Personnel Action Manual

Section 6
EAR Processing

Rev. 02/2024

State Controller's Office

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Section 6.1: EMPLOYEE ACTION REQUEST (EAR); FORM 686 (Revised 12/20)

PURPOSE/USE

The EAR is used to document an employee's:

- Birthdate
- Name
- Address
- Tax withholding information
- Prior State/Public employment

REQUIRED

An EAR must be processed for:

- New employees
- Employees returning after a permanent separation
- Current employees reporting changes
- Employees receiving IRS/State notification of mandatory withholding change
- Deceased employees

Exceptions – An EAR is RECOMMENDED but not required for the following:

- Agricultural Associations (Agency 014, Unit 000)
- Immediate Pay appointment/separation method
- Emergency and Retired Annuitant appointments

Whether an EAR is required or simply recommended, ALL employees must be given the IRS form W-4 and the applicable state withholding form (California DE 4, New York IT 2104, Illinois IL W-4) to assist them in determining how they should request appropriate tax withholding.

If an employee does not complete an EAR, taxes will be withheld as follows:

- For a new employee, or for a returning employee with no prior history on the data base, State taxes will be withheld as for a single person claiming zero allowances. Federal taxes will be withheld as a single person with no entries in EAR section E.I., boxes 03 – 07.
- For a returning employee with prior history on the data base, taxes will be withheld based on the employee's previously claimed marital status and previously claimed Federal and State Tax Withholding information.
- For a deceased employee, wages are not subject to either Federal or State Income Tax Withholding. The employing department should administratively complete the EAR to exempt the employee's tax information (EAR section E.V.). If the department does not process an exempt EAR, taxes will be withheld as previously requested by the employee.

NOT REQUIRED

Do not process an EAR for:

- Employees returning from a temporary separation with no changes to report (S49-S57)
- Employees transferring between departments with no changes to report
- Employees appointed to an additional position with no changes to report

QUESTIONS

For information or questions about completing the EAR Form, the employing department may call the SCO Customer Contact Center at (916) 372-7200.

SHOULD THE EAR REQUIRE SCO PROCESSING, submit the document via ConnectHR's file upload feature.

To submit a completed EAR/PAR to PPSD, please have your agency's approved and authorized Human Resources staff login to ConnectHR for secure and convenient submission.

If you have questions or need assistance with ConnectHR, please visit ConnectHR Help and Feedback.

A copy should be retained by the department and by the employee.

If the EAR is for a new employee and it requires SCO processing, the EAR and the New Hire PAR must be submitted together.

Section 6.3: EAR ITEM DEFINITIONS (Revised 12/20)

GENERAL PROCEDURES

Employees should complete the EAR by following the instructions on the form. The information and procedures shown in this section are intended to SUPPLEMENT the instructions on the EAR, including specifics as to how the department should enter the information on Employment History. If completing a hard copy version of the EAR, instruct employees to use a ballpoint pen and to print clearly.

Employees can complete and submit a hard copy or a soft copy of the EAR. For electronically signed EARs, follow your Agency's or Campuses' electronic signature protocol.

➢ Section A – Position Identification

    A.01   Agency Code
    A.02   Unit Code
    A.03   Keyed by – Initials of person who keyed document
    A.04   Date Keyed

    PPSD uses 'Agency' and 'Unit' to identify the employing office when the department must be contacted regarding information on the EAR.

➢ Section B –Type of Transaction

Complete this section by checking one or more boxes for the type of action(s) needed. Complete the sections listed for each box checked.

New and returning (after permanent separation) employees must check the "New Employee" Box in Section B and complete the sections listed.

Employees returning to State service under a new name must also check the "Name Change" Box (05) in Section B and complete Section D (see PAM Section 10.16, for Special Keying Instructions.).

NEW YORK NEW HIRE REPORTING REQUIREMENTS

New or returning (after permanent separation) employees working in the State of New York must be reported to the State of New York within 20 days of hiring. This is the responsibility of the Hiring Agency.

For complete information pertaining to this requirement, refer to the [New York State Department of Taxation and Finance](#) web page.

Information You Must Report
You must provide the following information:

1. Employee name (first, middle initial, last)
2. Employee address (street, city, state, and ZIP code)
3. Employee Social Security number
4. Employee hire date

5. Employer name
6. Employer address (street, city, state, and ZIP code)
7. Employer identification number (assigned by the Internal Revenue Service) (Refer to the Payroll Procedures Manual, Section H 107)
8. If dependent health insurance benefits are available to the employee and if so, the date the employee qualifies for the benefits

Reporting Methods

Use one of the methods below to submit the new hire information:
1. Online via the New York New Hire Online Reporting Center.

