

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

DATE: December 28, 2023

PAYROLL LETTER #23-027
(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 PAYMENT FOR STATE EMPLOYEES
INTERNATIONAL UNION RELATED EXCLUDED AND EXEMPT EMPLOYEES**

The California Department of Human Resources (CalHR) modified the eligibility criteria for Improving Affordability and Access to Health Care Payments, adding State Employees International Union (SEIU) related excluded and exempt employees for the pay period beginning December 2023.

Eligible employees will receive a \$260.00 payment for each month they are enrolled in a state-sponsored health plan per civil service Pay Differential 440 and the Exempt Pay Differential. Please reference the Pay Differentials for additional information on eligibility criteria and exclusions using the following links:

[CalHR Pay Differentials](#)

[exempt-salary-schedule.pdf \(ca.gov\)](#)

The State Controller's Office (SCO) will continue to use Earnings ID "GHCP" for the health care cash payment of \$260.00 to be paid monthly. 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 is "HLTHCASHPMT".

These payments are NOT subject to retirement. These payments are subject to other mandatory deductions (where applicable) and the 2024 tax rates are as follows:

- 22% Federal Tax (flat rate)
- 6.6% State Tax (flat rate)
- 6.2% Social Security (if applicable)
- 1.1% State Disability Insurance (if applicable)
- 1.45% Medicare (if applicable) **OR**
- 2.35% Medicare for wages over \$200,000 (if applicable)

AUTOMATED PAYMENT PROCESS

The SCO will identify eligible records and issue the supplemental payments for only active employees in permanent, limited-term & temporary (more than six 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 a FlexElect or Consolidated Benefits (CoBen) Cash benefit established on their payroll record. Agencies must follow the processing procedures below for all other eligible employees not captured by the SCO's automated process.

Updates to the [\\$260 Healthcare Cash Payment SEIU, Excluded & Exempt FAQs](#) webpage are forthcoming.

AGENCY PROCESSING PROCEDURES

Payment Processing

Agencies will be responsible for identifying and processing payments monthly for eligible employees on Disability/Military Leave, separated employees, 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)

Each month, agencies will be responsible for identifying and processing payments for 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 issued using the same month as the eligible pay period and processed in the following month of eligibility. Refer to Section K in the Payroll Procedures Manual (PPM) for keying instructions – [SCO PPM](#).

Agencies must submit a STD. 674 and/or STD. 674D via ConnectHR; select the appropriate program and document type for payments that cannot be keyed via PIP.

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 and keep forms for agency records. Refer to Sections G and K in the PPM for form completion and keying instructions. Agencies must submit a STD. 674 via ConnectHR; select Premium Pay- Std. 674 GHCP for payroll adjustments that cannot be keyed via PIP.

If an employee receives 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 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](#) (916) 372-7200

SCO Key Initiatives:

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

Websites:

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

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