

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

DATE: May 16, 2025

PAYROLL LETTER #25-003
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Lisa Dean, Acting Chief
Personnel and Payroll Services Division

**RE: PERSONNEL/PAYROLL SPECIALIST/SUPERVISOR ANNUAL RECRUITMENT AND
RETENTION PAY**

In previous years, the State Controller's Office (SCO) provided employee listings and employment/payroll history summaries to assist agencies in processing the annual Personnel/Payroll Specialist/Supervisor classifications' Recruitment and Retention (R & R) Pay Differential 240.

The State Controller's Office has determined that this reporting is no longer useful for departments on a once-a-year basis. Pay Differential 240 specifies that eligible employees who are employed for 12 consecutive qualifying pay periods after January 1, 2001, shall be eligible for this R & R pay differential, payable 30 days following the completion of every 12 consecutive qualifying pay periods in accordance with the corresponding qualifying pay periods and eligibility.

This results in departments issuing R & R payments in the appropriate pay period for each employee, which may not fall in January when SCO has released the report in past years.

General Information:

- Eligible class codes are 1303, 1304, 1309, 1311, 1314, 1315, and 1317.

As noted in Pay Differential 240, all employees in the above classifications who are performing duties outlined in the class specifications and who are employed for 12 consecutive qualifying pay periods, shall be eligible for this recruitment and retention pay differential, payable 30 days following the completion of every 12 consecutive qualifying pay periods.

- R & R pay is to be issued from the employee's most recent eligible position, regardless of mid-year movement between agencies.
- If an employee promotes out of the Personnel Specialist/Supervisor and Payroll Specialist/Supervisor classification series, they will be eligible for a prorated payment for those months. For the purpose of this pay differential, movement to a Staff Services Analyst (SSA) will be considered a promotion.
- When the employee is on an unpaid leave of absence or has a disqualifying pay period, only the time that qualifies before and after will count towards the qualifying time needed to satisfy the 12-month criteria. Time while on Workers Compensation or Industrial Disability Leave is considered qualifying.

- Employees at the Department of Corrections and Rehabilitation impacted by the realignment, who currently receive this differential and who demote in lieu of a layoff, will be eligible for a prorated payment for those qualifying months served.
- Retired annuitants are not eligible for the R & R pay.
- Employees on Training and Development (T & D) assignments are not eligible for the R & R pay.

EXCEPTION: If an employee is appointed on a T & D assignment to the SSA classification, the employee will be eligible for a prorated payment for those qualifying months.

NOTE: SCO will no longer be sending out this Payroll Letter as all the information about requirements is in Pay Differential 240. Additionally, the guidelines on how to determine the rate for calculating overtime for employees in receipt of the R & R pay will not change and can be found at the following link: [Payroll Letter 23-001](#).

For additional questions, 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](#) (SCCC) (916) 372-7200

SCO Key Initiatives:

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

Websites:

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

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