2. Submit a copy of the employee's Form IT-2104, *Employee's Withholding Allowance Certificate*, in place of, or in addition to, the federal Form W-4, *Employee's Withholding Certificate*:
      1. Fax: 518-320-1080
      2. Mail to:
         New York State Dept. of Taxation and Finance
         New Hire Notification

The above information regarding each newly hired employee must be forwarded to:

New York State Department of Taxation and Finance
New Hire Notification
P.O. Box 15119
Albany, NY 12212-5119

Questions concerning New York New Hire reporting requirements can be directed to the New York New Hire Employer Outreach Department at (518) 320-1079.

- Section C – Social Security Number/Employee Name

  Complete this section as follows:

  C.01   Social Security Number

  When the employee does not have an SSA number:

  - Enter "SS-5" in C.01 and submit the employee's EAR and PAR to PPSD. PPSD will assign an interim identification number.

  - Submit the employee's PAR and EAR to PPSD for processing.

  - Instruct the employee to file for an SSA number.

  - Once the employee receives an official Social Security number, submit a PAR 105 Transaction to PPSD with a copy of the employee's signed SS card attached. Corrections to the SSA number cannot be submitted on the EAR.

  C.02   Employee Last Name – Enter the employee's legal surname and suffix* or title* **as it appears on the employee's Social Security card**. Begin entering last name at the beginning of EMPLOYEE LAST NAME field.

  If applicable:

  - Leave one blank space between multiple last names that are not hyphenated.
  - Do not use any punctuation except an apostrophe (') or hyphen (-).
  - Enter two spaces before a single suffix or title. If using multiple suffixes or titles, leave one space before the first suffix or title and two spaces before the second suffix or title.
  - Enter single name employees (employees with only one name) in the EMPLOYEE LAST NAME field, tab over to the FIRST NAME AND MIDDLE INITIAL field and hit the space bar twice.
  - Do not enter more than 21 characters (including spaces) for last name.

* Allowable Suffixes and Titles

Valid Suffix	Description
CPA	Certified Public Accountant
DDS	Dentist
EDD	Doctor of Education
ESQ	Lawyer
MD	Medical Doctor
MBA	Master of Business Administration
PHD	Doctor of Philosophy
RN	Registered Nurse

Valid Title	Description
I	First
II	Second

Valid Title	Description
III	Third
IV	Fourth
V	Fifth
VI	Sixth
VII	Seventh
JR	Junior
SR	Senior

- Section C – Social Security Number/Employee Name (continued)

  C.03   First Name & Middle Initial – Enter employee's legal first name and middle initial as it appears on the Social Security card. Begin entering first name at the beginning of FIRST NAME AND MIDDLE INITIAL field. Leave one space between the first name and the middle initial.

  If applicable:
  - Do not use nicknames or names, which are abbreviated.
  - Leave one blank space between multiple names or multiple initials. If employee has no first name, enter two spaces.
  - Do not use any punctuation except a hyphen (-) between hyphenated first names.
  - Do not enter suffixes or titles in the FIRST NAME field.
  - Do not enter more than 16 characters (including spaces) for first name and middle initial.

The employee's name must be entered on EAR and PAR documents exactly as it appears on the employee's Social Security Card and as explained in Social Security Administration publication #20-005.

Note: The following common name prefixes do not require a hyphen to link them to a Name: BON DA DE DEL DELA DER Dl DO DU EL LA LAS LE LF LI LO LOS MAC MC MT MTE SAN STA ST STE VAN VANDE VANDER VER VON VONDE VONDER.

- When an employee's last name exceeds 21 characters (including spaces), only 21 characters will be reflected in Employment History and on the employee's payroll warrant.

- Section C – Social Security Number/Employee Name (continued)

The department must verify that the employee's name and Social Security number is entered on the EAR exactly as shown on the employee's Social Security card. At the time of hire, the employee should provide you with the original or a copy of their SSA card, for your verification. If the SSA card is unavailable, use your department's preferred method of Social Security Number and name verification. The Social Security Administration Office provides multiple options for employers to contact them to verify Social Security Number and name verification.

If your verification efforts reveal a non-match to the name and/or SSN provided by the employee, instruct the employee to call SSA at (800) 772-1213 to clarify their SS information.

- Section D – Former Name

Complete this section with the employee's former name when box B.05 (Name Change) is checked.

NOTE: When an employee's first name and middle initial exceeds 16 characters (including spaces) only 16 characters will be reflected in Employment History.

Substantiation MUST be attached to the EAR when reporting a name change.

Attach one of the following:

- Copy of SSA form filed with Social Security Administration. Note on copy: "change filed with Social Security Administration."
- Copy of the SSA form given to the employee by the Social Security Administration. This form will be given to the employee if he/she requests proof of filing.
- Copy of the correct SSA card if the employee has already received it.
- Any documentation or confirmation received via your verification efforts, as indicated in Section C above.

