PAYROLL PROCEDURES MANUAL
SECTION H - DEDUCTIONS

(Revised 08/2014)

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SUBJECT: DEDUCTION PROCEDURE UNDER USPS H 001

INTRODUCTION
(Revised 06/95)

The deduction section includes instructions for all mandatory and voluntary deductions except accounts receivable (see I 001) as well as some related procedures; e.g., earned income credit and wage earner plans.

No payroll deduction in USPS can be made unless it is allowed by law and meets the legal requirements.

MANDATORY DEDUCTIONS H 002
(Revised 01/08)

Mandatory deductions are deductions that are legally required to be made.

Mandatory deductions include federal and state taxes, retirement with related survivor benefit or Social Security, Medicare, State Disability Insurance, fair share deduction, assignment of wages, and garnishment/levy.

Earned income credit, although not a true deduction, is included as a subsection to taxes since it is a refund of federal tax and appears as a credit deduction. Wage earner plan is included as a subsection to garnishment/levy since it is also a legal procedure and is related to the levy process.

VOLUNTARY DEDUCTIONS H 003
(Revised 06/95)

Voluntary deductions include all the remaining deductions available in USPS. These deductions vary from the mandatory insofar as the employee has voluntarily requested these deductions be made.

FIXED AND ONE-TIME DEDUCTIONS H 004
(Revised 06/95)

Voluntary deductions can be either "fixed" or "one-time" deductions. Fixed deductions are established by documentation in Payroll Operations and continue to be automatically taken until a document is submitted to cancel the deduction. Some deductions are established for a specific number of times to be deducted and then automatically canceled.

One-time deductions are to be taken once or several times, but there is not always a separate document required for each; e.g., Health Benefit coverage is a fixed deduction, but if established (or changed) retroactively there may be numerous one-time deductions to update an employee record.

Deduction companies/associations request only fixed deductions and agencies/campuses request both fixed and one-time deductions.

DEDUCTIONS REPORTS H 005
(Revised 07/09)

The accumulation of deductions for settlement with the interested organizations, tax reports, retirement reports, etc. is the responsibility of Payroll Operations. Payroll

Operations is not responsible for reconciliation with organizations to which deductions are to be paid. Under a "hold harmless" arrangement with deduction companies/associations, the state and its employees are protected from loss resulting from errors made in recording and paying premiums.

Reports of deductions, taxes, etc. are prepared from the first of each month through approximately the tenth of each month. This includes the reporting of all deductions for the business month which ended on the first of the month. There is also a mid-month reporting of voluntary deduction and salary reduction amounts so that such amounts will be disbursed to companies soon after employees receive their salary warrants. Deduction companies may choose to receive monthly or semimonthly reports.

Payroll Deduction Reports are available through internet reporting only and require you obtain a secured certificate for access. Our Internet Payroll Deduction Reporting Participation Request Form is located on our website at:: http://www.sco.ca.gov/ppsd_payroll_deduct_clients.html.

Voluntary deductions withheld from payroll warrants with issue dates of the 2nd through the 16th are disbursed on the 16th for the participants that chose mid-month reporting. Voluntary deductions withheld from warrants with issue dates of the 17th of one month, through and including the 1st of the following month, are disbursed on the 1st.

FILE TRANSFER PROTOCOL (FTP) PROCESS **H 006**
(Revised 05/10)

Upon written request from an agency, PPSD will furnish a FTP file (in SCO format) containing the information shown on the deduction listing. There is an additional cost for providing this media and the FTP file is sent to the authorized FTP user at the agencies/companies/associations. Such requests must be directed to PPSD. Once a request is received, specific requirements and information will be made available.

DEDUCTION CUTOFF DATES **H 007**
(Revised 05/06)

The forms to add, change, or delete a voluntary deduction must be received in Payroll Operations by the dates shown below in order to be processed for the current month. If the cutoff date falls on a Saturday, Sunday, or holiday, the following work day will be cutoff.

Basic Life Insurance	10th
Bond, U.S. Savings	10th
Flex	10th
Savings Plus	10th
Dental Insurance	10th
Parking Reimbursement Account Civil Service	10th
Tax Sheltered Annuity CSU	15th
Vision Insurance	10th
Administrative Cancellations	15th
Banks	15th
CCC Fingerprint Fees	15th
Charitable Contribution	15th
County Miscellaneous	15th
Credit Union	15th
Dues	15th

Industrial Loan	15th
Insurance	15th
Maintenance - fixed/variable	15th
Parking	15th
Savings & Loan	15th
State Agency Program Fees	15th
Tax Sheltered Annuity Civil Service	10th
Voluntary Child Support	15th
Voluntary Spousal Support	15th
Garnishment/Levy	Master Payroll cutoff
Health Benefit Insurance	Master Payroll cutoff

DEDUCTION PRIORITY **H 008**
(Revised 03/13)

The order in which deductions are applied to payments is listed below. The list does not include mandatory deductions (taxes, Social Security, Medicare, State Disability Insurance, and retirement) since they are withheld first when applicable. If the employee's net is insufficient to apply a deduction and there is a lower priority deduction with a lower amount, the lower priority deduction will be applied. One-time credit deductions are applied first, then fixed and one-time deductions in the following order (see Section B 001 for specific codes):

