STATE OF CALIFORNIA	JOHN CHIANG,
	California State Controller

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

DATE: February 3, 2010

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

FROM: Lisa Crowe, Chief
             Personnel and Payroll Services Division (PPSD)

RE: **PAYROLL PROCEDURES MANUAL (PPM) –JANUARY 2010 REVISION - #01-10**

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 2010. The manual can be obtained by accessing the State Controller's Office public website.

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 2010 PPM are provided below.

SECTION	**REVISION**
Section E:	**458** – Mandatory Tax Withholding Factor, updated with 2010 effective dates and figures.
Section H:	**108** – Federal Withholding Tax Formula, updated with 2010 figures.
Section H:	**111** – California Personal Income Tax Formula, updated with 2010 figures.
Section H:	**150** – Earned Income Credit, updated with 2010 figures.
Section H:	**151** – Advance EIC Eligibility, updated with 2010 figures.
Section H:	**158** – Earned Income Credit Advanced Payment Formula, updated with 2010 figures.
Section H:	**256 & 275** – Contribution Rate/Limitation on Deductions, updated for 2010.
Section H:	**316** – Computation – Federal Tax Levy Code 339/003, updated with 2010 figures.
Section I:	**032** – Accounts Receivable Offset – Leave Credit Use, updated Medicare formula.
Section N:	**171** – Withholding Requirements, updated SDI figures.
Section N:	**172.1** – Form Std. 675 Completion, updated State Income Tax amount for 2010.

PLEASE NOTE: Visit our public website for instructions to subscribe or unsubscribe to the Automated LISTSERV Management System (LISTSERV).

If you have any comments/suggestions or questions that will benefit the PPM, please contact Alice Contreras at 916-322-0683 or via email: acontreras@sco.ca.gov.

LC:AC:CSS