

State Controller's Office

Personnel Action Manual

Section 6

Separation Form Processing

Rev. 08/2000



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**Section 6.20 – Separation/Disposition Of Calpers Contributions - Form STD. 687
(rev. 05/97)**

PURPOSE/USE

The Separation/Disposition of CalPERS Contributions form is used to report:

- resignation
- PERS contribution election
- final mailing address of permanently separating employee

When signed, the Separation form is the legal resignation document received from the employee.

REQUIRED

A Separation form **MUST** be processed for:

Condition	Description
Resignations (S01-S20) for	<ul style="list-style-type: none"> ➤ Permanent or probationary civil service employees. ➤ Employees who have a right of return to a civil service position.
CalPERS members entitled to make a CalPERS election. These include	<ul style="list-style-type: none"> ➤ Permanent separations from all positions (S01-S41, S80, and S90 if employee is not reinstating). ➤ Movement to an exempt position in which employee will become a non-CalPERS member.
Address Change for	<ul style="list-style-type: none"> ➤ Permanently separating employees (S01-S41, S70-S80 and S90). ➤ PERS members taking a leave of absence for over one year (S52-S56).

RECOMMENDED

A Separation form is recommended but not required for resignations of exempt and temporary civil service employee.

NOT REQUIRED

A Separation form must not be processed for any other condition. However, the department may choose to use the form internally for their own purposes.

QUESTIONS

Call the Production Support Unit at (916) 322-8141 or CALNET 492-8141.

ROUTING

Original Retain the original copy of the Separation/Disposition of CalPERS Contributions, with the separation PAR.

Yellow Copy Must be retained by the department.

Pink Copy Retained by the employee.

Note: If employee elects a taxed deferred direct rollover of their retirement contributions, the CalPERS Direct Rollover Election Form must be completed and submitted directly to CalPERS.

The employee who elects to receive a fully taxed refund of their retirement contributions should complete the appropriate item in Section D on the Separation EAR form.

Section 6.22 – Separation/Disposition Of Calpers Contributions Item Definitions (rev. 05/97)

GENERAL PROCEDURES

Employees should be instructed to use a ball point pen and to print clearly when completing the Separation form. In order to avoid typographical errors, the Separation information should not be typed.

Employees should complete the Separation form by following the instructions printed on the form. The information and procedures shown in this section are intended to SUPPLEMENT the instructions on the Separation form.

➤ Section A - Complete this section as follows:

Item	Definition
Position Identification	<p>A.01 Agency code</p> <p>A.02 Unit code</p> <p>A.03 Add'L Identification - This item may be used for departmental purposes (i.e., class code and serial number or department code).</p> <p>Personnel Operations will use this information to identify the employing office when the department must be contacted or when the Separation form must be returned.</p>

➤ Section B

Item	Definition
Social Security Number/Employee Name	The department should verify that the correct name and SSA number have been entered.

➤ Section C

Separation Information

Item	Definition
Required	This section MUST be completed for Resignations (S01 - S20) for: <ul style="list-style-type: none"> • Permanent or probationary civil service employee • Employee who has a right of return to a civil service position. <i>Exception:</i> Not required if PAR Item 603 (Reason for Separation) is Code 27 or 28.
Recommended	The completion of Section C is recommended but not required for obtaining a signed resignation from exempt and temporary civil service employee.
No Reason Given	If the reason for resignation cannot be obtained, enter "no reason given" in Item C.02 (Reason for Resignation).
Employee Not Available	<p>A signed letter of resignation is acceptable if it was not possible to obtain a completed Separation form from the employee. Enter "see attached" in Item C.02 (Reason for Resignation) and attach the original signed letter.</p> <p>If the employee verbally resigned and it was not possible to obtain a completed Separation form, enter the information given by the employee in Item C.02 (Reason for Resignation). Also enter "verbal resignation on mm/dd/yy" in Section G (Employee Signature).</p> <p>If the employee is physically unable to complete a Separation form (or a signed letter of resignation), the department may complete Section C and have a member of the immediate family, the attending physician or a person having power of attorney sign in Section G (Employee Signature). The relationship of the person signing should also be entered in Section G.</p>
Effective Date Discrepancy	If the effective date of the resignation given by the employee in Item C.01 differs from the PAR effective date, enter an explanation of the difference in Section G (Employee Signature).