1. Additional Withholding Taxes
2. Social Security Adjustment (SS)
3. Medicare Tax (Hospital Insurance)
4. State Disability Insurance Adjustment
5. Member Retirement Contribution, Employer Paid Member Contribution
6. PERS & STRS Buy Back
7. PST/DPA Retirement Adjustment
8. PST/ARP Retirement Adjustment
9. Survivor Benefit
10. Maintenance
11. Union Benefit Trust Fund Contribution
12. Fair Share Fee, Fair Share Alternative, Union Dues
13. Account Receivable
14. Flex Cash Option
15. CoBen Cash Excess
16. CAHP Dental Incentive Offset
17. Child Support
18. Voluntary Child Support
19. Voluntary Child Support Administrative Fee
20. Voluntary Spousal Support
21. Voluntary Spousal Support Administrative Fee
22. Garnishment
23. CoBen Benefit Allowance
24. Health Insurance
25. Dental Insurance
26. Pre-Tax Dental Insurance
27. Pre-Tax Health Insurance
28. Pre Tax Vision Insurance
29. Flex Employer-Paid Administrative Fee
30. Flexible Benefit Health Care Reimbursement Account
31. Flexible Benefit Dependent Care Reimbursement Account

32. Flex Administrative Fee
33. Tax Shelter Annuity
34. Health & Welfare Trust Fund
35. Vision Insurance
36. State Sponsored Deduction (Codes 075-401, 402, 457, 458)
37. Deferred Compensation (Code 029 – 457)
38. Deferred Compensation (Code 029 – 401)
39. Credit Union, Bank, Savings & Loan, Industrial Loan
40. Basic Life Insurance
41. Insurances
42. Retirement Extra Deduction
43. Parking
44. Parking Reimbursement Account (Civil Service)
45. Charitable Contribution
46. Roth 457 (Code 075-011)
47. Roth 401 (Code 075-010)

The remaining deductions have no specific priority order.

DEDUCTION APPLICATION **H 009**
(Revised 08/06)

Established deductions will be applied to the following payments:

Payment Type

O Regular pay
6,N IDL Pay (except Deferred Compensation, tax sheltered annuities, and additional withholding tax will not be deducted)
D Final Settlement (in lieu of regular pay)
T NDI pay (except Survivor Benefits will not be deducted)
J Maternity Pay (only health benefits will be deducted)
U TD, CSU IDL Supplementation, Civil Service IDL with Supplementation

Deductions will not be withheld from final settlement pay that is in addition to regular pay. Tax sheltered annuity or Deferred Compensation will be withheld from final settlement pay IF INDICATED ON THE SEPARATION PAR/PPT.

Voluntary fixed deductions will not be applied if the payment is a salary or gross adjustment only.

CSU Student Assistants (classes 1870, 1871, and 1872) are ineligible for miscellaneous deductions and are audited by payment type L.

CSU Temporary Appointment/Special Payments (classes 2322, 2323, 2356, 2357, 2363, 2365, 2402, 2457, 2974, and 4660) and all Civil Service Emergency appointments (can be any class code) are ineligible for miscellaneous deductions and are audited by payment type Q.

See Section H 012 for payments subject to deductions.

EFFECT OF PAYROLL/PERSONNEL TRANSACTIONS **H 010**
(Revised 02/13)

When an employee transfers from one agency to another and has previously authorized a voluntary payroll deduction, the deduction will continue to be applied automatically.

EXCEPTION: Deductions for fixed maintenance (code 011) and Tax Sheltered Annuity - non-CSU (code 030) must be deleted in the old agency and reestablished in the new agency.

SCO salary payments to employees are sometimes suspended (not issued) temporarily for nonsufficient funds (NSF), no appropriation headers, etc. When these payments for prior pay periods are issued, the deductions will be made.

If a warrant is redeposited, the deductions will be recovered from the deduction company by a credit entry on the next deduction report. If the redeposited payment is subsequently reissued, the deduction will be withheld if net earnings are sufficient.

Deductions cannot be made when an employee is in nonpay status (on leave, suspension, temporary disability with no supplementation, academic vacation, etc. or intermittent employee does not work) during a pay period.

If the gross of a payment is sufficient, but the net is insufficient to take any or all of the benefit deductions (health/dental/vision/Flex/CoBen), you must submit a STD. 674AR completed as follows:

Section 1 – Benefits
Section 2 – SSN must be completed
Section 3 – Name must be completed
Section 4 – Position Number must be completed
Section 5 – Accounts Receivable
REMARKS – Must include plan code(s), party rate(s).
Section 7 – Signature and date must be completed

DEDUCTIONS FROM SEPARATION **H 011**
(Revised 05/05)

Deductions will be terminated if an employee permanently separates from state service. When another type of separation notice is received by PPSD, deduction information will be retained with an employee's record. If the employee returns, reinstates, or transfers to another USPS agency/campus, the deduction will be applied automatically, unless stated otherwise in the specific deduction section.

Health, dental, life, and vision insurance deductions will not be applied to separation pay if the reason for the separation is death.

Health and dental insurance deductions will not be applied to separation payment for retirement when effective date of separation is on or prior to the 10th of the month. Health and dental benefits will be applied to retirement pay issued from the retirement system.

For a list of deductions that will be applied when an employee separates please refer to H 013.

If a permanent separation is voided or eliminated, a form STD 674 must be submitted to PPSD to reinstate the miscellaneous deductions. Complete remarks section showing deduction/organization codes, deduction amount, and party code, if applicable. Effective date of voided or eliminated separation must also be shown.

