

CIVIL SERVICE STATE EMPLOYEE GUIDE TO RETIREMENT

BY THE STATE CONTROLLER'S OFFICE

10/31/2025

Table of Contents

Introduction	3
Purpose	3
Resources	3
Civil Service Employee Guide to Retirement	4
STEP 1: File for Retirement.....	4
STEP 2: Inform Personnel Specialist of Retirement Date.....	4
How to Determine Separation Date from Retirement Date	4
STEP 3: Review Options for Unused Compensable Leave Credits.....	5
Run-Out Unused Leave Credits.....	5
Lump Sum Separation Pay Cash Payment.....	5
Lump Sum Separation Pay Contribution into Savings Plus 401(k)/457(b) Account.....	5
Combination of Run-Out, Cash Payment, and/or Savings Plus Contribution	5
If Eligible, Defer Lump Sum Separation Pay into Two-Tax Years.....	5
STEP 4: Complete the Lump Sum Separation Pay Contribution Election Form ...	6
Your Signed Election Form Is Irrevocable.....	6
Know Your Submission Deadline, and Submit Timely	6
Complete the Election Form Accurately.....	8
Know your Contribution Limits and Catch-Up Options.....	8
Submit the 457(b) Traditional Catch-Up Contribution Approval Letter, If Eligible	8
STEP 5: Enroll for Retirement Benefits	9
Health Insurance.....	9
Dental Insurance.....	9
Vision Insurance	9
Group Legal Services Insurance Plan.....	10
Life Insurance – Excluded Employees Only.....	10
CalPERS Health Program Plan for Family Members.....	10
STEP 6: Submit Final Timesheet(s)	10
STEP 7: Cancel Direct Deposit.....	10
STEP 8: Review Tax Withholdings and W-2 Information.....	11
Tax Withholdings and Lump Sum Payments	11
W-2 and Lump Sum Contribution into a Savings Plus Account	11
STEP 9: Submit an EAR Form for Change of Address, if applicable, and Update CEC Email.....	11
Civil Service Employee Retirement Checklist	12

Introduction

Purpose

This Civil Service Employee Guide to Retirement was written by the State Controller's Office to aid State of California employees who are preparing for retirement. This guide is to complement, and does not replace, information provided by the California Department of Human Resources (CalHR), the California Public Employees' Retirement System (CalPERS), Savings Plus, or your departmental Human Resources Office. Contact your Personnel Specialist to help you through this process. If you are unsure whom to contact, please use the [California Personnel Office Directory](#) for assistance.

Resources

This guide often references CalHR, CalPERS and Savings Plus. These three resources are important and necessary through the retirement process. Below is the general contact information for all three:

CalHR

- Website: [CalHR State Retirees \(ca.gov\)](#)
- Additional Website: [CalHR Preparing for Retirement \(ca.gov\)](#)

CalPERS

- Website: [California Public Employees' Retirement System - CalPERS](#)
- Phone: (888) 225-7377

Savings Plus

- Website: [Savings Plus \(savingsplusnow.com\)](#)
- Phone: (855) 616-4776

Civil Service Employee Guide to Retirement

STEP 1: File for Retirement

Review the [CalPERS Retirement Planning Checklist](#).

Review the [Service Retirement Election Application](#).

File your retirement with CalPERS, preferably through their online portal. **Log into myCalPERS**, go to the **Retirement** tab and select **Apply for Retirement**. CalPERS will allow you to file your application up to 120 days before your retirement date ([Service Retirement Election Application](#), p. 1). You may call CalPERS at (888) 225-7377 for more information.

Important Note: Section 9 of the Service Retirement Election Application

- Section 9 of the Service Retirement Election Application determines if you want to *decline* continuation of your CalPERS health coverage into retirement (shown below). If you want to keep your current CalPERS health coverage into retirement, do not select the check box (highlighted in red).

Section 9	CalPERS Health Coverage
	<p>If you are currently enrolled in your own right for CalPERS health benefits, you can continue your health enrollment into retirement with no break in coverage.</p> <p>If you do not want health coverage, you must cancel retiree health coverage by declining coverage below. You may be eligible to enroll in health coverage during the next Open Enrollment period.</p> <p><input type="checkbox"/> I decline continuation of my CalPERS health coverage into retirement.</p>

- Retirement health coverage options are covered below in [Step 5: Enroll for Retirement Benefits](#).

STEP 2: Inform Personnel Specialist of Retirement Date

You must initiate the retirement process with your Personnel Specialist as soon as possible. CalPERS does not inform your Personnel Specialist that you filed for retirement. Your Personnel Specialist processes many of your retirement forms, and they require advance notice.