- Section D - The Separation form and PAR *must* be completed in accordance with the following procedures:

Disposition of CalPERS Contributions

Condition	Description
Required	<p>This section MUST be completed by CalPERS members who are:</p> <ul style="list-style-type: none"> • Permanently separating from all positions, excluding service and disability retirements (S01-S41, S80, and S90 if employee is not reinstating). <p style="text-align: center;">or</p> <ul style="list-style-type: none"> • Accepting an exempt appointment in which employee will become a non-CalPERS member. <p>Members with First Tier OR First and Second Tier (future only) employees electing a refund of retirement contributions must read the election notification (Section A on the reverse side of the Employee's copy) prior to completing box 01 or 02 of this section. Refunds will include interest through the date claim is filed with SCO.</p> <p>Members with Second Tier who are vested (past and future service) employees must check box 03.</p> <p>A refund election is not valid without:</p> <ul style="list-style-type: none"> • The employee's initials following the waiver of rights statement in Section D. • The employee's signature in Section G. • The employee's spouse's signature in Section G. <p>If the employee is NOT married, or meets one of the criteria listed on the Justification for Nonsignature of Spouse form, the Justification for Nonsignature of Spouse form (on then reverse side of employer's copy) must be completed and signed by the employee.</p> <p>If employee elects a direct rollover, the CalPERS Direct Rollover Election form must be completed and submitted <i>directly</i> to CalPERS.</p>

Section 6.25 – Separation/Disposition Of CalPERS Contributions Item Definitions [cont.]
 (rev. 05/97)

➤ Section D (cont.)

Disposition of CalPERS Contributions (cont.)

Condition	Description
Employee Not Available	<p>If it is not possible to obtain a completed Separation form from the employee, the department MUST NOT complete Section D. The department should, however:</p> <ul style="list-style-type: none"> • Advise the employee to contact CalPERS directly. • Complete Item H.01 (Employee Unavailable) and enter the reason the election could not be obtained. <p>If the employee is physically or mentally unable to make an election, contact CalPERS (Refund Unit) for further instructions. DO NOT SUBMIT THE FORM (OR COMPLETE ITEM H.01) WITHOUT FIRST CONTACTING CALPERS.</p>
Additional Positions	<p>Employees with additional positions should complete a Separation form WHEN SEPARATING FROM ALL POSITIONS.</p> <p>If it is not known that the employee is separating from all positions or that an election has already been made, the employee should be instructed to complete a Separation form and make an election in Section D.</p> <p>If it is known that the employee is <i>not</i> separating from all positions, indicate this in Line 10 on the separation PAR and instruct employee <i>not</i> to complete a Separation form.</p>

➤ Section E

California State Tax Withholding

Whether the employee elects to receive a refund or directly rollover his/her retirement contribution, the employee may elect to have 2% State income taxes withheld.

If the employee is a California resident and does not complete this section of the Separation form, the 2% State income tax *will* automatically be withheld from his/her refund or rollover.

If the employee is not a California resident and does not complete this section of the Separation form, the 2% State income tax *will not* be withheld.

➤ Section F

Item	Description
Mailing Address	<p>Complete this section in a manner that will ensure mail delivery as follows:</p> <p>F.01 Employee Address – up to 28 characters and spaces.</p> <p>F.02 City – up to 23 characters and spaces. State – two characters only. Use State reporting Codes to complete this field.</p> <p>F.03 Zip Code – up to 10 characters may be entered; however, the system will only accept the first five. If in a foreign country, enter 00001.</p>
When to Complete	<p>This section should be completed to obtain a final mailing address from employees who are:</p> <ul style="list-style-type: none"> • Permanently separating (S01-S41, S70-S80, S90) <li style="text-align: center;">or • Taking a leave of absence for more than one year (S52-S56).
Not Required	<p>If it is known that the address previously reported on the EAR has not changed, it is not necessary to complete this section.</p> <p>Employees who are TEMPORARILY separating should report an address change on the EAR instead of the Separation form.</p>

Section 6.27 – Separation/Disposition Of CalPERS Contributions Item Definitions [cont.]
(rev. 05/97)

➤ Section F (cont.)

