

September 2022

Transaction Supervisors' Forum Notes

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SURVEY QUESTIONS:

The following questions are submitted prior to the forum via Survey Monkey.

Question: Should Transactions Specialists' obtain the employee's gender from their CalHR 1070 form only? If so, will that be updated to include non-binary?

Answer (Glenna Wheeler: Glenna.Wheeler@calhr.ca.gov): Yes, employee gender should be obtained only from the CalHR 1070 form. An employee can update the form at any time. CalHR plans to include a non-binary option when updating the form in the near future.

CalHR – CEA/Exempt Return Rights: Exempt Program | Personnel Management Division

CEA Notice Requirements:

- Departments are required to notify the CEA employee at least 20 calendar days prior the effective date of the termination
- The notification should be in the form a letter and must outline reinstatement options

Sample letters available on CalHR's website:

- CEA Termination <u>CalHR</u>
- CEA Return Rights/Termination Sample Letters

CEA Reinstatement Right Options:

- 1. Mandatory
- 2. Improved Mandatory
- 3. Improved Permissive

Departments should use the following tools to determine the employee's rights and options:

- CEA Return Rights Worksheet (CalHR-769)
- <u>CEA Return Rights Options Chart</u>

Exempt Notice Requirements:

- Departments are NOT required to notify the Exempt employee in advance of their termination
- Departments must provide the Exempt employee a formal letter outlining their reinstatement options

Sample letters available on CalHR's website:

- Exempt Termination <u>CalHR</u>
- Exempt Return Rights/Termination Sample Letters

Exempt Reinstatement Right Options:

- 1. Mandatory
- 2. Improved right to request a deferred exam

Departments should use the following tools to determine the employee's rights and options:

- Exempt Return Rights Worksheet (CalHR-770)
- Exempt Return Rights Options Chart

Lump Sum: Statutory Exempts:

- An individual appointed to a statutory exempt position may elect to receive full or partial lump sum payment prior to or during the appointment
- The rate of pay must be at the salary rate of the position where leave was last earned and adjusted for general salary increases. This rate requires CalHR approval.

For more information, departments can refer to the Exempt Salary Schedule

- Lump Sum Payments to Statutory Officer (pg.14)

Contact Information:

Should you have any questions, please contact: <a>EPR@calhr.ca.gov (Exempt Program)

SCO KEY INITIATIVES:

SCOConnect: Cal Employee Connect Project/ConnectHR – Liz James / Cameron DeLemos (ConnectHRhelp@sco.ca.gov)

Cal Employee Connect (CEC)

- Pseudo-Interactive features: Multifactor Authentication, Direct Deposit, Address Change and Withholdings
- Wave 1 October 3, 2022:
 - o Multifactor Authentication
 - o Direct Deposit

ConnectHR

- Telework Stipend Update August:
 - o 222,993 payments were issued
 - To 81,571 employees
 - 93% of the payments were the result of data submitted via ConnectHR rather than the Payroll Input Process (PIP)

Payroll Adjustment Notice (STD. 674) – Accounts Receivable Changing Method of Collection Demonstration:

• <u>Payroll Procedures Manual - Section I 026</u>: Changing Method Of Collection (Revised 02/06, page 16)

SCO – California State Payroll System (CSPS) Project – Paula Giannini (CSPSHelp@sco.ca.gov)

Project Information:

- Objective: To modernize and integrate the State's Human Resource and Payroll systems
- **Goals:** Manager and Employee Self-service, Reduction in manual/paper submissions, Improved reporting capabilities, Efficiencies in processes/workflow
- **Scope:** Personnel, Benefits, Position Control, Time & Attendance, Travel & Business Expense and Payroll
- Why CSPS: Current system is 50 years old and not integrated; current system does not reflect or incorporate IT, HR, PR innovations over past 50 years.
- Who will this impact: State HR and Payroll staff and all state employees



Status Updates / Progress:

- Recent Progress:
 - Conducted Phase 2 Proof of Concept kickoff
 - o Welcomed Paul Kudlacz, Sirisha Gullapalli, and Barbara Ching to the Management Team

• Upcoming Activities:

- Testing planning
- Deliver "Improvements to Employee Pay" presentation
- Schedule:

Activities	Start	End	Status
Conduct Phase 1 of solicitation	April 2022	August 2022	Completed
Conduct Solicitation Phase 2 - Proof of Concept and Evaluate Proposals	August 2022	November 2022	In progress
DART Liaison Kickoff	October 2022 (TBD)	October 2022 (TBD)	

BENEFITS ADMINISTRATION:

SCO – Statewide Benefits Program - Ryan Baughman (ppsdcsbenefits@sco.ca.gov)

Open Enrollment is Here!

- Important Dates:
 - Open Enrollment Period: September 19th October 14th, 2022
 - Last day agencies can submit new forms: November 1, 2022
 - Last day agencies can submit corrected forms: November 23, 2022
 - Effective Date of Benefits: January 1st, 2023

- Reminders:
 - All Open Enrollment forms to be uploaded via ConnectHR, including responses to PR250s
 - Employees CAN use self-enrollment feature on <u>myCalPERS</u> for health
 - If employee enrolled in Flex/Consolidated Benefits Cash Option during Special Open Enrollment, they do **NOT** need to re-enroll during this Open Enrollment
 - Please ensure the correct form is being used for Cash Options:
 - > 701C Flex Cash: Bargaining Units 1, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 20, & 21
 - > 702 Consolidated Benefits: Bargaining Units 2, 7, 8, 16, 17, 18, 19, & Excluded
- State Controller's Office Resources:
 - o Personnel & Payroll Services Division Benefits Administration
 - 2022 Open Enrollment Form Checklists
 - 2022 Open Enrollment Forms Examples & Common Errors Guides
 - 2022 Open Enrollment FAQs
- CalHR Resources:
 - o CalHR Benefits Division Open Enrollment
 - o Benefits Administration Manual
 - > <u>Dental</u>
 - FlexElect Cash Options & Reimbursement Accounts

Affordable Care Act – Sarah Huggins (<u>ACASupport@sco.ca.gov</u>)

- Upcoming ACA Virtual Training Classes:
 - September 27 28
 - November 2 3
 - o <u>Training Information</u>
 - Registration: <u>PPSDACATraining@sco.ca.gov</u>
- Auto Population Updates:
 - o To be released in October; Personnel Letter forthcoming
 - ACA Status Codes 2A, 2B and 2D will be auto-populated
- Auto Population Examples
 - Effective Date: Date of Appointment from Payroll Action Request (PAR)

Example	Auto Pop – Yes / No
ACA Status Code 2A (HB Not Offered)	
New EE in non-HB eligible position	Yes
ACA Status Code 2D (Administrative Waiting Period)	
Current EE with HB, transferring to new HB eligible position	No
New EE in HB eligible position	Yes
Current PI with no HB offer, transferring to HB eligible position	Yes

Example	Auto Pop – Yes / No
ACA Status Code 2B (Control Period)	
New PI in control period	Yes
Non-HB eligible EE, transferring to a PI position	Yes
Non-HB eligible PI EE, transferring to a new PI position	No

Option 1	Option 2	Option 3
Prior ACA Status Code: 2B	Prior ACA Status Code: Blank	Prior ACA Status Code: 3A
Auto-Pop: No	Auto-Pop: Yes	Auto-Pop: No