NAME CORRECTION (DEPARTMENT ERROR)

Complete the following sections:

Section B	Enter "X" for Name Change in Box B.05.
Section C	Complete with the employee's SSA number and correct name. (Name must be entered on the EAR exactly as it appears on the employee's Social Security card).
Section D	Employee's name as it was formerly shown.
Section I	Enter: "Agency Error" (in this case the employee's signature and substantiation are not required).
Section J	Reviewer's signature Must be completed. (If an EAR must be submitted to PPSD for processing, the EAR will be returned if not completed).

- Section E – Withholding-Changes or New Employee

  Prior to the employee completing this section, have the employee read the IRS Form W-4 and applicable state withholding form (California DE 4, New York IT 2104, Illinois IL W-4). The employee should use the information from these applicable forms and the instructions on the back of the EAR to complete this section.

  Information entered in Section E will completely replace all previous information on file for that section. If a box is left blank, any previous information on file for that box will automatically be deleted (see PAM Section 6.1 for information regarding taxes withheld when an employee does not complete an EAR).

  For a current employee or a returning employee with prior history on the data base, the information in Section E may not be acceptable if the employee has an IRS lock in place. (See Section 6.12 for information about IRS lock-in letters.)

  PART I and PART II – FEDERAL WITHHOLDING CHANGE OR NEW EMPLOYEE AND STATE ALLOWANCES

  Nonresident Aliens working in the United States (who are not residents of Canada, Mexico, Japan, or Korea) may claim Federal withholding as follows.

  Part I – Federal Withholding. Compete Part I sections as follows:

E.01	"X" Nonresident Alien "X"
E.02	single
E.04	Complete with "Y" OR "N"
E.05	Dollar Amount, if any
E.06	Dollar Amount, if any
E.07	Dollar Amount, if any

  Note: Section E.01 Nonresident Alien is included on the STD. 686 but is not an employment history field. This section is for informational use only by agencies and campuses.

  Part II – State Allowances. Complete Part II as follows:

E.08	"X" in Single or Married
E.09	Complete with "1"
E.10	Complete if necessary

Exempt from Federal but not State – For an employee who claims exempt from Federal Withholding, but not from State Withholding tax:

Example:

Part I. Federal Withholding. Complete Part I sections as follows:

E.03	Write or Type "EXEMPT" in the box
E.04	Must be "N"
E.05	Must be "0"
E.06	Must be "0"
E.07	Must be "0"

Part II – State Allowances must be completed to have State taxes withheld.

- Section E – New Employee or Withholding Changes (continued)

Exempt from State but not Federal – For an employee who claims exempt from State Withholding, but not from Federal Withholding:

Part I – Federal Withholding. Must be completed for Federal Withholding.

Part II – State Allowances. Complete Part II sections as follows:

  E. 08   "X" single
  E. 09   Complete with "95"
  E. 10   Leave blank
Note: Employees may NOT claim exemption from CA or IL State tax withholding unless they also meet the Federal exemption criteria (see Part IV).

PART III – ADDITIONAL DEDUCTIONS *(revised 11/20)*

When Part III is completed, employee MUST ALSO certify Federal Withholding by completing Part I and, Part II of Section E for State Allowances.

To CANCEL additional deductions, employee should file a withholding allowance change, completing all applicable parts of Section E, but leaving. PART Ill blank.

PART IV – EXEMPTION FROM WITHHOLDING . *(revised 11/20)*

To claim Exemption from Withholding due to No Tax Liability, an employee must complete *only* PART IV of Section E. Parts I, II, III, and V must be left blank.

No Tax Liability – The employee must write EXEMPT in box 13 of Section E Part IV to certify that the following criteria is met:

- Last year, the employee did not owe any income tax and had a right to full refund of all income tax withheld.

    AND

    This year, the employee does not expect to owe any income tax and expects to have a right to a full refund of all income tax withheld.

The employee is not eligible to claim this exemption *if* his/her joint or separate return shows tax liability before the allowance of any credit for income tax withheld or if an IRS Lock is in effect.

Exemption Expiration *(revised 03/99)* – 'No Tax Liability' claims will expire on February 15th of the following year unless a new certification is filed between January 1 - 31st of the following year.

Note: The exemption expiration date is established based on the year in which the new Certification is processed.

- Section E – Withholding Changes (continued)

  PART V – NONTAXABLE WAGES

  To claim exemption from withholding due to Non-Taxable Wages, the employee must ONLY COMPLETE Part V of Section E. Parts I, II, III and IV must be left blank.

  Non-Taxable Wages – The employee must check the box and enter an appropriate reason.

  One of the following MUST apply:

  - Minister of a church in the exercise of this ministry – employee must be employed by the State as a Chaplain.
  - Foster Grandparent – refer to Public Law 93-113.
  - Nonresident alien – Employee's country must have a Tax Treaty that cites exemption from both Federal and State taxes. ARTICLE-NUMBER CITING TAX EXEMPTION AND COUNTRY MUST BE ENTERED.