How to Determine Separation Date from Retirement Date

Your separation date is different from your retirement date. Your separation date is typically one day before your retirement date. For example, if you retired on May 10, 2024, then your separation date would typically be May 9, 2024.

You need to know your separation date because many retirement forms have deadlines based on your separation date and not your retirement date. Ask your Personnel Specialist if you are unsure. Your Personnel Specialist also has deadlines based on your separation date.

STEP 3: Review Options for Unused Compensable Leave Credits

The cash value of your unused compensable leave credits is called your Lump Sum Separation Pay. Contact your Personnel Specialist for an estimate of your Lump Sum Separation Pay available at the time of separation. You have the following options with Lump Sum Separation Pay:

1. Run-out unused leave credits;
2. Receive Lump Sum Separation Pay as a cash payment;
3. Contribute Lump Sum Separation Pay into a Savings Plus 401(k) and/or 457(b) account(s);
4. Combination of two or more of the options above; and
5. If eligible, defer funds between two tax years.

Below is a detailed summary of each option.

Run-Out Unused Leave Credits

Depending on your Department's policy, you may use some, or all, of your unused leave credits by submitting timesheets up until your separation date. Speak with your Personnel Specialist to see if this option is available for you.

Lump Sum Separation Pay Cash Payment

You may receive all or part of your Lump Sum Separation Pay as a cash payment.

Lump Sum Separation Pay Contribution into Savings Plus 401(k)/457(b) Account

You may contribute all or part of your Lump Sum Separation Pay into a Savings Plus 401(k) and/or 457(b) account(s) (up to the annual IRS limits). Learn more at [Savings Plus Lump Sum Separation Pay](#) and by contacting Savings Plus at (855) 616-4776.

If interested in the Savings Plus option, review [STEP 4: Complete Lump Sum Separation Pay Contribution Election Form](#) in this guide to learn the deadline for submitting your Election Form, and to learn how to correctly fill out the Election Form.

Combination of Run-Out, Cash Payment, and/or Savings Plus Contribution

You may also use a combination of two or more of these options. You could run out a portion of unused leave time, cash out a specific dollar amount, and/or contribute into a Savings Plus account.

If Eligible, Defer Lump Sum Separation Pay into Two-Tax Years

If your separation date is in November or December, you have the option to defer Lump Sum Separation Pay into the current tax year, the next tax year, or both. Accordingly, you may defer the following into the current and/or next tax year: a lump sum cash payment, contributions into a Savings Plus 401(k) and/or 457(b) account(s), or a combination of both. Your eligibility is based on your separation date and not retirement date. Refer to [How to Determine Separation Date from Retirement Date](#) in this guide.

STEP 4: Complete the Lump Sum Separation Pay Contribution Election Form

If you choose to contribute any Lump Sum Separation Pay into a Savings Plus 401(k) and/or 457(b) account(s), you must complete and submit the [Lump Sum Separation Pay Contribution Election Form](#). (Before completing the Election Form, please contact your Personnel Specialist for an estimate of your Lump Sum Separation Pay.)

Review the following Election Form requirements to ensure proper processing. In addition, please review the FAQ on the Savings Plus [Lump Sum Separation Pay](#) page prior to completing the Election Form. Contact Savings Plus at (855) 616-4776 if you have any questions.

Your Signed Election Form Is Irrevocable

- Once signed, dated, and submitted to your Personnel Office, the Election Form cannot be changed, amended, or revoked.

Know Your Submission Deadline, and Submit Timely

Officially submit a completed Election Form to your Personnel Office *at least* 30 days prior to separation from service. This allows time for reviewing and processing. Save a copy for your records. (Note: You may wish to have your Personnel Specialist review an unsigned draft of your completed Election Form before officially submitting the signed and dated version.)

- **Your Submission Deadline:** Your deadline is based on your separation date and not retirement date. The State Controller's Office uses the signature date on your Election Form to determine if you submitted your Election Form prior to the deadline.
- **California Labor Code Sections [201](#) and [202](#):** In accordance with these labor codes, the Election Form cannot be accepted past five (5) workdays prior to your separation date. Workdays do not include holidays or weekends.
- **Late Submissions:** If you submit the Election Form after the five (5) workday threshold, the State Controller's Office will not process your Lump Sum Contribution request per the California Labor Codes section 201(b) and 202(b). You will receive a lump sum cash payment instead.
- **Remember, the Election Form is Irrevocable:** Make sure you know your submission deadline and submit your Election Form timely.