- Auto Population Notes and Exceptions
 - IMPORTANT NOTES:
 - All ACA Status Codes must be updated appropriately for the Auto Population program to work correctly
 - HR staff are expected to review auto popped ACA Status Codes for accuracy and to make changes, as necessary
 - The Auto Population program will not auto-populate two codes if:
 - An appointment transaction is not keyed into PIMS
 - > An appointment transaction is keyed into PIMS prior to the program release date
 - > The ACA Status Code to be populated is the current ACA Status Code
- Information Reporting Penalties (IRP) Corrections
 - What is changing?
 - As of the 2021 reporting year (1095-Cs issued early 2022), the IRS is no longer providing relief to employers for incorrect reporting
- 2021 IRP Amount
 - o \$280: Failure to file a correct 1095-C record to the IRS
 - o \$280: Failure to provide a correct 1095-C to the EE
 - o Total: \$560 per corrected 1095-C
- 2022 IRP Amount
 - o \$290: Failure to file a correct 1095-C record to the IRS
 - o \$290: Failure to provide a correct 1095-C to the EE
 - o Total: \$580 per corrected 1095-C
- What does this mean?
 - o The State of California will be assessed penalties for all corrected 1095-Cs once SCO submits the 2021 corrected 1095-Cs to the IRS (as early as 2024)
- Why should I care?
 - o HR offices are responsible for maintaining accurate information in ACAS for all employees and all positions which an employee holds
 - o The longer it takes to correct a record in ACAS, the larger IRP your department will be responsible for; in other words, the penalties compound over time
 - o IRPs will be passed down to the department at fault

- What can we do to reduce our penalty liability?
 - o Train all staff who key into ACAS; PPSD and CalHR offer joint training on a regular basis
 - Familiarize your staff with ACAS resources on the SCO webpage: <u>https://sco.ca.gov/ppsd_affordable_care_act_training.html</u>
 - o Ensure that ACA work is a part of your regular personnel and payroll processing; although there is no payroll or benefit impact, there will be a financial impact
 - o Ensure that errors on all Compliance Reports are addressed and corrected on a monthly basis
 - o Ensure that any errors identified on the monthly Safe Harbor report from CalHR are addressed and corrected immediately
 - o Ask questions! If you aren't sure, reach out for help
 - Anything to do with ACAS: <u>acasupport@sco.ca.gov</u>
 - Anything to do with ACA policy: <u>ACA.Policy@calhr.ca.gov</u>
- Information Reporting Penalties Compounded Over Time
 - o Example A: "Department Z" became aware of a needed update for an employee's ACAS record in November 2022. The change dated back to January 2021. Time went on and for multiple reasons, the change did not get made until April 2024. When the change was made, it resulted in a correction to the employees 2021, 2022, and 2023 1095-Cs
 - o Resultant penalties:
 - Corrected 2021 1095-C: \$560
 - Corrected 2022 1095-C: \$580
 - Corrected 2023 1095-C: \$600 (estimated)
 - Total: \$1,740.00
 - o Example B: "Department Z" became aware of a needed update for an employee's ACAS record in November 2022. The change dated back to January 2021. The change was made as timely as possible, in November 2022. When the change was made, it resulted in a correction to the employee's 2021 1095-C.
 - o Resultant penalty:
 - Corrected 2021 1095-C: \$560
 - > Total: \$560.00

	Example A	Example B
Total Penalty Assessed:	\$1,740	\$560
Total Savings:		\$1,180

PROGRAM UPDATES:

Program Analysis and System Coordination Branch – Arlene Bailey (PASCINQUIRIES@sco.ca.gov)

- Bargaining Unit 18 Retirement Changes:
 - o Mass 505 Transaction was processed on December 14, 2021.
 - o Reference: Personnel Letter #21-021
 - Payroll Accounts Receivable will be established for the overpayment in the month of September and October. A Payroll letter is forthcoming to provide the details and any special processing instructions for Agencies.
- Employment History Records with Abolished Earnings Identifiers
 - o Reference: Personnel Letter #22-008
 - o Reminder to review all locked in earnings identifiers when processing employment history transactions and to remove the earnings identifiers when no longer applicable.

