



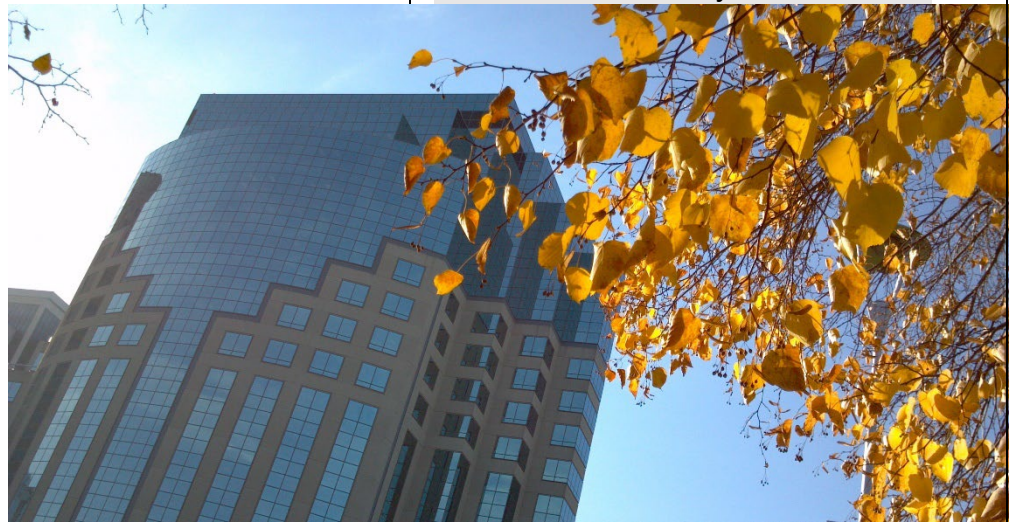
## THE PPSD REGISTER

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

**August 2025**

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State Controller's Office  
Personnel and Payroll Services



### Highlights This Month

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#### SCOCONNECT:

[CAL EMPLOYEE  
CONNECT  
CONNECTHR](#)

#### SCO KEY INITIATIVE

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

#### CONTACT US

(916) 372-7200  
[ppsdops@sco.ca.gov](mailto:ppsdops@sco.ca.gov)

## National Payroll Week

[National Payroll Week](#) celebrates America's workforce and the payroll professionals who ensure employees are accurately paid on time. This year, National Payroll Week is scheduled September 1 - 5. The State Controller's Office (SCO) is proud to continue the tradition of recognizing the outstanding contributions of our personnel and payroll teams. We make it a priority to observe this week and celebrate the dedicated staff who provide timely, accurate payroll services to departments and employees across the state. In previous years, SCO has hosted virtual events including team meetings and activities to show appreciation to our employees.

The National Payroll Week Organization has a variety of [ideas for celebrating your payroll professionals](#). These resources can be a great way to celebrate and highlight the important work your teams do every pay cycle. Payroll professionals are essential to the success of state operations because they play a critical part in providing sufficient personnel and payroll services through quality customer service. We encourage you all to celebrate this special week.

Thank you from SCO for your invaluable contributions to California State Employees!

## Get Ready for Open Enrollment September 15 - October 10

### Help Your Department Make the Most of Their Benefits

As a Human Resources (HR) professional, your department relies on you to spread the word and help employees make the right choices. CalHR is here to support you and your employees.

### Open Enrollment: September 15 to October 10, 2025

[Open Enrollment](#) is the once-a-year opportunity for state employees to update their benefits, including:

## HELPFUL TOOLS



### [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](#)

## SCO Forums

### [Transaction Supervisors' Forum:](#)

August 14  
September 17

### [Transaction Specialists' Educational Forum:](#)

August 7

- Health, dental, and vision plans
- FlexElect Reimbursement Accounts
- Cash options
- COBRA
- Legal insurance
- Long-term disability (LTD)
- Supplemental life insurance

All changes take effect January 1, 2026.

### How to prepare:

1. **Mark your calendar: September 25 - Virtual HR Professional Lunch**  
Get the latest updates from CalHR, SCO, and CalPERS. Learn about benefit changes, enrollment tips, and best practices — plus a live Q&A.  
*Registration is coming soon.* Visit the [State HR Professionals webpage](#) for details.
2. **Stay in the loop**  
Subscribe to the [Personnel Officers CalHR Subscription Listserv](#) for timely updates, resources, and reminders to make your job easier.
3. **Encourage employees to attend Benefits Fairs**  
Employees can learn about benefits options and get answers virtually or in person. Dates and locations are posted on the [Open Enrollment Benefits Fairs page](#).