Item	Description
Employee Not Available	When the department is aware of an address change and the employee is not available to complete a Separation form, the department may submit the address change without the employee's signature.
Address Change After Separation	Address changes received by the department after the separation documents have been submitted to Personnel Operations should be reported on the EAR.
Use of Address	This information is used by the State Controller's Office for printing W-2 forms, by CalPERS for mailing retirement refunds and health benefits information, for miscellaneous control agency correspondence, and for reporting employee address to the Internal Revenue Service and the Franchise Tax Board.

➤ Section G

Item	Description
Employee/Spouse Signature	<p>Employee's signature is REQUIRED if Section C (Separation Information) and/or Section D (Disposition of CalPERS Contributions) are completed.</p> <p>If employee is not available for signature, see Sections C and D procedures.</p> <p>Employee's signature is RECOMMENDED but not required for reporting final mailing address.</p> <p>Employee's spouse's signature is REQUIRED if employee elects a refund of contributions by checking either box 01 or 02 in Section D.</p> <p>If the employee is NOT legally married, employee MUST complete the Justification for Nonsignature of Spouse form located on the reverse side of employer's copy. This form MUST be retained and placed in the employee's personnel file for future reference in the event the refund is disputed.</p> <p>If the employee IS legally married, but meets one of the criteria listed on the Justification For Nonsignature of Spouse form, the spouse's signature in Section G may be omitted. However, the Justification For Nonsignature of Spouse form MUST be completed and signed by the member. This form MUST be retained and placed in the employee's personnel file for future reference in the event the refund is disputed.</p>

➤ Section H

Item	Description
Review Interviewer	<p>Item H.01 - Employee Unavailable: See Section D procedures.</p> <p>Item H.02 - Last Date of Contributions.</p> <p>Members with Second Tier (future only) or (past and future) - leave blank.</p> <p>Members with First Tier MUST complete if a refund of CalPERS contributions is requested. (If this item is left blank when Section D box 01 or 02 (Refund) has been checked, the form will be returned to the department.)</p> <p>Enter the last date on which the employee's gross pay was or will be subject to a CalPERS deduction.</p> <ul style="list-style-type: none"> ❖ Normally this is the last day on pay status. ❖ Lump sum payments of leave credits are not subject to CalPERS contributions (therefore, this date can never be later than the separation effective date). ❖ Date may be prior to the separation pay period if gross pay for the separation pay period is insufficient to qualify for a CalPERS deduction. Enter the last day of the pay period in which gross pay was sufficient to qualify for CalPERS deduction. ❖ If employee's gross pay was never sufficient to qualify for CalPERS deductions, enter effective date of appointment. <p>Reviewer Signature: Required on all Separation forms submitted to Personnel Operations.</p> <p>Reviewer signature (appointing power signature) must be on file with Personnel Operations (Signature Authorization Card, Form PPSD 8A).</p> <p>The reviewer should be the person Personnel Operations can contact for problems or questions regarding the Separation form.</p>

Section 6.29 – Forms [cont.] (rev. 05/97)

Justification for Nonsignature of Spouse:

This form must be completed by an employee who elects a refund of contributions and is unable to obtain their spouse's signature in Section G either because they are not legally married, or else meets one of the specific criteria listed on the Justification For Nonsignature of Spouse form.

The employee must enter his/her Social Security Number; the name of their spouse, if any; check the applicable box to indicate why there is no spouse's signature in Section G; and must sign and date the form.

The completed Justification For Nonsignature of Spouse form must be retained and placed with employer copy of the STD. 687 in the employee's personnel file for future reference in the event the refund is disputed.

CalPERS Direct Rollover Election Form:

This form must be completed by an employee who elects a rollover of contributions.

The completed CalPERS Direct Rollover Election form must be received by CalPERS before the member's rollover will be processed.