Statewide Tax Support Program – Monique Perez

- Nonresident Aliens Business Process (<u>PPSDSTSP@sco.ca.gov</u>):
 - o Broadcast Email September 16, 2022
 - o REVISED Personnel Letter #22-011: Verification Of Employees Identified As Nonresident Alien
 - o REVISED Personnel Letter #22-003: Verification Of Employees Identified as Nonresident Alien
 - o <u>Payroll Letter #06-030</u> New IRS Nonresident Alien Federal Tax Withholding Procedures
- Calendar Year-End (<u>PPSDW2MiscDed@sco.ca.gov</u>):
 - o Payroll Letter Release
 - Direct Mailing of 2022 Form W-2 and 2022 Form 1095-C Return Address on the Forms to Employees
 - Document Cutoff Dates for 2022 Calendar Year-End Processing
 - Deceased Employee and Designee/Beneficiary Reporting
 - Salary Advance Reporting Compliance

Statewide Payroll Program - Renee McClain and Christina Campbell (Contact SCCC @ (916) 372-7200)

Payroll Reminders:

- Challenges with Timely Receipt of Garnishment Payments
- <u>Lump Sum Calculator Overview</u> will be held on the following dates:
 - o October 12, 2022 Human Resources Office
 - o October 20, 2022 Transaction Supervisors' Supervisors Forum
 - o November 3, 2022 Transactions Specialists' Educational Forum
- <u>Military Leave Survey</u>: Sent out on September 15, 2022. Please complete the survey before September 30, 2022.
- Lump Sum Savings Plus Separation Pay Contribution Election Form (<u>election form</u>):
 - o Section II of the Election Form must be completed with a contribution amount.
 - o Employees should not be completing Section II of the Election Form with Max.
 - o Departments should not be instructing their employees to complete the Election Form with Max.
 - o Departments should not be completing the Election Form for the employee with Max as this is a legal document signed by the employee.
- You must have a final dollar amount on the Election Form. SCO will only accept a dollar amount in the 401(k) and 457(b) sections of the Election Form. Do not use words, such as "Max" or "Remainder" (example below)

401(k)		457(b)		
Plan Year	Plan Year Pre-tax		Pre-tax	Roth
2022	\$ 20,500	\$	\$ Max	\$
	\$	\$	\$	\$

• If the employee does not know the amount available for contribution, they may complete the form using the contribution limit that applies to them below.

	Maximum contribution limit	Contribution limit plus Age-Based Catch-Up	Traditional 457(b) Catch-Up contribution limit
This year, if you are	less than age 50	at least age 50	3 years or less from your normal retirement age ²
401(k) Pre-tax/ 401(k) Roth	\$20,500	\$27,000	\$27,000 (use Age-Based Catch-Up
457(b) Pre-tax/ 457(b) Roth	\$20,500	\$27,000	\$41,000
TOTAL	\$41,000	\$54,000	\$68,000

• SCO will apply the maximum amount possible and will not exceed the contribution limits.

Garnishment Reminders (Statewide Customer Contact Center (916) 372-7200):

- Please be sure garnishment warrants are mailed out timely to recipients.
- Ongoing child support payments that are sent to the California State Disbursement Unit (SDU) must be completed in section 8A of the 639 Child Family Support (CFS) garnishment form.
- Arrearages must be completed in section 8C with the total for the arrears.
 - If the total is not known, you must complete 8C with 99,999.99
- Complete 11B with a maximum amount or 11D for a specific amount per month to be deducted.
- Please refer to the notes of the <u>Transaction Specialists' Educational Forum</u> for additional information on the garnishment process and how to complete garnishment forms.

SCO Audits Program – Renee McClain (<u>Rmcclain@sco.ca.gov</u>)

Civil Service Audits Reminders:

- Personnel Services Division (PSD) 40 (Civil Service Audits Ding Notice):
 - o A PSD 40 is a notice that identifies errors or corrections that are needed on a personnel action request (PAR) or Employment History.
 - o PSD 40s are sent to the departmental universal mailboxes.
 - o If you do not respond to the SCO specialist that sent the PSD 40 within 24 hours, the PAR package submitted will be cancelled.
 - o You will be required to resubmit your entire PAR package using <u>ConnectHR</u>, including the PSD 40 as the first page, to ensure it will be worked by the SCO specialist that sent the notice.