Visit the [Open Enrollment](#) webpage for details and resources to support state employees.

Thank you for helping employees with their benefits for a better life well lived!

## 2025 Benefits Open Enrollment is Here

The annual open enrollment period for health, dental, Premier Vision, and all FlexElect accounts runs from September 15 to October 10. All open enrollment actions will be effective January 1, 2026. The Statewide Civil Service (SCS) Benefits program processes approximately 30,000 dental ([STD. 692](#)) and FlexElect ([STD. 701R/STD. 701C](#)) forms annually during the open enrollment period. This workload represents more than 20 percent of all forms processed by the SCS Benefits program each year.

As the SCS Benefits team ramps up for open enrollment season, here are some tips to help expedite processing of forms sent to SCO:

- Inform employees of the 2025 open enrollment period.
- Send reminders to employees encouraging submission of open enrollment changes as soon as possible.
- Audit submitted open enrollment forms to ensure they are accurate and complete.
- Remind Permanent Intermittent (PI) employees that they must enroll in FlexElect/CoBen Cash Option each plan year during open enrollment. All other employees currently enrolled in FlexElect/CoBen Cash Option will be automatically re-enrolled for the 2026 plan year. Refer to the FlexElect Handbook for more details.

- Submit open enrollment forms on a flow basis to SCO for processing through [ConnectHR](#).
- Remind employees to use the [Benefits Calculator](#) provided by CalHR.
- Review the California Public Employees' Retirement System Board of Administration's approved [health plan premiums](#) for the 2026 calendar year.
- Use SCO Civil Service Benefits [2025 Open Enrollment Resources](#).
- Contact the Statewide Customer Contact Center at (916) 372-7200 with questions. If you have suggestions, submit them to [PPSDHRSuggestions@sco.ca.gov](mailto:PPSDHRSuggestions@sco.ca.gov).

## **Meet the Team: Statewide Customer Contact Center**

The Statewide Customer Contact Center (SCCC) is a part of the Personnel and Payroll Services Division (PPSD), within the Personnel and Payroll Service Bureau (PPOB) at SCO. SCCC supports state agencies and CSU campuses by responding to personnel and payroll questions through phone or email. The mission of SCCC is to provide excellent customer service that is accurate and professional. SCCC assists with questions about pay, leave balances, employment history, and other payroll processes. Below is a paragraph featuring each team member and their contributions.

SCCC Program Manager, Christina, has been with the State of California for almost two decades and has a passion for personnel work. She is a supportive leader with a commitment to improvement and a strong knowledge of personnel and payroll processes.

Senior Personnel Specialist, Jessie, has worked with the State of California for 17 years, with 11 of those in personnel. She appreciates that her job brings fresh challenges and opportunities to learn something every day.

Senior Personnel Specialist, Meghan, has been at SCO for 19 years. Over her career, she has gained experience in premium pay, payroll, W-2 processing, and miscellaneous deductions.

Senior Personnel Specialist, Tiffany, has been part of the SCCC team for five years and has spent a majority of her state career working in Personnel across various departments.

Senior Personnel Specialist, John, has worked with SCCC for one year and has seven years of experience working in an HR office. His strong HR background supports his ability to deliver exceptional customer service to departments and campuses.

The SCCC team is committed to improving services and providing top customer service to state departments and CSU campuses. Whether answering a question or helping resolve more complex issues, SCCC aims to be a trusted and reliable resource for the state personnel and payroll matters.

# Savings Plus: Understanding SECURE 2.0 and Catch-Up Contributions

The Internal Revenue Service (IRS) recently introduced new legislation that impacts retirement plans and tax rules under the SECURE 2.0 Act. Among its many provisions, [Section 603](#) directly affects how some employees make age-based catch-up contributions to their retirement accounts.

## What is Changing?

- Starting January 1, 2026, employees who earned more than \$145,000 in FICA wages (earnings subject to Social Security withholdings; found in Box 3 on W-2) in the previous year will be required to make age-based catch-up contributions like Roth (after-tax).
- This applies to employees ages 50 and older, including the special 60–63 age catch-up window.

