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OFFICE OF STATE CONTROLLER  
PERSONNEL/PAYROLL SERVICES DIVISION  
300 Capitol Mall  
P.O. Box 942850  
Sacramento, CA 94250-5878

DATE : June 20, 1997

PAYROLL LETTER #97-009  
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: RALPH ZENTNER, Chief  
Personnel/Payroll Operations Bureau

RE: NON-INDUSTRIAL DISABILITY ANNUAL LEAVE SUPPLEMENTATION

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PLEASE NOTE: YOU WILL NOT RECEIVE A HARD COPY OF THIS PAYROLL LETTER  
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The purpose of this letter is to provide instructions and clarification on documenting Non-Industrial Disability Annual Leave Supplementation at 100%. Following are the processing steps to use in most cases.

1. Update Employment History using Transaction Type SPC with 957 Code 22 completed. This identifies to Employment History that an initial or new NDI benefit begins and the employee remains on pay status. For Role Code 1 and 2 employees a Master Payroll Warrant will continue to be generated. These warrants may be released to employees on payday.
2. Submit a form STD. 674D, Industrial/Non-industrial Disability Pay/Adjustment Request, for each pay period requesting "Transfer of Funds" from regular pay to NDI pay. Since NDI is not subject to retirement this will also generate a Retirement Adjustment.
3. If your department is on the California Leave Accounting System (CLAS), update CLAS for the amount of Leave usage needed to achieve 100%. For those not on CLAS, make sure to charge employees for the Leave necessary to achieve 100% Supplementation.
4. When NDI benefits end, update Employment History by using a Transaction Type SPC with 957 Code 23.
5. If you currently have an employee off pay status on a S49 transaction but would like to use the method outlined in this letter, process an A03 Transaction with a 957 Code 22. This will update Employment History to reflect that the employee returns to pay status from S49, but NDI benefits continue. When NDI benefits end, update Employment History by using a Transaction Type SPC with a 957 Code 23.

These instructions are for employees who have elected 100% Supplementation and who have enough Leave Credits available to allow them this option.

## Exception

If the employee has a garnishment filed under any of five garnishment/levy types, you should take the employee off active pay status using the S49 Transaction as the following garnishment/levies are exempt from NDI payments.

GC 926.8	- Federal Tax levy
CCP 706.072, R&T 10878	- State Tax levy
CCP 706 – 125	- Earnings Withholding Order
CCP 706.074	- Board of Equalization
UI 1755	- Unemployment Insurance

Failure to do this method would result in the withholding of too much monies for the garnishment/levy.

If you have any questions, call the Disability Telephone Liaison Unit at (916) 322-3619 or CALNET 492-3619.

RZ:TSSS:lj