  Department should not key the EAR if appropriate reason is not entered. If appropriate reason is NOT entered on EARs requiring PPSD processing, the EAR will be returned.

  For employees who are exempt from either Federal or State Withholding, but not from both, see PART I and PART II procedures above.

  Deceased Employee - Departmental Instructions
  Deceased employee wages are not subject to either Federal or State Income Tax withholding. Departments must check Box 14 to ensure that wages paid after death are exempt from income tax withholding.

- Section F – Employee Address *(revised 11/08)*

  Complete this section in a manner that will ensure mail delivery as follows:

  F.01   Employee Address – Enter the valid street address to ensure mail delivery. This field must not be left "empty" or blank.

  If applicable:
  - Include secondary address unit designators, such as Apartment (APT), Suite (STE), or Unit (UNIT).
  - If the pound sign (#) is used, there must be a space between the pound sign and the secondary number.
  - If the address is a post office box, enter "PO BOX" and the box number.
  - Do not use any punctuation in this field.
  - Do not enter more than 28 characters (including spaces) for employee address.

- Section F – Employee Address (continued)

  F.02   City and State – These fields must not be left "empty" or blank. Do not use any punctuation in these fields. Leave two spaces between the city/town name and the two-letter US State abbreviation code. Complete as follows:

  City:
  - Enter the full city, town or municipality name, do not abbreviate.

  - Do not enter more than 23 characters (including spaces) for city.

  State:
  - Enter the State's or Territory's USPS-approved, two-letter, US State abbreviation code (*see following table in PAM Section 6.9.2 & 6.9.3*).

  - Do not enter more than two (2) digits for the state.

  F.03   Zip Code – Enter the valid **five-digit** Zip Code to ensure mail delivery. This field must not be left "empty," blank or all zeros.

  If the address is international (foreign country address), enter "00001" for the Zip Code.

  F.04   Employment List(s) – If box is checked, send a copy of the STD. 686 to your departmental delegated testing/examination processing unit to update the employee's address and phone number on any departmental employment list.

Note: The EAR no longer provides for the employees' home address to be withheld. A STD Form 677 "Request for Nondisclosure of Employee Home Address" must be completed by the employee and submitted to the Personnel Office. See Personnel Letter #99-003 (Civil Service) and #99-004 (CSU) for instructions.

US States/Possessions	Abbreviation
Alabama	AL
Alaska	AK
American Samoa	AS
Arizona	AZ
Arkansas	AR
California	CA
Colorado	CO
Connecticut	CT
Delaware	DE
District of Columbia	DC
Federated States of Micronesia	FM
Florida	FL
Georgia	GA
Guam	GU
Hawaii	HI
Idaho	ID
Illinois	IL
Indiana	IN
Iowa	IA
Kansas	KS
Kentucky	KY
Louisiana	LA
Maine	ME
Marshall Islands	MH
Maryland	MD
Massachusetts	MA
Michigan	MI
Minnesota	MN
Mississippi	MS
Missouri	MO
Montana	MT
Nebraska	NE
Nevada	NV
New Hampshire	NH
New Jersey	NJ
New Mexico	NM
New York	NY
North Carolina	NC
North Dakota	ND
Northern Mariana Islands	MP

US States/Possessions	Abbreviation
Ohio	OH
Oklahoma	OK
Oregon	OR
Palau	PW
Pennsylvania	PA
Puerto Rico	PR
Rhode Island	RI
South Carolina	SC
South Dakota	SD
Tennessee	TN
Texas	TX
Utah	UT
Vermont	VT
Virgin Islands (US)	VI
Virginia	VA
Washington	WA
West Virginia	WV
Wisconsin	WI
Wyoming	WY

- Section F – Employee Address (continued)

  Employee Not Available – If the department is aware of an address change and the employee is not available to complete an EAR, the department may process the address change without the employee's signature. In this case, the reviewer's signature is REQUIRED, and EAR's requiring PPSD processing will be returned if not completed.

  Address Change On Separation
    - TEMPORARY SEPARATION – Report address change on the EAR.

    - PERMANENT SEPARATION – Report address change on the Separation/disposition of PERS Contributions (Form 687). See PAM Section 6.20 for instructions on completion of this form. If the address change is reported AFTER the separation PAR has been processed, report the change on the EAR.

- Section G – Prior Employment *(revised 03/99)*

  When employee has prior CALIFORNIA State or Public Employment, s/he should complete this section as follows:

G.01/G.04	Last Employment
G.02/G.05	Last Name (if different from current name)
G.03/G.06	Date Separated

  If you are not certain that an agency is considered a public agency, the information SHOULD be reported on the EAR.

  If the EXACT date of separation is unknown, employee should complete Item G.03/G.06 with the APPROXIMATE DATE.

  If the employee is NOT separating from the PUBLIC agency shown, leave Item G.03 blank.