## Why It Matters Now?

Although the rule starts in 2026, it may impact some employees in 2025:

- If you separate from state services in November or December 2025 and choose to defer a portion of your Lump Sum Separation Pay into a second tax year, your current year FICA wages plus your current year lump sum contribution could push you over the \$145,000 limit.
- If that happens, your 2026 age-based catch-up contribution must be Roth.

For example, if an employee's 2025 total FICA wages (including contributions to Savings Plus) exceeds \$145,000, any 2026 catch-up contributions must be designated as Roth as part of their Lump Sum Separation Pay for the second tax year deferral.

## How Can You Prepare?

We are here to help!

- A new Lump Sum Separation Pay form will be available on August 4, 2025, updated by Savings Plus and the SCO.
- After the form release, look for updated resources, webinars, and FAQs on Savings Plus and SCO websites. These resources can help HR and Payroll teams plan accordingly.

## Need More Information?

- Employees with questions: Call the Savings Plus Solutions Center at (855) 616-4776.
- HR and Payroll staff with questions about this provision and how it will affect your employees: Call (916) 909-3717 or email [LeaveRollover@calhr.ca.gov](mailto:LeaveRollover@calhr.ca.gov) for more information.





**Follow us** for free events, tips and resources.



[Retirement Resource Group](#)



Solution Center: (855) 616-4776



[SPPOutreach@calhr.ca.gov](mailto:SPPOutreach@calhr.ca.gov) →

Schedule free financial wellness services at your department; get your questions answered.

## August 2025 Dependent Eligibility Verification

Departments will soon receive eligibility verification documents and completed [Dependent Eligibility Verification Checklists \(CalHR 781\)](#) from employees.

It is critical that departments verify dependent eligibility for health benefits in [myCalPERS](#) by September 1, 2025. Delays will result in employees' dependents losing health care coverage and the creation of accounts receivable(s).

Departments can also view the Dependent Eligibility Verification Schedule on the CalPERS website. Please see below helpful tips and resources regarding dependent eligibility verification:

- Review the [CalPERS resources](#).
- Review the [CalHR Dependent Re-Verification Webpage](#) for HR Offices.
- Verify dependent eligibility on a flow basis.
- Dis-enroll ineligible dependents from health, dental, and vision benefits in a timely manner.
- Use the "Dependent Verification End Date Report" in myCalPERS to determine which employees are required to verify eligibility of dependents for health benefits during the January verification cycle.
- Provide written notification to employees regarding deficient documents.

Questions? Contact the [PPSD Statewide Customer Contact Center](#) at (916) 372-7200.

## California State Payroll System Project Update

The California State Payroll System (CSPS) Project will modernize the current state personnel and payroll system. The new system will automate many manual processes and integrate with different systems and applications to create a cohesive workflow.

Recently, I was able to talk with the Personnel and Payroll Services Division's (PPSD) own Readiness, Implementation, and Stakeholder Engagement (RISE) Liaison Sarah Huggins to gain her perspective. She is looking forward to the automation the new system will bring to her team's day-to-day work.

*"So much of our current reporting processes are very manual and require assistance from staff in the SCO's Information Systems Division. I am looking forward to more self-service options...so that our customers are better able*

*to fulfill their own reporting needs with greater efficiency. I am also looking forward to a more user-friendly platform that will allow internal and external customers to pull data from a system that is more intuitive and easier to use.”*

When asked how a modern system will impact her team’s productivity and/or efficiency, Sarah was enthusiastic.

*“Although the processes and tools that my teams regularly use are reliable, they also require years of experience to build confidence. Many of the tools are manual and the processes are laborious...I have full faith that the new system will be more intuitive, fully documented, and easier to train/learn. I expect that all PPSD (and our HR customers) will benefit from this.”*

As a RISE Liaison, Sarah is dedicated to ensuring everyone has the information and tools they need for a smooth and successful transition to the new system.

*“I am most excited about seeing how much easier our work can be with a more flexible and modern system. I think that the sky is the limit...”*

Be on the lookout for more perceptive testimonials from fellow state colleagues and leaders coming your way every other month.

We are dedicated to sharing information and continuing to keep you updated on progress and milestones of the CSPS Project. Please feel free to reach out to the OCM team at [CSPShelp@sco.ca.gov](mailto:CSPShelp@sco.ca.gov). We also invite you to explore our [CSPS Project website](#).