Statewide Training Program – Michael Berlanda (PPSDTraining@sco.ca.gov)

- Statewide Training Class Vacancies
- Training Coordinator Designation for Agencies
- Ongoing Course Development
- eLearning Statistics

Job Aid: Public Student Loan Forgiveness (PSFL) – Nastassja Johnson (<u>PPSDHRSuggestions@sco.ca.gov</u>)

- PSLF is a federal program which forgives the remainder of a borrower's student loans after 10 years of public service work.
- Job Aid Now available on <u>SCO website</u>!
- Review and share!

PPSD General Reminders

- We have moved 300 Capitol Mall, Suite 701 Sacramento, CA 95814
- Utilize ConnectHR to submit documents or upload data include SSN
- Check <u>Weekly Processing Dates</u> before sending inquiries
- Update California Personnel Office Directory (CPOD)
- The <u>PPSD Register</u> PPSD's Monthly Newsletter
- Recommended subscriptions
- Review Communication from State Policy and Instructional Departments for Business Process impacts
- It is recommended that the Human Resources (HR) staff follow <u>Section M</u> of the Payroll Procedures Manual (PPM) for certifying payroll, which requires HR staff to validate that both mandatory and voluntary deductions have been withheld appropriately and to certify the employee's payroll is accurate.
- Share this information with your Human Resources Team!

SCO EMAIL SUBSCRIPTION SERVICE:

- To ensure you're receiving essential PPSD notifications, please subscribe to our email subscriptions listed below. Also, we invite you to share this information with anyone who would be interested in PPSD notifications.
 - o California Leave Accounting System (CLAS) Letters
 - o <u>State Controller's Office Letters (Personnel / Payroll Operations)</u>

CUSTOMER RELATIONS SURVEY:

How would you like to receive information from us during this time? Please send suggestions to our HR Suggestions Inbox at <u>PPSDHRSuggestions@sco.ca.gov</u>.

SCO RESOURCES:

- Websites:
 - Human Resources (HR): <u>https://sco.ca.gov/ppsd_state_hr.html</u>
 - State Employees: <u>https://sco.ca.gov/ppsd_se_payroll.html</u>

SCO KEY INITIATIVES:

- <u>SCOConnect</u>
- <u>California State Payroll System Project</u>

CONTACTS:

- Affordable Care Act (ACA) Email <u>acasupport@sco.ca.gov</u>
- Cal Employee Connect Email connecthelp@sco.ca.gov
- Cal Employee Connect Feedback Email <u>connectfeedback@sco.ca.gov</u>
- California Leave Accounting System (CLAS) Email Clas@sco.ca.gov
- ConnectHR Email (All HR Staff) <u>connecthrhelp@sco.ca.gov</u>
- ConnectHR Feedback Email (All HR Staff) <u>connecthrhelp@sco.ca.gov</u>
- Escalation Email (HR Supervisors and Managers) <u>PPSDOps@sco.ca.gov</u>
- Decentralized Security & ViewDirect Access (916) 619-7234 or <u>DSA@sco.ca.gov</u>
- HR Suggestions Email (All HR Staff) <u>PPSDHRSuggestions@sco.ca.gov</u>
- Management Information Retrieval System (MIRS) Email <u>ppsdmirs@sco.ca.gov</u>
- Statewide Customer Contact Center (916) 372-7200

FORUM QUESTIONS:

The following questions were submitted during the forum:

Question: Will they be added to CC and OE ding notice link?

Answer: Universal Email Process.

Question: On the STD 701C Cash Option Enrollment Authorization form, box 13 asks if the health form is attached (HBD-12), as CalPERS has rolled out the self service feature and the HBD-12 is no longer required. Will the STD 701C form be updated to remove this question/box?

