



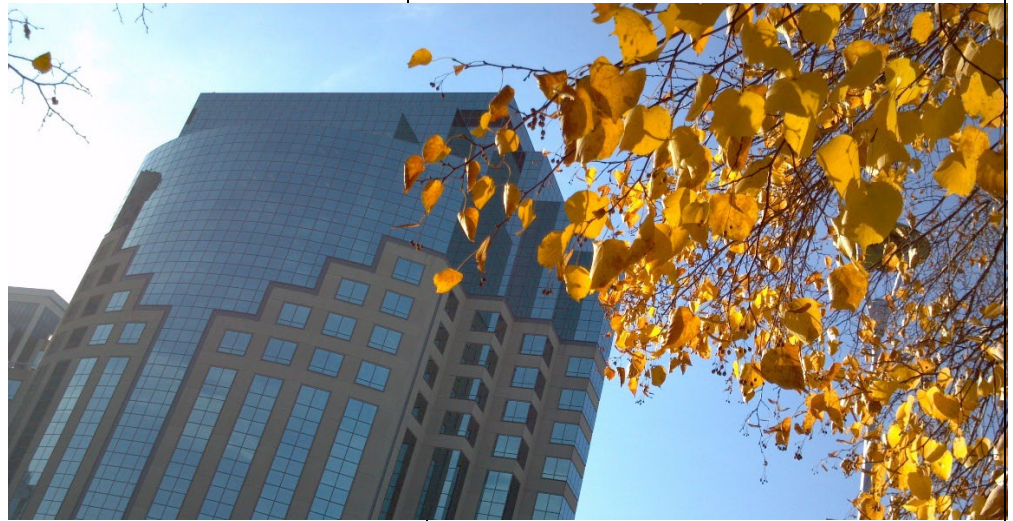
THE PPSD REGISTER

It is the mission of the Personnel and Payroll Services Division to provide accurate and timely personnel and payroll services through quality customer service.

February 2023

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State Controller's Office Personnel
and Payroll Services Division



Key Highlights This Month

- ✓ [Statewide Tax Support Program: Verification of Nonresident Employees](#)
- ✓ [Statewide Tax Support Program: Duplicate Form W-2, Wage and Tax Statements](#)
- ✓ [CalHR Savings Plus Update on SECURE 2.0 Act](#)
- ✓ [April 2023 Dependent Eligibility Verification](#)
- ✓ [California State Payroll System Project Update](#)

SCO KEY INITIATIVES

SCOCONNECT:
[CAL EMPLOYEE CONNECT
PROJECT/
CONNECTHR](#)

[CALIFORNIA STATE PAYROLL
SYSTEM \(CSPS\) PROJECT](#)

CONTACT US

(916) 372-7200

ppsdops@sco.ca.gov

Statewide Tax Support Program: Verification of Nonresident Employees

Departments must verify nonresident employees by March 15. To ensure compliance with Internal Revenue Services (IRS) requirements, review [Personnel Letter #23-002](#) and [IRS Notice 2005-76](#), and follow the steps below.

1. Review the report “Employees Identified as Nonresidents” (PDW7170) in ViewDirect to determine if all nonresident employees subject to IRS Notice 2005-76 are listed.
2. To add or delete employees from the report, follow the directions in Personnel Letter #23-002. Complete the form on page 4 of the letter and submit to the State Controller's Office (SCO) by March 15.

Reminder: Departments must submit this form even if they do not have any nonresident employees subject to IRS Notice 2005-76. Changes to a department’s list of nonresident employees should be reported to SCO monthly.

3. Verify that nonresident employees have completed a [STD. 686 Employee Action Request Form](#) or [STD. 457 CSU Student Payroll Action Request](#) correctly, per IRS Notice 2005-76 and Personnel Letter #23-002.

For questions, please contact the Statewide Tax Support Program at PPSDSTSP@sco.ca.gov.

HELPFUL TOOLS



[COVID-19 FAQ](#)

[Email Subscriptions](#)

[Civil Service Weekly Processing Dates](#)

[Decentralized Payroll Calendars](#)

[SCO Letters](#)

[Personnel Action Manual \(PAM\)](#)

[Payroll Procedures Manual \(PPM\)](#)

[Requesting Employment History](#)

[Requesting Pay History](#)

[Statewide Training](#)

[Payroll Flyers and Global Messages](#)

[Verification of Employment](#)

Statewide Tax Support Program: Duplicate Form W-2, Wage and Tax Statements

SCO mailed all W-2 forms before January 31. If an employee did not receive their Form W-2, they are encouraged to use [Cal Employee Connect](#) to print a copy.

If a duplicate copy is needed, please have the employee complete a [STD. Form 436 Duplicate Wage and Tax Statement Request](#) and email it to PPSDW2DupCor@sco.ca.gov. There is a non-refundable \$8.50 processing fee to request a duplicate Form W-2. This fee is waived if there is no change to an employee's mailing address and their departmental human resources office submits a request by March 3. Requests take approximately three weeks to process.

For questions, please contact the Statewide Duplicate W-2 Customer Contact at (916) 445-2849 or PPSDW2DupCor@sco.ca.gov.

CalHR Savings Plus Update on SECURE 2.0 Act

The SECURE 2.0 Act, signed into law by President Biden on December 30, 2022, contains provisions that affect the California Department of Human Resources' (CalHR) [Savings Plus program](#) and state employees. A few of these provisions are highlighted below with more information to come.