- SECTION H – Employee Birthdate *(revised 03/99)*

  Enter NUMERIC birthdate (mm/dd/yy). If PERS has reported a birthdate correction to PPSD, any future birthdate changes must be reported through PERS. Departments will be advised by turnaround PAR when this situation occurs.

- SECTION I – Employee Signature *(revised 03/99)*

  The employee's signature is REQUIRED for all EAR transactions except:
    - Departmental action to make deceased employee wages exempt from income tax withholding.

    - Departmental known change of employee address and the employee is not available to complete an EAR.

    - Departmental withholding change due to IRS/State tax authority notification.

- SECTION J – Reviewer's Signature

  The reviewer should be the person whom Personnel Operations can contact for problems or questions regarding the EAR.

  The reviewer's authorized signature is REQUIRED for:
  - Address changes, which do not have employee's signature.
  - Name corrections due to departmental error.
  - New employee transactions.
  - Exemption from withholding, decreased employee.
  - Departmental withholding change due to IRS/State tax authority notification.

  The reviewer's authorized signature is RECOMMENDED, but not required for other EAR transactions.

A lock-in determination letter results when the IRS determines that the amount of income tax withheld from the employee's pay will not adequately cover the employee's tax liability as required by IRS Code Section 3402.

The lock-in determination letter mandates the federal and state marital filing status and maximum number of total allowances and withholding that can be claimed by the employee. IRS, via the lock-in determination letter, requires the employer to initiate and maintain corrective measures until otherwise instructed in writing by the IRS.

An employer's failure to comply with a lock-in determination poses significant consequences. The employer is subject to civil and criminal penalties per IRC 6672 and IRC 7202.

Compliance penalties may include the employer paying all taxes due, felony conviction with up to five years imprisonment, and personal fines up to $10,000 per occurrence plus payment for the costs of prosecution.

The IRS practice is to send an employer lock-in letter and the employee's lock-in letter with related attachments to the employer. For state employees, the letters are sent to the State Controller's Office who is the tax-reporting agent for state agencies. The State Controller's Office will forward the entire employee package to the employing agency. It is the agency's responsibility to forward the employee's lock-in letter with attachments to the employee immediately. The employee has 30 calendar days from the date of the lock-in letter to contact the IRS regarding her/his tax status.

For an employee who has transferred to another state agency, forward the entire IRS Lock-In letter transmittal package to the employee's new employing agency. If the employee has separated from state service, notify the IRS in writing that the employee is no longer employed by the State of California.

The IRS requires that the mandated filing status, allowances and withholding be implemented 60 calendar days from the date of letter. PPSD will process an E03 EAR transaction on the appropriate date to implement the lock-in on the employee's Employment History record.

The lock will remain in effect even if the employee separates and later returns. The lock will only be changed or eliminated per a new directive from IRS.

Based on The Tax Cuts and Job Act of 2017 (TCJA) IRS redesigned the lock-in letters (2800C and 2808C). The redesigned lock-in letter is formatted with new input fields to correspond with the new 2020 form W-4. The new lock-in letter provides employers with the withholding (filing) status, withholding rate and any annual reductions to withholding or additional amount to withhold per pay period, in dollar amount terms.

The E03 EAR transaction updates a field titled "LOCK" on the employee's Employment History EAR record. PPSD updates the EAR "LOCK," "FEDERAL: MARITAL," "STATE: MARITAL," " STATE: REG," "HW," "DEP AMT," "OTH INCOME" and "DEDUCTIONS" fields per the IRS lock-in determination letters.

Any exempt from withholding / non-taxable wages indicator is also deleted; however, any federal and state additional tax deduction amount continues. The values in the "LOCK" field are displayed on the EAR screen and cannot be altered by agencies.

When an IRS mandated lock-in is in effect, the only authorized withholding changes allowed are those which result in an equal or greater withholding amount than the amount generated by the lock-in values.

A new EAR cannot be accepted if the employee is claiming exempt status or a filing status and allowances that result in a withholding amount that is less than the amount generated by the status and allowances displayed in the EAR "LOCK" field. If no lock is in place, "00" will display in the EAR "LOCK" field.

Only PPSD can key tax withholding changes for employees with an IRS Lock. If an IRS Lock is in place, attempts by departments to key federal or state tax withholding changes will result in the audit message "IRS LOCK IN EFFECT – SUBMIT DOCUMENT TO PPSD FOR PROCESSING." This audit message cannot be overridden. To make withholding changes for an employee with an IRS Lock, submit the STD. 686 document to PPSD for processing.

All inquiries concerning IRS lock-in determinations should be referred to the IRS contact contained in the lock-in determination letter.

EAR update is accomplished by keying information on one update screen. EAR items appear on the screen in the same order as they appear on the document.

Name Change for a Returning Employee: Special keying instructions for returning employees following a permanent separation, with a new name and history is on the database. To ensure the name is generated correctly on the PAR and NOPA, follow these instructions:

Returning to the SAME appointing power:

- First, key the EAR transactions (E01 and E05).
- Before keying the PAR, update the Document Processing Number (DPN), PAR item 010, by one. Then key the PAR.

