DATE: February 7, 2008

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

FROM: DON SCHEPPMANN, Chief
Personnel/Payroll Services Division

RE: PAYROLL PROCEDURES MANUAL – JANUARY REVISION # 01 - 08

The Internet version of the Payroll Procedures Manual (PPM) has been updated and the sections below have been replaced with the current PDF version for January 2008. The manual can be obtained by accessing the State Controller’s Office public web site at: [http://www.sco.ca.gov/ppsd/ppm/index.shtml](http://www.sco.ca.gov/ppsd/ppm/index.shtml).

The Table of Contents (TOC) has been updated. The sections within the TOC will now link to the particular sections within the PPM from the SCO web shtml page: [http://www.sco.ca.gov/ppsd/ppm/toc.shtml](http://www.sco.ca.gov/ppsd/ppm/toc.shtml).

Vertical revision bars in the right margins indicate additions, deletions, or changes. Revision bars are not inserted for format and minor grammatical changes.

The revised sections for the January 2008 PPM are provided below.

Section A 004 - Business Month, SDI added.

Section B 036 - Earnings ID Codes, revised.
075 - Earning Statement Deduction Descriptions Alphabetical Listing, code added.

Section E - 001- Types of Disability, SDI added.
002 - Program Responsibilities, SDI added.
004 - PIP Documentation, SDI added.
009 - Disability Payments/Deductions, SDI added.
103 - Civil Services NDI Benefits Chart, SDI added.
400 - IDL/Civil Service, SDI added.
402 - IDL Restrictions, SDI added.
408 – Deductions, SDI added.
409 - Computation of Benefit Amount, revised and SDI added.
411 - Special Processing, SDI added.
450 - IDL/S Civil Service - Introduction, SDI added.
453 - Deductions, revised and SDI added.
458 - IDL/S Computation Formula, SDI added.
800 - State Disability Insurance, new section added.
Section G

023 - General Information, SDI added.
043 - General Information, SDI added.
053 - General Information, SDI added.
054 - Shift Differential Pay Determination Chart, revised.
105 - General Information, SDI added.
105 - Processing Procedures/Methods, SDI added.
105 - Miscellaneous Payments Processing Chart, SDI added.
153 - General Information, SDI added.
303 - General Information, SDI added.
502 - Taxes, revised and SDI added.
603 - General Information, SDI added.
703 - General Information, SDI added.
828 - General Information, SDI added.
928 - General Information, SDI added.

Section H

002 - Mandatory Deductions, SDI added.
012 - Payments Subject to Deductions, SDI added.
013 - Deductions Allowed Separation/Transfer/Settlement Chart, SDI added.
150 - Earned Income Credit, revised.
151 - Advanced EIC Eligibility, revised.
158 - Earned Income Credit Advanced Payment Formula, revised.
256 - Contribution Rate/Limitation on Deductions, revised.
275 - Contribution Rate/Limitation on Deductions, revised.
300 - Levy on Earnings (Garnishments), revised.
325.1 - Termination of Garnishments, new section added.
508 - Restrictions, revised.
752 - Civil Service Flexelect Plan, SDI added.
783 - Civil Service Coben Eligibility Plan, SDI added.
825 - Family and Medical Leave Act, SDI added.
827 - Completion of Form STD. 674, SDI added.

Section I

003 - Deduction Arrears Accounts Receivable, SDI added.
005 - Deduction Offsets, SDI added.
006 - Prior Year Accounts Receivable Form W-2C, SDI added.
705 - Corrected Form W-2, Form W-2C, SDI added.
902 - Reporting and Withholding, SDI added.
912 - PPSD 21 Completion, SDI added.
913 - Forms W-2, W-2C and 1099 - Misc, SDI added.

Section N

103 - Salary Advances, SDI added.
104 - Salary Advances Paid/Offset Report, Form STD 422, revised.
106 - SCO Procedure, revised.
109 - “Initial” Form STD. 422 Completion, revised.
111 - “Offset” Form STD. 422 Completion, revised.
171 - Withholding Requirements, SDI added.
172.1 - Form STD. 675 Completion, SDI added.
Section Z - Due to the size of this section, downloading it has become difficult. To alleviate this, Section Z has been divided into 5 Sections. You can now go to Section Z - Index and navigate to the particular section desired.

Section Z - Attachment 1-8, Warrant for Deceased Employee (sample letter), SDI added. Attachment I-11, Deceased Employee Data (PPSD 21) (Reverse), SDI added.

PLEASE NOTE: For instructions to subscribe or unsubscribe to the Automated LISTSERV Management System (LISTSERV), go to: http://www.sco.ca.gov/ppsdpmm/index.shtml.

If you have any comments/suggestions or questions that would benefit the PPM, please contact Terri Yarbrough at (916) 324-7255 or via email at tyarbrough@sco.ca.gov.

DS:TY:CSS