PAYMENTS SUBJECT TO DEDUCTIONS

H 012

(Revised 01/08)

CODE	PAYMENT TYPE	FED. TAX	STATE TAX	RET.	SOCIAL SECURITY/ MEDICARE	SURV.*	State Disability Insurance.
0	Regular	Y	Y	Y	Y	Y	Y[12]
1	Overtime	Y[5]	Y[5]	N	Y	N	Y[12]
2	Shift Pay	Y[5]	Y[5]	Y[6]	Y		Y[12]
3	Lump Sum Overtime	Y	Y	N	Y		N
4	Lump Sum Vacation	Y	Y	N	Y		N
5	Lump Sum Sick Leave	Y[5]	Y[5]	N	Y		N
6	IDL Full	N	N	Y	N	Y[2]	N
7	Military Leave	Y[5]	Y[5]	Y	Y		Y[12]
8	Premium Pay	Y[5]	Y[5]	Y/N[11]	Y		Y[12]
9	Awards	Y[5]	Y[5]	N	Y		Y[12]
A	Special Pay	Y[5]	Y[5]	Y	Y		Y[12]
C	Folios	Y[5]	Y[5]	N	Y		Y[12]
D	Final Settlement	Y[8]	Y	Y	Y		Y[12]
E	Trade Rate Benefit	Y	Y	N	Y	N	N
F	Fringe Benefits	Y[5]	Y[5]	N	Y		Y[12]
G	Awards	Y[5]	Y[5]	N	Y		Y[12]
H	Awards	Y[5]	Y[5]	N	Y		Y[12]
I	LC 4800 Tax Refund	N	N	N	N	N	N
I	LC 4800 Time	N	N	Y	Y	Y	N
J	Remaining Gross Maternity	Y[5]	Y[5]	Y	Y		Y[12]
L	Student Assistant	Y	Y	N	N	N	N
N	IDL 2/3 Pay	N	N	Y	N	Y[2]	N
Q	Emergency	Y	Y	Y	Y	Y	Y[12]
R	Non-USPS	Y[5]	Y[5]	N	Y	N	Y[12]
S	Special Pay	Y[5]	Y[5]	Y	Y		Y[12]
T	NDI	Y	Y	N	Y[4]	N	N
U	TDL/CSU Suppl./C.S.	Y	Y	Y/N/N	Y	Y[2]	N
	Suppl.	Y[5]	Y[5]	Y	Y		
X	Fire Mission						Y[12]

1 Employee not covered by MOU or STD. 674 requested no deduction.
2 If sufficient gross
3 Must be specifically requested on STD. 674
4 Effective 1/1/82
5 Flat percentage rate if paid separately from regular pay
6 No, if overtime or lump sum
7 Health benefit only
8 Based on monthly increment gross amount
9 Must be requested on PAR/PPT
10 If filed under CC 4390; CCP 706.030; PC 3088
11 See G105 for payments subject to retirement.
12 If Subject to: (See Section E 800 for SDI withholding criteria).

* May be taken from other payment if regular pay gross is insufficient.
Y = Yes (deducted)
N = No (not deducted)

CODE	PAYMENT TYPE	GARNISHMENT SUPPORT Code 038	OTHER Code 039	DEF. COMP.	TAX SHEL.	DUES	MISC. VOL.
0	Regular	Y	Y	Y	Y	Y	Y
1	Overtime		Y	N	N	N	N
2	Shift Pay		Y	N	N	N	N
3	Lump Sum Overtime		Y	Y[9]	N	N	N

CODE	PAYMENT TYPE	GARNISHMENT SUPPORT Code 038	GARNISHMENT OTHER Code 039	DEF. COMP.	TAX SHEL.	DUES	MISC. VOL.
4	Lump Sum Vacation		Y	Y[9]	N	N	N
5	Lump Sum Sick Leave		Y	Y[9]	N	N	N
6	IDL Full	Y[10]	N	N	N	Y	Y
7	Military Leave		Y	N	N	N	N
8	Premium Pay		Y	N	N	N	N
9	Awards		Y	N	N	N	N
A	Special Pay		Y	N	N	N	N
C	Folios		Y	N	N	N	N
D	Final Settlement		Y	Y[9]	Y[9]	N	N
E	Trade Rate Benefit	N	Y	N	N	N	N
F	Fringe Benefits		Y	N	N	N	N
G	Awards		Y	N	N	N	N
H	Awards		Y	N	N	N	N
I	LC 4800 Tax Refund	N	N	N	N	N	N
I	LC 4800 Time Remaining Gross	Y	Y	Y	Y	Y	Y
J	Maternity		Y	N	N	N	N[7]
L	Student Assistant		Y	N	N	N	N
N	IDL 2/3 Pay	Y[10]	N	N	N	Y	Y
Q	Emergency		Y	N	N	N	N
R	Non-USPS	N	N	N	N	N	N
S	Special Pay		Y	N	N	N	N
T	NDI	Y[10]	N	Y	Y	Y[2]	Y[2]
U	TDL/CSU Suppl./C.S. Suppl.	Y[2]	Y[2]	Y[2]	Y[3]	Y[1]	Y[3]
X	Fire Mission		Y	N	N	N	N

1 Deducted automatically unless employee not covered by MOU or 674 requested no deduction
2 If sufficient gross
3 Must be specifically requested on Form 674
4 Effective 1/1/82
5 Flat percentage rate if paid separately from regular pay
6 No, if overtime or lump sum
7 Health benefit only
8 Based on monthly increment gross amount
9 Must be requested on PAR/PPT
10 If filed under CC 4390; CCP 706.030; PC 3088

