

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

DATE: July 21, 2025

PAYROLL LETTER #25-005
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

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

**RE: REVISED - OTHER POST-EMPLOYMENT BENEFITS PRE-FUNDING CHANGES
EFFECTIVE JULY 1, 2025**

Effective July 1, 2025, Other Post-Employment Benefits (OPEB) Retiree Health contribution rates for Bargaining Units 2, ~~5~~, 7, 8, 9, 12, 13, 18 and 19, including related excluded and exempt employees have been ~~modified~~ **suspended**.

Pursuant to the agreement between the State of California and Bargaining Units 2, ~~5~~, 7, 8, 9, 12, 13, 18 and 19, please refer to the following Articles in the Memorandum of Understanding (MOU) or Side Letter agreements here: [CalHR Bargaining Unit Search](#)

- California Attorneys, Administrative Law Judges and Hearing Officers in State Employment (CASE) – Bargaining Unit 2

Article 14.7 of the MOU

- ~~• California Association of Highway Patrolmen (CAHP) – Bargaining Unit 5~~

~~Article VII Section 41 of the MOU~~

- California Statewide Law Enforcement Association (CSLEA) – Bargaining Unit 7

Article 28 of the MOU Tentative Agreement

- CAL FIRE Local 2881 – Bargaining Unit 8

Article 13.13 of the MOU Tentative Agreement

- Professional Engineers in California Government (PECG) – Bargaining Unit 9

Article 28 of the MOU Tentative Agreement

- International Union of Operating Engineers (IUOE) – Bargaining Unit 12

Article 11.13 of the MOU

- International Union of Operating Engineers (IUOE), Locals 39 and 501, AFL-CIO – Bargaining Unit 13

Article 10.11 of the MOU

- California Association of Psychiatric Technicians (CAPT) – Bargaining Unit 18

Side Letter

- American Federation of State, County, and Municipal Employees (AFSCME) – Bargaining Unit 19

Article 11.1 of the MOU Tentative Agreement

The State Controller's Office (SCO) implemented the new OPEB contribution rates effective July 1, 2025 (July 2025 pay period). No action from agencies is required to update OPEB contribution rates.

However, payroll for eligible employees that issued July 2 or July 3, 2025, may have an incorrect OPEB contribution rate. Departments are required to submit Standard 674 forms to adjust payroll for impacted employees.

For specific information regarding eligibility and policy details, please refer to the California Department of Human Resources (CalHR) Policy Statement in the Human Resources Manual.

For specific information regarding contribution rates for Bargaining Units, please refer to the Memorandum of Understanding on CalHR's [Bargaining/Contracts](#) webpage.

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](#) (SCCC) (916) 372-7200

SCO Key Initiatives:

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

Websites:

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

LD:TG:BSSM