



Updates to HR Manual Section 1803 (Underfunded Savings Plus Accounts)

CalHR recently received clarification on existing policy covered by HR Manual Section 1803.

When a negative payroll contribution comes into the Plan (often via payroll corrections), and there is insufficient balance in the participant's account, the account is considered underfunded. If a subsequent corrective payroll is **not** forthcoming, or is for a lesser amount, Savings Plus will recoup the costs associated with the underfunded participant account directly from the entity responsible for the error. This includes a \$500 administrative fee.

We want to be a valuable partner to you in helping Californians save and plan for retirement.

The Savings Plus team is preparing tools, trainings, and resources to help departments understand and avoid transactions that may negatively impact participant accounts.

We are collaborating with SCO to share these updates across various forums, webinars, and more.

If you have questions or concerns, contact us at

SPPOpsLiaison@calhr.ca.gov

or 916-909-3717