* May be taken from other payment if regular pay gross is insufficient.
Y = Yes (deducted)
N = No (not deducted)

DEDUCTIONS ALLOWED SEPARATION/TRANSFER/SETTELEMENT H 013
(Revised 01/08)

CODE	DEDUCTION TYPE	SEP.EFF. LAST WORK DAY PP	SEP. OTHER EFF.DATE	TRANSFER	FINAL SETTL.
003,004, 008,031, 032,314, 315	Retirement Adjustment	Y	N	Y	
011	Fixed Maintenance	Y			
012	Variable Maintenance	Y			
014	County Miscellaneous	Y			
017	Charitable Contribution	Y	N	Y	

CODE	DEDUCTION TYPE	SEP.EFF. LAST WORK DAY PP	SEP. OTHER EFF.DATE	TRANSFER	FINAL SETTL.
Var.	Health Benefit	Y[1]	Y[1]	Y	
021	Shower/Locker	Y			
026,027	Tax Sheltered Annuity - CSU	Y	Y		Y[2]
029	Deferred Compensation	Y	Y[2]	Y	Y[2]
030,040	Tax Sheltered Annuity - Non-CSU	Y	Y		
035	Account Receivable	Y	Y	Y	
036	Bonds	Y		Y	
038	Assignment of Wages	Y	Y	Y	
039/339	Garnishment/Levy	Y	Y	Y	
024/025	Voluntary Child Support	Y	Y	Y	
047/048	Voluntary Spousal Support	Y	Y	Y	
049	Benefit Union Trust Fund	Y	Y		
050	Parking	Y	Y	Y	
051	Credit Union	Y	N	Y	
074-075	Ins./Emp. Benefit	Y	N	Y	
076,077	Survivor Benefit	Y	Y	Y[4]	
088-089	Dues in Employee Organization	Y	Y	Y	
092	Medicare	Y	Y	Y	
097	Social Security	Y	Y	Y	
100	Dental Plans - Non-CSU	Y[1]	Y[1]	Y[3]	
150	Dental Plans - CSU only	Y[1]	Y[1]	Y[3]	
200	Basic Life Insurance Plans	Y[2]	Y[2]	Y	
350	Pre-tax Health Plans – Non CSU	Y[1]	Y[1]	Y[3]	
351	Pre-tax Dental Plans – Non CSU	Y[1]	Y[1]	Y[3]	
352, 353	Flex Reimbursement Acct. – Non CSU	Y[1]	Y[1]	Y[3]	
354	Flex Cash Option, CoBen Benefit Allowance, RHCEP, CHPDIP – Non CSU	Y[1]	Y[1]	Y[3]	
360	Pre-tax Parking	Y[1]	Y[1]	Y[3]	
376	Pre-tax Health Plans – CSU only	Y[1]	Y[1]	Y[3]	
378, 380	Flex Medical Reimbursement Acct. – CSU only	Y[1]	Y[1]	Y[3]	
381	FlexCash – CSU only	Y[1]	Y[1]	Y[3]	
400	Bank	Y	N	Y	
401	Savings and Loan	Y	N	Y	
402	Industrial Loan	Y	N	Y	
450	Vision – CSU only	Y[1]	Y[1]	Y[3]	
475	Vision – Non CSU	Y[1]	Y[1]	Y[3]	
500	Fair Share Fee -	Y	Y		

CODE	DEDUCTION TYPE	SEP.EFF. LAST WORK DAY PP	SEP. OTHER EFF.DATE	TRANSFER	FINAL SETTL.
	Non-CSU				
550	**Fair Share Fee - CSU**	**Y**	**Y**		
600	**State Disability Insurance Adjustment**	**Y[5]**	**Y[5]**	**Y[5]**	**Y[5]**

1 No deduction if death or when retirement is effective on or prior to 10th of month
2 If requested on PAR/PPT (See Deduction Priority H 008)
3 Only if transfer stays within CSU to CSU or non-CSU to non-CSU.
4 Only if transfer stays within non-Social Security position.
5 If subject to: (See Section E 800 for SDI withholding criteria).

Y = Yes (deducted)
N = No (not deducted)

SUBJECT: ADMINISTRATIVE CANCELLATION VOLUNTARY DEDUCTIONS

INTRODUCTION H 014

(Revised 01/02)

Employees desiring to cancel voluntary miscellaneous payroll deduction(s) should contact the respective company/companies or their personnel/payroll offices. An employee may write to Payroll Operations to request the cancellation of the following deductions:

Charitable Contributions (Code 017)
County Miscellaneous (Code 014)
Credit Union (Code 051)
Insurance (Codes 074 and 075 except 075/083 by contractual obligation)
Membership Dues (Codes 088 and 089; excluding employees who, under terms of their MOU, have a maintenance of membership agreement in effect)
Parking (Code 050, 360)
State Agency Program Fees (Code 021)

REQUIREMENTS H 015

(Revised 05/06)

To cancel the above deduction by the upcoming pay period, cancellation requests must be received in Payroll Operations by the 15th of the month. If any items are omitted, the cancellation request(s) will be returned to the employee.