Answer: The question about shadowing the Health transaction will have to be answered by CalPERS. We will punt it to them and get the answer to everyone. As far as the HBD12 question on the Flex form, we are working with CalHR to either clarify the reason for box 13 or eliminate it if it is no longer necessary.

Question: It has been brought to our attention that the HBD-12 CalPERS health form link directly from the CalPERS website does not allow you to?

Answer: It does not allow you to enter into the boxes when viewing it in the browser, however when you save the form to your computer and open it in Adobe, the boxes become writable.

Question: For employees that are now showing up on our reports with incorrect information from 2017, 2016, etc., are we going to be charged for those corrections?

Answer: Information Reporting Penalty relief has been in place through the year 2020.

Question: How do we get notified about incorrect ACAS for our department? Is this all part of PDA2050C report?

Answer: All ACA compliance reports are accessible on ViewDirect and Mobius.

Question: These are employees that did not show up on the reports until the recent update a few months ago that is pulling employees from previous years.

Answer (CHP): Please contact <u>ACAsupport@sco.ca.gov</u> and we can look into this with you.

> Question: Can you remove the OLD reports that are no longer used from REPT?

Answer: Old reports, as in previous years that have been corrected? If there are still EEs showing on the report then typically they still have an error in ACAS.

> Question: Do you know when CalHR will release pay letter for unit 02 and 09 employees?

Answer (CalHR): We do not have release dates yet for those. She explained the process of getting the payroll letters out.

Question: Does Savings Plus have to provide verification that the age based catch up is allowed for the employee?

Answer: You'll receive a Catch-Up letter. Catch-Up dollar amounts must be on the election form.

> **Question:** We can't see 401 on taxi anymore?

Answer: Yes you can.

> **Question:** Do we upload that also with the lump sum package?

Answer: Yes, the Catch-Up letter must be included in the Package.

> Question: But I thought with age base catch is not allowed with traditional catch up?

Answer: You must contact SPP to confirm eligibility.

Question: I had an EE who transferred to our agency and the contributions from the prior agency were not reflected in Taxi. Do you know why?

Answer: You can find this information on the losing department 612. You can only view your agency's information.

> Question: Will you offer more Lump Sum Calculator Overview classes? Your current class is full.

Answer: Yes we have two additional dates.

Question: Not sure this has been asked but when is the last date to submit a deferral to have it processed timely for end of the year?

Answer: Payroll Letter coming out soon.

Question: Are deferrals supposed to be received by SCO 5 days prior, or the date of the deferral has to be 5 days before?

Answer: Lump Sum Toolkit.

Question: 24 hours from when? We receive them after 5PM and on the weekends.

Answer: 24 Hours of when the PSD 40 has been sent. There is a time stamp as it is sent by email. Not including weekend or holiday.

Question: The Employee Retirement Guide is not working in SCO. Do you know when this will be activated?

Answer: https://sco.ca.gov/Files-PPSD/civil service state employee guide to retirement.pdf

Question: We have submitted many documents for pay adjustments for FFCRA/SPSL usage, whether additional pay was due or an AR is needed. We are seeing that the adjustments resulting in additional pay are issuing, however the requested AR's are not yet being processed. Are we to submit the AR requests to the SPSL drop down, or should those be submitted to the STD 674 A/R drop down?

Answer: You will need to submit STD. 674 A/R for overpayments.

Question: I did, but to the SPSL drop down, so now I'm wondering if that wasn't the correct drop down?

Answer: Gave the correct drop down options.

Question: How can I check that SCO has re-issued a stale dated warrant that was submitted by Fiscal? I have the Journal ID in Fiscal for the warrant.

Answer: Contact Disbursements.

> **Question:** If someone transferred to another agency can I upload document in HR connect?

Answer: Yes. You will manual add the employee and put your agency as the position code.