How to Determine Your Election Form Submission Deadline

Review the examples below to learn your submission deadline.

Example #1 – Retiring in September 2024:

If you retire on September 13, 2024, then your separation date would be September 12, 2024. The last day you can submit the Election Form to your Personnel Specialist is September 5, 2024.

If you submit after September 5th (such as Friday, September 6th), the State Controller's Office will not process your contribution request per California Labor Codes 201(b) and 202(b). You will instead be issued a lump sum cash payment.

The image below shows this example.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Sept 1	2	3	4	5	6	7
				Workday #5 Last Day to Submit Election Form	Workday #4	Weekend
8	9	10	11	12	13	14
Weekend	Workday #3	Workday #2	Workday #1	Separation Date	Retirement Date	

Example #2 – Retiring in November 2024 and around a holiday:

This example shows how holiday days are not counted as 'Workdays'.

If you retire on December 6, 2024, the last day to submit the Election Form is November 26, 2024. You can submit before November 26th (for example, November 25th). But if you submit after November 26th (such as November 27th), the State Controller's Office will not process your Savings Plus contribution request. You will receive a lump sum cash payment instead.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Nov 24	25	26	27	28	29	30
		Workday #5 Last Day to Submit Election Form	Workday #4	Holiday	Holiday	Weekend
Dec 1	2	3	4	5	6	7
Weekend	Workday #3	Workday #2	Workday #1	Separation Date	Retirement Date	

Due to this legal deadline, you should officially submit the Election Form paperwork 30 days prior to your separation date to give your Personnel Specialist time for processing. If you do not submit before the five (5) day deadline, you will instead receive a lump sum cash payment.

Complete the Election Form Accurately

Follow the guidelines in the [Lump Sum Separation Pay Election Workbook](#) to help ensure you complete the form accurately. If you have any additional questions, contact your Personnel Office, and/or Savings Plus at (855) 616-4776.

- **Sign, date, and submit the Election Form timely.** Your signed and dated Election Form must be officially submitted to your Personnel Office at least five (5) workdays (Monday through Friday, excluding Saturdays, Sundays and legal holidays) prior to your separation effective date.

If you do not submit the Election Form timely, the State Controller's Office will not process your Lump Sum Contribution into a Savings Plus Account, and you will be issued a lump sum cash payment instead.

- **Remember, the Election Form is Irrevocable once officially submitted.** Consult with your Human Resource representative or Savings Plus for guidance prior to signing and officially submitting the document. If you need advice about your financial choices, contact a financial or tax professional prior to completing the Election Form.

Know your Contribution Limits and Catch-Up Options

The IRS sets annual limits for contributing to 457(b) and 401(k) accounts. You may be eligible to increase your contribution limits through Age-Based Catch-Up and/or 457(b) Traditional Catch-Up. For current information on Standard contribution limits and Catch-Up options, visit the [Savings Plus Lump Sum Separation Pay](#) page.

Effective January 1, 2026, if your prior-year Social Security (FICA) wages exceed the threshold amount, your Age-Based Catch-Up contributions must be made as Roth. To learn more, visit [Savings Plus: SECURE 2.0 Section 603](#) and [Savings Plus Lump Sum Separation Pay FAQs](#).

Submit the 457(b) Traditional Catch-Up Contribution Approval Letter, If Eligible

If you are eligible for the 457(b) Traditional Catch-Up option, you **must** receive an approval letter from Savings Plus, and then submit the approval letter to your Personnel Specialist. Apply for 457(b) Traditional Catch-Up at least 60 days before separation.

The State Controller's Office will not process this option without the approval letter. To learn more, review the [Savings Plus 457\(b\) Traditional Catch-Up Information and Application](#), or call Savings Plus at (855) 616-4776.

STEP 5: Enroll for Retirement Benefits

Review [CalPERS State Retiree Benefits and Programs](#).

Review [CalPERS Health Coverage Eligibility & Enrollment](#).

Health Insurance

- According to the [CalPERS Health Program Guide \(p. 12\)](#): *As an eligible retiree, you may enroll yourself or yourself and all eligible family members in a health plan within 60 days of your retirement date. The effective date is the first day of the month following the date CalPERS receives the [Health Benefits Plan Enrollment for Retirees and Survivors form \(HBD-30\)](#). You may also enroll during any future Open Enrollment period or due to other life events.*
 - ➔ Contact your Personnel Specialist for information on how to enroll in health coverage, including submitting the Health Benefits Plan Enrollment for Retirees and Survivors form (HBD-30).
- **Reminder: Section 9 of the Service Retirement Election Application**
Section 9 of the Service Retirement Election Application determines if you want to decline continuation of your CalPERS health coverage into retirement. If you want to keep your current CalPERS health coverage into retirement, do not select the check box (see the [example above](#) in this guide).
- If you are eligible for Medicare and want to continue CalPERS health coverage, there are specific rules that apply. Review [CalPERS Medicare Enrollment Guide](#) and call CalPERS at (888) 225-7377 for more information.