A cancellation request must contain the following information:

- Statement requesting the deduction cancellation(s)
- Employee's full name
- Employee's social security number
- Deduction(s) to be canceled by deduction name as it appears on the earnings statement and/or by deduction/organization code, if known.
- Employee's mailing address
- Employee's original signature
- Date request(s) signed

Employee must send a written request for assistance to:

State Controller's Office
PPSD Payroll Operations
Miscellaneous Deduction Unit
P.O. Box 942850
Sacramento, CA 94250-5878

Payroll Operations will notify the company affected by the administrative cancellation. Employees should check their Statement of Earnings and Deductions to verify that cancellation(s) occurred. It is the employee's responsibility to ascertain that administration cancellation requests are honored.

To cancel voluntary miscellaneous payroll deductions not listed above, employees must contact either the organization through which the deduction(s) is/are withheld or their personnel/payroll office.

If an employee writes to Payroll Operations to request the cancellation of payroll deduction(s) not listed above, the cancellation request will be returned to the employee.

It is the employee's responsibility to make arrangements with the organization to refund any excess deductions that may have been withheld.

SUBJECT: INCOME TAX H 100

REFERENCES
(Revised 12/94)

IRS 3402(a), (i)
GC 1170-1176

INTRODUCTION
(Revised 12/94)

Withholding tax deductions will be computed for every taxable payment made under the Uniform State Payroll System (USPS).

Withholding tax calculations are based on an annualized percentage method (multiply biweekly gross by 26, semimonthly gross by 24, and monthly gross by 12).

EMPLOYEE'S WITHHOLDING ALLOWANCE CERTIFICATE H 101
(Revised 05/08)

Employee Action Request (EAR) STD. 686 and Student Payroll Action Request (SPAR) STD. 457 obtainable from Central Stores, are the only withholding allowance certificates that are acceptable under the USPS. Instructions for completion of the EAR/SPAR are in the PAM/PIMS. They are multiple use forms serving as certification of withholding allowances and as a request from the employee for additional withholding tax.

An employee may elect to use a different marital status and/or number of allowances for computing California state withholding tax than those used to compute federal withholding tax.

No tax will be withheld if "Exemption from Withholding" is completed on the EAR/SPAR.

The amount of withholding tax required by law is determined by the number of allowances claimed, marital status, and gross wages. An authorization for additional withholding tax filed with PPSD will merely supplement the deductions required by law.

Nonresident aliens working in the United States must claim a federal marital status of 'single' and can claim only one allowance for Federal and State withholding tax purposes. If the nonresident alien, however, is a resident of Canada, Mexico, Japan or Korea, he/she may claim more than one allowance. Nonresident aliens cannot claim an exemption from federal tax withholding unless they are covered under a tax treaty.

Additional withholding tax authorizations will be effective in the pay period in which the forms are received by PPSD, provided such receipt is prior to the cutoff date for the preparation of master payrolls. Forms received too late for processing in the current pay period will be effective in the following pay period.

Additional withholding tax authorizations will remain in effect until submission of a new EAR/SPAR. Additional withholding tax is identified by the following deduction codes:

094 Illinois
095 California
096 New York
099 Federal

NONRESIDENT ALIENS WITH TAX TREATY EXEMPTIONS – EXEMPTION FROM FEDERAL WITHHOLDINGS **H 101.1**
(Revised 05/08)

It is the employee's and agency's/campus's responsibility to file and process the appropriate withholding allowance documents (EAR/SPAR) to exempt wages from federal withholding based on a tax treaty for a nonresident alien. The amount of wages exempt from federal withholdings should be monitored and once the threshold is met, a new EAR/SPAR should be filed to resume federal withholdings.

To claim an exemption from federal withholdings only, employees should be instructed to complete their EAR/SPAR indicating an 'X' in Section E/H 1.02, and '95' in Section E/H 1.03. Employees should also complete Section E/H II to ensure applicable state taxes are withheld.
NOTE: Nonresident aliens should only be instructed to complete the NONTAXABLE WAGES section of the EAR/SPAR if their wages are exempt from BOTH federal and state withholdings based on a tax treaty exemption.

See PPM Section I 050 for instructions on how to report nonresident alien wages that are exempt from FEDERAL withholding based on a tax treaty exemption and; therefore should not be reflected on Form(s) W-2.

NONRESIDENT ALIENS WITHOUT TAX TREATY EXEMPTIONS **H 101.2**
(New 05/08)

Nonresident alien employees who do not have their wages exempt by a tax treaty must have their federal tax withholdings calculated per a special federal tax calculation process. It is the agency's/campus's responsibility to provide SCO with a list of nonresident alien employees for the calculation process to be performed. SCO will determine the amount of federal taxes to be withheld by selecting all payment types 0, U, T, 3, and 4 issued within the previous month. Using this data a special federal tax calculation process mandated by the Internal Revenue Service will be performed to determine how much federal tax withholding should have been withheld from the selected payments. This amount will then be compared to how much federal withholding was actually taken from the payment. A one time code 099 deduction will be taken in the next pay period to collect the amount of federal taxes still owed by the employee.

SCO must be notified when any changes are made to this listing such as separations, transfers or changes in citizenship status. For information regarding the identification of nonresident alien employees and the mandated federal tax recalculation process review Internal Revenue Service Notice 2005-76. For further details on SCO's process for nonresident alien federal tax withholding review Payroll Letter 06-029 or 06-030 and Personnel Letter 08-001.