Returning to a DIFFERENT appointing power:

- First, key the PAR document using the most current Document Processing Number (DPN), PAR Item 010.
- Then key the EAR transactions (E01 and E05).

   Note: A "SECURITY VIOLATION", message will be generated by the system if the department tries to process the EAR prior to updating the PAR.

   Although, the name change will reflect on the system when the EAR is keyed after the PAR, the new name will not print out on the PAR document until a subsequent PAR transaction is processed.

FEDERAL: Tax Withholding Fields

1. MARITAL: Key in S for Single, M for Married, H for Head of Household.
2. TOTAL: This field will be DISPLAY ONLY effective 12/1/2020.
3. HW: Key Y or N. This field is REQUIRED effective 12/1/2020.
4. DEP AMT: Enter a dollar amount. It must be a whole number. This field is REQUIRED and MUST BE KEYED. If no dollar amount 00 MUST be entered.
5. OTH INCOME: Enter a dollar amount. If a decimal point is not keyed, the amount will be considered a whole number. This field is REQUIRED and MUST BE KEYED. If no dollar amount 00 MUST be entered.
6. DEDUCTION: Enter a dollar amount. If a decimal point is not keyed, the amount will be considered a whole number. This field is REQUIRED and MUST BE KEYED. If no dollar amount 00 MUST be entered.

LOCK:

This field can only be updated by PPSD. Upon receipt of an IRS lock-in letter, PPSD will update the LOCK field with the maximum marital status and total withholding authorized by the IRS. PPSD will update the FEDERAL and STATE MARITAL Status, HW, DEP AMT, OTH INCOME, DEDUCTIONS, and EXEMPT FROM WITHHOLD/NON-TAXABLE WAGES fields as a result of the IRS lock. PPSD will remove the lock values upon receipt of an IRS letter superseding the lock.

FEDERAL ADDL DEDUCTION:

Enter a dollar amount. If a decimal point is <u>not</u> keyed, the amount will be considered a whole dollar. The maximum value is 9999.99.

STATE ADDL DEDUCTION:

Enter a dollar amount. If a decimal point is <u>not</u> keyed, the amount will be considered a whole dollar. The maximum value is 999.99.

STATE:

- MARITAL: Key S for Single, M for Married and H for Head of Household.
- REG: Key the number of Regular Allowances.
- ADDL: Key the number of Additional Allowances.

EXEMPT FROM WITHHOLD/NON-TAXABLE WAGES:

Prior to keying in this area, refer to Section 5 (IRS LOCK-IN-LETTER AND EAR PROCESSING) for IRS lock-in requirements/restrictions.

Key <u>**E**</u> for Exemption from Withholding, <u>**N**</u> for Non-taxable wages.

For deceased employees: Key <u>**N**</u> for permanent exemption from withholding.

EMPLOYEE ADDRESS:

Do not use punctuation in this field. If address exceeds 28 characters, abbreviate in a manner that will ensure mail delivery.

CITY AND STATE

1. Do not abbreviate city.
2. State must be abbreviated. Refer to Sections 6.9.2 and 6.9.3 above for State Reporting Codes.
3. Do not use punctuation in this field.

ZIP CODE

If nine digits, key the first five digits only.

BIRTHDATE

This will only display for E07 (Birthdate Correction) transaction. Precede single digits with numeric zeroes. Example: 07/02/1980.

LAST EMPLOYED: No entry. This is a header for the State and Public fields below.

STATE: If the employee has prior State employment and no history on the database, enter the name of the State department or campus with which s/he was last employed. This is a free form field with a maximum length of 35 characters.

STATE SEP. DATE: This is a numeric field only. Punctuation and special characters are not allowed. Enter as MM/YY. Precede a single digit with a numeric zero. May be left blank if date is unknown or an approximate date can be entered.

PUBLIC: If the employee is new to the database and has prior employment with a California Public Agency, enter the name of the agency with which s/he was employed. This is a free form field with a maximum length of 35 characters.

PUBLIC SEP-DATE: This is a numeric field only. Punctuation and special characters are not allowed. Precede a single digit with a numeric zero. May be left blank if date is unknown or an approximate date can be entered. If employee has not separated from the Public Agency, leave blank.

HIGHLIGHT CONDITION

A highlighted field title indicates an error has been made in that field. When this occurs:

- Move the cursor to the highlighted field.
- Correct the information.
- Press Enter.

If you are not sure why the field is highlighting, refer to "KEYING EAR ITEMS" above to see if there are any special requirements for keying that field.

TAD AUDIT ERROR MESSAGE

A message received on the "TAD AUDIT ERROR DECISION SCREEN" indicates an error has been made on the transaction. To review data you have keyed:

- Key a "C" in OPERATOR CODE.
- Press ENTER. (This returns to the update screen)
- Make the correction.
- Press ENTER.