Dental Insurance

To learn about retiree dental benefits options and enrollment requirements, review the information at [CalHR Retiree Dental Benefits](#), call CalPERS at (888) 225-7377, and contact your Personnel Specialist.

You may find eligibility and enrollment information, as well as information on dental insurance plans, in the Dental Retiree Handbook, which is located in the CalHR [Virtual Library – Retiree Bookshelf](#).

Vision Insurance

To learn more about retiree vision benefits options and enrollment requirements, review the information at [CalHR Retiree Vision Benefits](#), call CalPERS at (888) 225-7377, and contact your Personnel Specialist.

You may find eligibility and enrollment information, as well as information on vision insurance plans, in the Retiree Vision Handbook, which is located in the CalHR [Virtual Library – Retiree Bookshelf](#).

Group Legal Services Insurance Plan

Retiree Group Legal Services Insurance Plan is available through ARAG. Learn more at [CalHR Retiree Group Legal Services Insurance Plan](#).

Life Insurance – Excluded Employees Only

Review CalHR's [Retiree Life Insurance](#) for information and enrollment requirements regarding life insurance for retirees.

CalPERS Health Program Plan for Family Members

Information on enrolling family members, including dependents, in the CalPERS Health Program is available at [CalPERS: Enroll Family Members](#). See CalPERS' information for documentation requirements, including submitting the [Affidavit of Parent-Child Relationship - CalHR 025](#).

STEP 6: Submit Final Timesheet(s)

Contact your Personnel Specialist for your department's process when submitting final timesheet(s).

- **Run-out Unused Leave Time:** At your department's discretion, you may receive approval to exhaust your unused leave credits instead of cashing or deferring into a Savings Plus Account. Upon approval, please work with your Personnel Specialist on how to complete your timesheets.
- **Non-Compensable Leave:** Refer to your [Bargaining Unit Memorandum of Understanding](#) for leave types and durations, as these vary. Contact your Personnel Specialist for more information on non-compensable leave.
- **Sick Leave:** Remaining Sick Leave may convert to CalPERS Service Credit. For more information contact your Personnel Specialist and/or CalPERS at (888) 225-7377.

STEP 7: Cancel Direct Deposit

It is strongly advised that you cancel your direct deposit before your retirement date. To ensure a smooth transition, contact your Personnel Specialist and request the cancellation of your direct deposit. Once cancelled, you will receive your last paycheck via your mailing address on file. Please ensure your mailing address is up to date with your Personnel Office prior to your separation date.

STEP 8: Review Tax Withholdings and W-2 Information

Tax Withholdings and Lump Sum Payments

Lump Sum Separation Pay will be subject to all applicable taxes.

Claiming Exempt from Federal and State Taxes

If you claim exempt from federal and state taxes, contact your Personnel Specialist to see if you should submit an [Employee Action Request \(EAR\) Form – STD. 686](#) before separating from state service. Submitting an EAR may be necessary to continue your tax-exempt status across your lump sum payments. Contact a tax professional for information on tax-exempt status and/or liabilities.

W-2 and Lump Sum Contribution into a Savings Plus Account

For information on how your Lump Sum contributions will be taxed, contact Savings Plus at (855) 616-4776, and/or talk to a tax professional. Please see the [W-2 FAQ](#) for more information on what is reported on your Form W-2, Wage and Tax Statement.

STEP 9: Submit an EAR Form for Change of Address, if applicable, and Update CEC Email

- If your mailing address will change after retirement, you must submit an updated [Employee Action Request \(EAR\) Form – STD. 686](#). This will ensure that you will receive future important documents (e.g., W-2's, etc.) through the mail. Contact your Personnel Specialist for more information.
- If you would like to access your Form W-2 and other earnings information in [Cal Employee Connect](#) (CEC) after you separate from state service, *before you separate* you must change your CEC email address to your personal email address. Steps for changing your CEC email address are in the [Cal Employee Connect User Guide](#).
 - Note: To access your Form W-2 using CEC, you must “opt-in,” if you have not done so already. More information on opting in may be found on the [Did You Know? Form W-2 Paperless Feature](#) job aid.