COMPUTATION OF WITHHOLDING TAX **H 102**
(Revised 03/13)

Tax sheltered annuity, Deferred Compensation, Flexible Benefit employee deduction amounts (health, dental, Health Care Reimbursement, Dependent Care Reimbursement) employer paid retirement member contribution effective 2/1/85, pretax retirement buy back, pretax parking and payroll deduction account receivable gross amounts, are subtracted from the employee's gross wage prior to computing subject gross for income tax calculation. Also, such amounts are excluded from totals shown on Forms W-2, Wage and Tax Statement. Account receivable amounts collected via agency collection will also affect tax gross totals shown on Forms W-2 but not employee's income tax calculation.

Flexible benefit cash option amounts are added to the employee's gross wage prior to computing subject gross for income tax calculation. These amounts are included in totals shown on Forms W-2, Wage and Tax Statement.

Section LC 4800 disability gross and IDL gross payment amounts which are reported to Payroll Operation per PPM Section E 200 and E 400 will also be excluded from Form W-2 totals.

Withholding tax deductions will be based on the aggregate method for the following payments:

Regular pay
Lump sum overtime
Lump sum vacation
Student Assistant/Trainee (CSU)
Non-Industrial Disability Leave (NDI)
Temporary Disability (TD)
Temporary Appointment, Payment Type Q

The flat rate tax method – 25% federal, 6.6% CA, 9.62% NY, 5% IL - will be used for the other payment types if the payments are issued separately from the employee's regular payments; otherwise the aggregate method will be used.

EXCEPTIONS: Payments for employees paid biweekly always aggregate for all payment types.

Withholding tax for final settlement payments will be computed using the aggregate method, based on monthly increment amounts; i.e., if the final settlement is equal to two months salary, tax will be computed for each monthly salary rate separately.

For payments issued July 1, 1985 or later, taxes will be calculated using five (5) decimal precision. Rounding occurs at the end of the calculation. For payments issued prior to this date, taxes were calculated using two (2) decimal precision. Rounding occurred

throughout the calculation.

Nonresident alien employees identified per the guidelines of Internal Revenue Service Notice 2005-76 may be required to have additional federal tax withheld. See Section H 101.2 for more information.

NONAGGREGATE TAX CLASS CODES: 2322, 2323, 2357, 2363, 2367, 2368, 2389, 2390, 2392, 2394, 2395, 2402, 2417, 2418, 2457. Payments for these class Codes should not be aggregated with other payments. Non-aggregate status is determined and requested by the Chancellor's Office. Payments for these class codes are normally in addition to payments made from the employee's regular position.

Effective January 1, 2003 Assembly Bill 2065 (Chapter 488, Statutes of 2002) changed the California Personal Income Tax withholding on bonus payments. To comply, the State Controller's Office will withhold California State Income tax using the aggregate method. For these payments, federal, Illinois and New York taxes will continue to be withheld using the flat rate method. The employers have identified the following bonus payments that are affected by this law:

CIVIL SERVICE/JUDICIAL BRANCH

EARNINGS ID	BONUS TITLE
9E	PROFESSIONAL COMPETENCY PAY
9G	LOTTERY SALES INCENTIVE BONUS (BU01)
9J	JUDICIAL BRANCH BONUS
9M	MISCELLANEOUS BONUS TYPES
9O	MORTGAGE INSURANCE MARKETING/PROFIT BONUS
9T	CALTRANS SAFETY BONUS
9X	EXAM BONUS (BU 11)
S9	PERFORMANCE BASED COMPENSATION/SUPERIOR PERFORMANCE BONUS (BU 09)

CALIFORNIA STATE UNIVERSITY

G3	CSU Bonus
GL	MISCELLANEOUS BONUS TYPES
GK	MISCELLANEOUS BONUS TYPES
GR	LONG TERM SATISFACTORY SERVICE BONUS
S6	PERFORMANCE BONUS (EXEMPT)
SF	PERFORMANCE BONUS (NON EXEMPT)
SW	PERFORMANCE BONUS (BU 08)

WITHHOLDING TAX RECORDS **H 103**
(Revised 09/01)

All taxable gross earnings paid and withholding taxes deducted from payments will be included in the withholding tax records for the tax year of the ISSUE dates of the warrants, even if the services being compensated were performed in a prior tax year and the warrant may have been given to the employee in a prior tax year. The ISSUE DATE of the warrant is the governing factor for tax, Social Security and Medicare purposes.

FEDERAL INCOME TAX

EMPLOYER IDENTIFICATION NUMBER **H 107**
(Revised 05/02)

The State Controller's Office (SCO) is considered the employer by the Internal Revenue Service (IRS) for wage reporting and tax withholding associated with payments to Civil Service and California State University employees paid via SCO processes. The IRS has assigned the SCO Employer Identification Number (EIN) 946001347. This EIN is used for Form W-2 (wage reporting/tax withholding) and for New Hire reporting.

DO NOT use this EIN to report nonresident alien wages that are exempt by a tax treaty. Agencies and campuses must use their own EIN for this type of reporting.

UNDER NO CIRCUMSTANCES CAN THIS EIN BE USED FOR ANY OTHER PURPOSE. FOR QUESTIONS RELATED TO USE OF THIS EIN, CONTACT THE TAX SUPPORT SECTION AT (916) 322-8105.

FEDERAL WITHHOLDING TAX FORMULA EFFECTIVE 01/01/14 **H 108**
ANNUALIZED PERCENTAGE METHOD
(Revised 12/13)

STEP 1 Subtract amount of Deferred Compensation, flexible benefit employee deduction (Health, Dental, Health Care Reimbursement, Dependent Care Reimbursement), tax sheltered annuity, payroll deduction account receivable taxable gross and/or employer paid members contribution effective 02/01/85, if applicable, from the gross. Add amount of flexible benefit Cash Option to the gross, if applicable.

