective July 1, 2023, only Bargaining Unit 08 and associated excluded employees will continue to receive a \$260 payment for each month they are enrolled in a state-sponsored health plan per civil service Pay Differential 440. Please reference the Pay Differential for additional information on eligibility criteria and exclusions using the following link:

[CalHR Pay Differentials](#)

If an employee is receiving Flex or CoBen Cash or is not enrolled in a state-sponsored health plan they will not receive this payment. Any questions regarding the Flex Elect Cash Option can be sent to flexelect@calhr.ca.gov.

The State Controller's Office (SCO) will continue to use Earnings ID "GHCP" to issue this monthly payment of \$260.00. The payment is not to be prorated; therefore, it cannot be locked in on the employment history record and must issue as a supplemental payment. The earning description on the employee's warrant will be 'HLTHCASHPMT'.

These payments are NOT subject to retirement. These 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)
- 0.90% State Disability Insurance (if applicable)
- 1.45% Medicare (if applicable) **OR**
- 2.35% Medicare for wages over \$200,000 (if applicable)

SCO will continue to identify eligible records and issue the supplemental payments for only active employees in permanent, limited-term & temporary (more than 6 months) full-time and part-time (half-time or more) positions, if the employee is enrolled in a state-sponsored health plan and the deduction is established on the employee’s payroll record. The payments will issue with the first daily payroll cycle after the close of each business month. The payments will reflect the same pay period as the health plan eligibility pay period. The automated process will exclude employees that have Flex Elect or Consolidated Benefits (CoBen) Cash benefit established on their payroll record. Agencies must continue to follow the processing procedures below for all other eligible employees not captured by the SCO’s automated process.

PROCESSING PROCEDURES

Agencies will be responsible for identifying and processing payments monthly for eligible employees on Disability/Military Leave, Separated and employees that are in the following categories:

<u>Tenure</u>	<u>Time base</u>
Permanent	Intermittent (PI) – 480 or more paid hours/Control Period (or 960 paid hours in two consecutive Control Periods to qualify to continue coverage)
Permanent	Part-Time - less than half-time (if more than one position combined is half-time or more)
Limited-Term (more than 6 months)	Part-Time - less than half-time (if more than one position combined is half-time or more)
Temporary (more than 6 months)	Part-Time - less than half-time (if more than one position combined is half-time or more)

Agencies will be responsible for identifying any other eligible active employee that was not captured in SCO’s mass payment process.

Agencies should process this payment via the Payroll Input Process (PIP) System using Earnings ID “GHCP”. Use form STD. 671, Miscellaneous Payroll/Leave Actions to document the information and keep forms for department records. Refer to Payroll Procedures Manual (PPM) Section G 105 for STD. 671 completion instructions. Payments are to be processed using the same month as eligible pay period. Refer to Section K in the Payroll Procedures Manual (PPM) for keying instructions – [SCO PPM](#).

PAYROLL ADJUSTMENTS

The \$260 payment amount must be included in an employee’s regular rate of pay for overtime purposes.

Submit all overtime payment requests via the 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. Refer to Sections G and K in the PPM for form completion and keying instructions.

If an employee receive a payment in error, please follow the warrant return process in Sections I and J in the PPM.

For additional questions regarding this letter, please 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 & 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](#) (916) 372-7200

SCO Key Initiatives:

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

Websites:

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

JEB:AFB:BPA