Civil Service Employee Retirement Checklist

Action	Additional References
<input type="checkbox"/> <u>Step 1: File Retirement with CalPERS</u> (required)	CalPERS Phone Number: (888) 225-7377 CalPERS Retirement Checklist CalPERS Retirement Application Contact your Personnel Specialist
<input type="checkbox"/> <u>Step 2: Inform Personnel Specialist of Retirement Date</u> (required)	Contact your Personnel Specialist.
<input type="checkbox"/> <u>Step 3: Determine what to do with your Unused Compensable Leave Credits</u> (required)	Contact your Personnel Specialist.

□ **Step 4: Submit Savings Plus Lump Sum Separation Paperwork to your Personnel Specialist** (required if deferring lump sum separation pay into a Savings Plus account)

You must submit the form timely and accurately for processing. Submit to your Personnel Specialist 30 days prior to your separation date.

The Election Form is irrevocable once signed, dated, and submitted. Please review the Election Form instructions thoroughly and consult with your Human Resource representative or Savings Plus for assistance prior to signing and submitting the document.

Election Form Checklist:

✓ **Obtain an estimate of your Lump Sum Separation Pay dollar amount from your Personnel Specialist.**

✓ **Submit the 457(b)Traditional Catch-Up Approval Letter that you receive from Savings Plus** (if applicable – this is optional).

If you are approved for Traditional Catch-Up, you must include the Savings Plus approval letter with the Election Form when submitting the Election Form to your Personnel Specialist.

✓ **Complete the Election Form accurately.**

Review the [Savings Plus Lump Sum Separation Pay webpage](#) along with the Lump Sum Separation Pay Election Workbook with Election Form prior to completing and submitting the Election Form.

✓ **Submit paperwork to your Personnel Specialist 30 days prior to your separation date.**

The Election Form **must** be completed and submitted no later than five (5) workdays (Monday through Friday, excluding

Savings Plus Phone Number:
(855) 616-4776

Savings Plus Website: [Catch up for lost time with your Lump Sum Separation Pay \(savingsplusnow.com\)](#)

Savings Plus Election Form and Worksheet: [Lump Sum Separation Pay Election Workbook \(nationwidefinancial.com\)](#)

Savings Plus FAQ: [Lump Sum FAQ \(savingsplusnow.com\)](#)

Catch-Up Options: [Catch-up Contributions](#) and [IRS Contribution Limits \(savingsplusnow.com\)](#)

Effective January 1, 2026: [Roth Catch-Up for high income earners \(savingsplusnow.com\)](#)

Contact your Personnel Specialist

Action	Additional References
<p>Saturdays, Sundays and legal holidays) prior to your separation effective date.</p>	
<p><input type="checkbox"/> <u>Step 5: Enroll in Retirement Benefits</u> (optional)</p> <ul style="list-style-type: none"> ✓ Enroll in Health Insurance (optional) CalPERS Health Benefits Enrollment Form for Retirees and Survivors CalPERS at (888) 225-7377 ✓ Enroll in Retiree Vision Plan (optional) VSP Retiree Vision Enrollment Form VSP at (800) 400-4569 ✓ Enroll in Retiree Dental Plan (optional) Dental Plan Enrollment Form CalPERS at (888) 225-7377 ✓ Enroll in Retiree Group Legal Services Insurance (optional) Retiree Group Legal Insurance Plan ✓ Enroll in Retiree Life Insurance – available only for Excluded Employees (optional) Retiree Life Insurance ARAG Customer Service at (800) 511-4007 	<p>CalPERS State Retiree Benefits and Programs</p> <p>Contact your Personnel Specialist</p>
<p><input type="checkbox"/> <u>Step 6: Submit Final Timesheet(s)</u> (required)</p>	<p>Contact your Personnel Specialist</p>
<p><input type="checkbox"/> <u>Step 7: Cancel Direct Deposit</u> (recommended)</p>	<p>Contact your Personnel Specialist</p>
<p><input type="checkbox"/> <u>Step 8: Review Tax Withholdings and W-2 Information</u> (recommended)</p> <ul style="list-style-type: none"> ✓ Submit EAR Form prior to separation of state service, if claiming exempt from federal and state taxes <p>Applicable for Lump Sum cash payments.</p>	<p>State Controller’s Office: W-2 FAQ</p> <p>Employee Action Request (EAR) Form</p> <p>Contact your Personnel Specialist</p>
<p><input type="checkbox"/> <u>Step 9: Submit EAR Form for Mailing Address Changes</u> (optional)</p>	<p>Employee Action Request (EAR) Form</p>