STEP 2 Determine annual gross salary:

Monthly gross	multiply by 12
Semimonthly gross	multiply by 24
Biweekly gross	multiply by 26

STEP 3 Multiply number of exemptions claimed by $3,950.00 and subtract this result from annualized gross pay to arrive at taxable wages.

STEP 4 Apply the following tax rates to taxable wages to determine the annual tax amount:

SINGLE OR HEAD OF HOUSEHOLD

If the Taxable Income is			The Computed Tax is		
Over--	**But Not Over--**		**Of Amount Over**		**Plus**
0	**2,250**	**0%**	**0**	**+**	**$ 0.00**
2,250	**11,325**	**10.0%**	**2,250**	**+**	**$ 0.00**
11,325	**39,150**	**15.0%**	**11,325**	**+**	**$ 907.50**
39,150	**91,600**	**25.0%**	**39,150**	**+**	**$ 5,081.25**
91,600	**188,600**	**28.0%**	**91,600**	**+**	**$ 18,193.75**
188,600	**407,350**	**33.0%**	**188,600**	**+**	**$ 45,353.75**
407,350	**409,000**	**35.0%**	**407,350**	**+**	**$117,541.25**
409,000	**---**	**39.6%**	**409,000**	**+**	**$118,118.75**

MARRIED

If the Taxable Income is Over--	But Not Over--	The Computed Tax is	Of Amount Over		Plus
0	8,450	0%	0	+	$ 0.00
8,450	26,600	10.0%	8,450	+	$ 0.00
26,600	82,250	15.0%	26,600	+	$ 1,815.00
82,250	157,300	25.0%	82,250	+	$ 10,162.50
157,300	235,300	28.0%	157,300	+	$ 28,925.00
235,300	413,550	33.0%	235,300	+	$ 50,765.00
413,550	466,050	35.0%	413,550	+	$109,587.50
466,050	---	39.6%	466,050	+	$127,962.50

STEP 5 Divide the annual tax amount calculated at Step 4 by the appropriate number of pay periods to determine the amount of tax to be withheld from this pay period:

Monthly	- divide by 12
Semimonthly	- divide by 24
Biweekly	- divide by 26

CALIFORNIA PERSONAL INCOME TAX

INTRODUCTION H 109
(Revised 03/01)

The Employment Development Department (EDD) administers the reporting, collecting, refunding, and enforcing of State of California Personal Income Tax (PIT) withheld by employers.

SCO is considered the employer by EDD and has been assigned the state employer number 800-4039.

CALIFORNIA PERSONAL INCOME TAX TREATMENT OF ALLOWANCES FOR ITEMIZED DEDUCTIONS H 110
(Revised 03/01)

For California PIT withholding purposes, there are two alternative ways to handle allowances for itemized deductions. One method treats them as regular allowances. The other method requires special written authorization by the employee and results in less tax being withheld because each allowance is treated as a $1,000.00 annual reduction of wages subject to California PIT (see STEP 4 of computations).

If an employee claims allowances for itemized deductions on the EAR/SPAR, the employer shall, for California PIT purposes, recognize and treat these additional withholding allowances in the same manner as regular allowances unless the employee also completes the "Special Treatment of State Allowances" on the EAR/SPAR.

CALIFORNIA PERSONAL INCOME TAX FORMULA EFFECTIVE 01/01/14 ANNUALIZED PERCENTAGE METHOD H 111
(Revised 12/13)

STEP 1 Subtract amount of Deferred Compensation, flexible benefit employee share (Health, Dental, Health Care Reimbursement, Dependent Care Reimbursement) tax sheltered annuity, payroll deduction account receivable taxable gross, and/or employer paid member contribution effective 2/1/85, if applicable, from the gross. Add amount of Flexible Benefit Cash Option to the gross, if applicable.

STEP 2 Determine annual gross salary:

Monthly gross - multiply by 12
Semimonthly gross - multiply by 24
Biweekly gross - multiply to 26

STEP 3 Determine if the employee's annual gross salary is less than or equal to the amount shown in the Low Income Table below. If so, no income tax is required to be withheld.

LOW INCOME EXEMPTION

SINGLE	MARRIED		HEAD OF HOUSEHOLD
	"0" or "1" allowances	"2" or more allowances	
$12,997	$12,997	$25,994	$25,994

STEP 4 If the employee claims additional withholding allowances for itemized deductions, multiply the number of additional withholding allowances claimed by $1,000.00 and subtract the result from the annual gross salary.

STEP 5 Subtract the employee's standard deduction shown in the Standard Deduction Table below to arrive at the employee's taxable income.

Be sure to use the number of the employee's regular withholding allowances in STEP 5 and not the number of additional allowances.