If you cannot determine what caused the message, refer to "KEYING EAR ITEMS" to see if there are any special requirements for keying the transaction.

TERMINATING A TRANSACTION

To terminate a transaction you are updating, press the PA1 key or logoff.

SUCCESSFUL UPDATE

If your transaction has successfully updated, the promoter screen will automatically reappear with the message "RECORD HAS BEEN SUCCESSFULLY ADDEDD TO THE DATA BASE". After receiving this message, write your initials and the date in the KEYED BY box on EAR form 686.

ERRORS FOUND AFTER UPDATE

If you discover an error on a transaction you updated, refer to the procedures on the following page.

Listed below are procedures to follow if a transaction coding error or key entry error is discovered on an EAR transaction.

ERROR/ACTION	MESSAGE
ERROR	NAME CHANGE KEYED BY DEPARTMENT; SHOULD HAVE BEEN KEYED BY PPSD.
ACTION	Call the Customer Contact Center
ERROR	PPSD REFERENCE NUMBER
ACTION	Call the Customer Contact Center
ERROR	TAX INFORMATION

ACTION	1. NEVER correct a key error on tax information the same date it was originally keyed.
	
	2. Complete another EAR for a withholding changes (E03 transaction).
	    A. Complete Section "C" and "E" using information from the original EAR.
	    B. Enter the following statement on the Employee Signature line: "KEY ERROR-REFER TO PSD REFERENCE NUMBER (shoe number on the original EAR)."
	    C. Complete Reviewer Signature, Date and Phone Number.
	
	3. Refer to the Civil Service Decentralized Payroll Calendar to determine if the error was keyed on a payroll cycle day.
	    A. If the error was keyed on a date WITH a payroll cycle, the correction maybe keyed the next day.
	    B. If the error was keyed on a date with NO payroll cycle, the correction must be held until the day after the next payroll cycle date.
	
	4. Assign a new PSD Reference Number on the day the corrected EAR will be keyed and key the transaction.

ERROR/ACTION	MESSAGE
ERROR	EAR (FORM 686) – OTHER THAN TAX INFROMATION

ACTION	1. Same date as keyed
	
	    A. Complete another EAR.
	        • PPSD REFERENCE NUMBER – use same number assigned to original EAR if correction will be keyed same day (if not, refer to instruction in # 2 below).
	        • TYPE OF CHANGE – Enter "X" in the box that applies to the type of information you need to correct. This will not always be the same as shown on the original EAR. For example: If address was keyed incorrectly on an E01 transaction, the correcting EAR would be documented as an E04 (Address Change) transaction.
	        • Complete those sections required for the type of change being documented using information from the original EAR.
	        • Enter "KEY ERROR" on the Employee Signature line.
	        • Complete Reviewer Signature, Date and Phone Number.
	        • Key the transaction.
	
	2. Different Data than Keyed Date
	
	    A. Complete another EAR.
	        • TYPE OF CHANGE – Enter "X" in the box that applies to the type of information you need to correct. This will not always be the same as shown on the original EAR. For example: if address was keyed incorrectly on an E01 transaction, the correcting EAR would be documented as an E04 (Address Change) transaction.
	        • Complete those sections required for the type of change being documented using information from the original EAR.
	        • Enter the following statement on the Employee Signature Line: "KEY ERROR-REFER TO PAD REFERENCE NUMBER (show number of the original EAR)."
	        • Complete Reviewer Signature, Date and Phone Number.
	        • Assign a new PSD Reference Number on the day the EAR will be keyed and key the transaction.

ERROR/ACTION	MESSAGE
ERROR	EAR-01 FEDERAL MARITAL OR FEDERAL TOTAL MUST BE PRESENT
ACTION	If either marital status or tax exemptions total is entered, then both must be entered. Take one or more of the following steps to resolve the audit error: 1. Verify that the marital status and tax exemption total are documented correctly and keyed correctly on the transaction. 2. If not keyed correctly, correct the information and update the transaction. 3. If the information appears to be correct, terminate the update and re-key the transaction. 4. If the audit message is received again, contact the Customer Contact Center.
ERROR	EAR-02 SPECIAL MARITAL, REGULAR, AND/OR SPECIAL ADDITIONAL MUST BE ENTERED
ACTION	This audit no longer applies. State Allowances no longer hold special status. State fields are now required and must be entered.
ERROR	EAR-03 EXEMPTION FROM WITHHOLDING IS INVALID
ACTION	If additional state or additional federal is entered and HW =Y and a value greater than zero is entered in DEP AMT, OTH INCOME and DEDUCTION, than exemption from withholding tax must not be entered. 1. Verify that federal marital, state marital, additional state tax, additional federal tax, exemption from withholding, HW, DEP AMT, OTH INCOME and DEDUCTION are documented correctly and keyed correctly on the transaction. 2. Terminate the update and re-key the transaction. 3. If the audit message is received again, contact the Customer Contact Center.
ERROR	EAR-04 IRS LOCK IN EFFECT – SUBMIT DOCUMENT TO PPSD FOR PROCESSING
ACTION	If the record contains an IRS Lock than any tax withholding changes must be processed by Personnel and Payroll Services Division (PPSD). Take the following steps to resolve the audit error: 1. Verify the federal and state tax withholding are equal to the IRS lock. 2. Submit EAR to PPSD for processing. Transaction cannot be keyed by department.