- Effective January 1, 2023, the age at which plan participants must begin to withdraw Required Minimum Distributions (RMD) has increased from 72 to 73. The RMD age will increase to 75 on January 1, 2033.
- Participants making catch-up contributions will be affected by a change requiring Roth tax treatment for contributions over the regular limit, currently \$22,500 per plan, for 2023. Specifically, this applies to employees with compensation over \$145,000 and may affect employees considering retirement and lump sum separation pay contributions to their 401(k) and/or 457(b) plans. Eligible participants earning less than \$145,000 may still make catch-up contributions on a pre-tax basis. This section is effective for taxable years after December 31 and is pending additional implementation guidance.
- Catch-up contribution limits will increase for participants aged 60, 61, 62, and 63. This limit will increase for those specific age groups up to the greater of \$10,000, or 150 percent of the regular catch-up amount for 2024, effective after December 31, 2024.

CalHR Savings Plus is updating their website and will provide additional details on these and other SECURE 2.0 provisions as further guidance is received and the changes become effective.

Statewide Benefits Program: April 2023 Dependent Eligibility Verification

The California Public Employees' Retirement System (CalPERS) and CalHR mail out Dependent Eligibility Verification/Re-Verification (DEV/DRV) notices to employees with dependents enrolled in Health, Dental, and/or Premier Vision benefits. Departments are responsible for notifying employees that they must verify dependent relationships to continue benefits. Departments also are responsible for disenrolling ineligible dependents from Health, Dental, and Premier Vision benefits. Departments will soon receive eligibility verification documents and completed [Dependent Eligibility Verification Checklists \(CalHR 781\)](#) from employees.

Health Benefits - Dependent Eligibility Verification (DEV)

Department Personnel Offices process Health benefits DEV transactions in myCalPERS. It is critical that departments verify dependent eligibility in myCalPERS before April 1, 2023. Delays will result in employees' dependents losing benefits coverage and the creation of accounts receivables. Departments also can view the [Dependent Eligibility Verification Schedule](#) on CalPERS website.

Dental and Premier Vision Benefits - Dependent Reverification (DRV)

This automated DRV process for dependents enrolled in Dental and /or Premier Vision benefit starts with the March 2023 birth month cycle with the first set of notifications mailed in January 2023. All dependents enrolled in dental and/or premier vision benefits will be subject to reverification. This includes dependents verified prior to the automated dental and premier vision DRV process. Dental and Premier Vision benefits DRV transactions will now appear in the Family Connect Portal (FCP). Click [here](#) for more detailed information.

Note: The FCP is a tool for tracking and reviewing dependent statuses. Any changes or cancellations must still be performed and sent to SCO or appropriate carrier per the [CalHR Benefits Administration Manual](#).

It is critical that departments verify dependent eligibility in FCP and notify SCO or the appropriate carrier before April 1. Delays will result in ineligible dependents remaining enrolled. Departments also can view more information regarding [Dependent Re-Verification](#) on CalHR's Benefits Division website.

Tips:

- Review the [CalPERS resources](#) for health benefits dependent eligibility.
- Review the [CalHR Benefits Administration Manual](#) for dental and vision dependent eligibility.
- Verify dependent eligibility on a flow basis.
- Disenroll ineligible dependents from dental and premier vision benefits in a timely manner.
- Use the "Dependent Verification End Date Report" in myCalPERS to determine which employees must verify eligibility of dependents during the April verification cycle.
- Notify employees in writing of deficient documents.

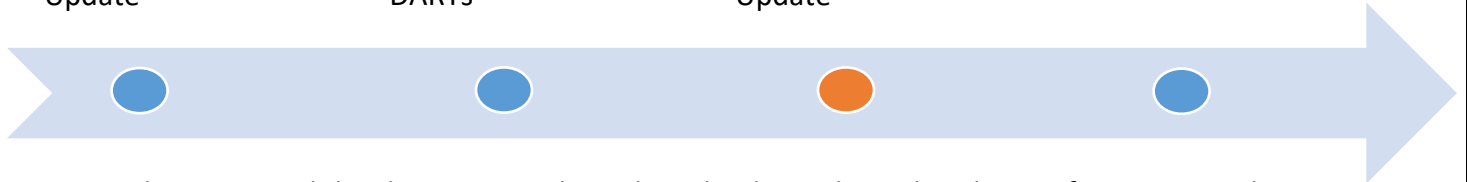
CSPS Monthly Snapshot

December: Project Update

January: Building DARTs

February: Project Update

March: DART Update



We have entered the shortest month on the calendar with an abundance of positivity within the CSPS Project. Stage 4, Project Readiness, is an exciting time as we continue to move forward!

“Change is the law of life. And those who look only to the past or present are certain to miss the future” -John F. Kennedy

We are in the midst of our Subject Matter Expert (SME) and Coordinator identification sessions with state agencies/departments and are experiencing great turnout and collaboration. As stated in last month’s update, this stage of collaboration cultivates the growth of each Department Agency Readiness Team (DART) based on the needs and expectations of their department. Departments have already assigned Sponsors and Liaisons to lead their DART teams, and are now adding to their team with SMEs and Coordinators. The CSPS Project team is dedicated to guiding departments in building teams that best fit their needs.

In addition, the CSPS Management Team has been hard at work evaluating Proof of Concept (POC) responses. Our aim is to wrap this activity up by month’s end. Once this is complete, we will begin the next phase of negotiations and vendor selection, which we anticipate will conclude early this summer.

In addition to POC and DART development, our Data Team has been busy making sure the databases have data which fit respective business rules (e.g., year must be in 4-digit format). We have many moving parts in our shop and will continue to provide real-time updates throughout this significant transition.

We are dedicated to information sharing and will keep you updated on progress and milestones. If any questions or inquiries arise, please feel free to reach out to us at CSPShelp@sco.ca.gov. We also invite you to explore our [California State Payroll System \(CSPS\) Project](#) website.