ERROR/ACTION	MESSAGE
ERROR	EAR-05 EMPLOYEE STREET, CITY, STATE AND ZIP CODE MUST ALL BE ENTERED IF ANY ENTERED
ACTION	If any parts of the employee's address is entered, then street, city, state and zip code must all be entered. Take one of the following steps to resolve the audit error: 1. Verify the street, city, state and zip core are documented correctly and keyed correctly on the transaction. 2. If not entered correctly, correct the information. 3. If the information appears to be entered correctly, terminate the update and re-key the transaction. 4. If the audit message is received again, contact the Customer Contact Center.
ERROR	EAR-06 INVALID BIRTHDATE
ACTION	If entered, the difference between BIRTHDATE and CURRENT DATE (Today's Date) must be greater than 13 years and must be less than 85 years. Take one or more of the following steps to resolve the audit error: 1. Verify that the birth date is documented correctly and keyed correctly on the transaction. 2. If the birth date is not keyed correctly, correct the information. 3. If the employee's birthdate is correct and the audit message is received, then terminate the update and re-key the transaction. 4. If the audit message is received again, contact the Customer Contact Center.
ERROR	EAR-07 IRS LOCK IN EFFECT – VERIFY CHANGES COMPLY WITH IRS LOCK-IN LETTER
ACTION	If the employee's record contains an IRS Lock, then the federal and state withholdings should equal the IRS value or generate a greater tax withholding. NOTE: This audit message will only be received by PPSD staff, since only PPSD can enter EAR information when an IRS Lock is in effect.

ERROR/ACTION	MESSAGE
ERROR	EAR-08 IF MARITAL STATUS = "E," HW MUST = "N" AND DEP AMT, OTH INCOME AND DEDUCTION MUST BE ZERO.
ACTION	If federal marital status is "E" HW must be "N" and DEP AMT, OTH INCOME and DEDUCTION must be zero 1. Verify the federal marital status and other tax fields are documented correctly and keyed correctly on the transaction. 2. If the information is not keyed correctly, correct the information. 3. If it appears that the information was keyed correctly, terminate the update and re-key the transaction. 4. If the audit message is received again, contact the Customer Contact Center.
ERROR	EAR-09 IF EXMPT WTHHLD = "E" OR "N," FED AND STATE MARITAL STATUS MUST ="S"
ACTION	If exemption from withholding or non-taxable wages is selected, both state and federal marital status must be single. 1. Verify the exempt from withhold/non-taxable wages fields and state and federal marital status fields are documented correctly and keyed correctly on the transaction. 2. If the information is not keyed correctly, correct the information. 3. If it appears that the information was keyed correctly, terminate the update and re-key the transaction. 4. If the audit message is received again, contact the Customer Contact Center.
ERROR	EAR-10 BOTH FED AND STATE MARITAL STATUS MUST BE ENTERED
ACTION	If marital status is entered, both state and federal marital must be entered. 1. Verify that both state and federal marital status are documented correctly and keyed correctly on the transaction. 2. If the information is not keyed correctly, correct the information. 3. If it appears that the information was keyed correctly, terminate the update and re-key the transaction. 4. If the audit message is received again, contact the Customer Contact Center.

ERROR/ACTION	MESSAGE
ERROR	EAR-11 IF EXMPT WITHHLD = "E" OR "N" STATE REGULAR AND/OR ADDITIONAL MUST = 00
ACTION	If exemption from withholding or non-taxable wages is selected, state regular and/or additional allowance must be zero. 1. Verify the exempt from withhold/non-taxable wage field and state regular and/or additional allowance fields are documented correctly and keyed correctly on the transaction. 2. If the information is not keyed correctly, correct the information. 3. If it appears that the information was keyed correctly, terminate the update and re-key the transaction. 4. If the audit message is received again, contact the Customer Contact Center.
ERROR	EAR-12 IF HW = "Y" OR "N" TOTAL FIELD MUST = 00
ACTION	If higher withholding (HW) is, "Y" or "N" the total allowance filed must be zero. 1. Verify the higher withholding field is documented correctly and keyed on the transaction. 2. If the information is not keyed correctly, correct the information. 3. If it appears that the information was keyed correctly, terminate the update and re-key the transaction. 4. If the audit message is received again, contact the Customer Contact Center.