STANDARD DEDUCTION TABLE

SINGLE	MARRIED		HEAD OF HOUSEHOLD
	"0" or "1" allowances	"2" or more allowances	
$3,906	$3,906	$7,812	$7,812

STEP 6 Apply the following tax rates to taxable income to determine the annualized tax amount:

SINGLE

If the Taxable Income is . . .			The Computed Tax is…		
			Of Amount Over		Plus
Over---	But Not Over----				
0	7,582	1.100%	0	+	.00
7,582	17,976	2.200%	7,582	+	83.40
17,976	28,371	4.400%	17,976	+	312.07
28,371	39,384	6.600%	28,371	+	769.45
39,384	49,774	8.800%	39,384	+	1,496.31
49,774	254,250	10.230%	49,774	+	2,410.63
254,250	305,100	11.330%	254,250	+	23,328.52
305,100	508,500	12.430%	305,100	+	29,089.83
508,500	1,000,000	13.530%	508,500	+	54,372.45
1,000,000	AND OVER	14.630%	1,000,000	+	120,872.40

MARRIED

0	15,164	1.100%	0	+	.00
15,164	35,952	2.200%	15,164	+	166.80
35,952	56,742	4.400%	35,952	+	624.14
56,742	78,768	6.600%	56,742	+	1,538.90
78,768	99,548	8.800%	78,768	+	2,992.62
99,548	508,500	10.230%	99,548	+	4,821.26
508,500	610,200	11.330%	508,500	+	46,657.05
610,200	1,000,000	12.430%	610,200	+	58,179.66
1,000,000	1,017,000	13.530%	1,000,000	+	106.631.80
1,017,000	AND OVER	14.630%	1,017,000	+	108,931.90

UNMARRIED HEAD OF HOUSEHOLD

0	15,174	1.100%	0	+	.00
15,174	35,952	2.200%	15,174	+	166.91
35,952	46,346	4.400%	35,952	+	624.03
46,346	57,359	6.600%	46,346	+	1,081.37
57,359	67,751	8.800%	57,359	+	1,808.23
67,751	345,780	10.230%	67,751	+	2,722.73
345,780	414,936	11.330%	345,780	+	31,165.10
414,936	691,560	12.430%	414,936	+	39,000.47
691,560	1,000,000	13.530%	691,560	+	73,384.83

1,000,000	**AND OVER**	**14.630%**	**1,000,000**	**+**	**115,116.76**

STEP 7 Subtract the tax credit shown in the Tax Credit Table below from the result of STEP 6 to determine the annual tax amount.

TAX CREDIT TABLE

NUMBER OF ALLOWANCES

MARITAL STATUS	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	***10**
SINGLE	**$0**	116.60	233.20	349.80	466.40	583.00	699.60	816.20	932.80	1,049.40	1,166.00
MARRIED/ HEAD OF HOUSEHOLD	**$0**	116.60	233.20	349.80	466.40	583.00	699.60	816.20	932.80	1,049.40	1,166.00

* If the number of allowances claimed exceeds 10, determine the amount of tax credit to be allowed by multiplying the difference between the amounts shown for 9 and 10 allowances by the number of allowances claimed in excess of 10 and adding to this product the amount shown for 10 allowances.

STEP 8 Divide the annual tax amount by the appropriate number of payroll periods to determine the amount of tax to be withheld from the current payroll period.

Monthly - divide by 12
Semimonthly - divide by 24
Biweekly - divide by 26

EXAMPLE 1

a. Monthly earnings of $4,000.00
b. Married claiming 4 allowances
c. Does not claim additional withholding allowances
d. Tax sheltered annuity deduction for $100.00; employer paid member contribution or payroll deduction account receivable taxable gross (code 035).
e. Retirement Account Code 08

STEP 1 $4,000.00 - $174.35 = $3,825.65
$3,825.65 - $100.00 = $3,725.65

STEP 2 $3,725.65 x 12 = $44,707.80

STEP 3 Low income exemption table does not apply.

STEP 4 Employee does not claim additional allowances.
Proceed to STEP 5.

STEP 5 $44,707.80 - $7,812.00 = $36,895.80

STEP 6 $36,895.80 - $35,952.00 = $ 943.80
$ 943.80 x 4.400% = $ 41.527
$ 41.527 + $624.14 = $665.667

STEP 7 $665.667 - $466.40 = $199.267

STEP 8 $199.267 ÷ 12 = $16.605 = $16.60

EXAMPLE #2

a. Monthly earnings of $4,000.00
b. Head of Household claiming 4 allowances
c. Claiming 2 additional withholding allowances
d. No tax sheltered annuity, Deferred Compensation, payroll deduction account receivable taxable gross;
e. Employer paid member contribution deductions. Retirement Account Code 08

STEP 1 $4,000.00 - $174.35 = $3,825.65

STEP 2 $3,825.65 x 12 = $45,907.80

STEP 3 Low-income exemption table does not apply.

STEP 4 $ 1,000.00 x 2 = $ 2,000.00
$45,907.80 - $2,000.00 = $43,907.80

STEP 5 $43,907.80 - $7,812.00.00 = $36,095.80

STEP 6 $ 36,095.80 - $35,952.00 = $ 143.80
$ 143.80 x 4.400% = $ 6.327
$ 6.327 + $624.03 = $630.357

STEP 7 $630.357 - $466.40 = $ 163.957

STEP 8 $163.957 ÷ 12 = $13.663 =$ 13.66

OTHER STATES' PERSONAL INCOME TAX

REFERENCES
(Revised 03/94)

California Government Code Sections 1170.5, 1171 and 1172.

INTRODUCTION **H 112**
(Revised 03/94)

Many states have enacted Personal Income Tax (PIT) laws requiring employers to withhold taxes from wages or salaries paid for services performed within that state. California Government Code authorizes the State of California to comply with PIT laws of other states if, in the determination of SCO, the laws of that state provide for the withholding of California PIT from its employees residing in California.

IDENTIFICATION OF EMPLOYEES IN OTHER STATES **H 113**
(Revised 03/94)

Each agency/campus employing persons whose normal location of employment is in a state other than California shall establish a separate attendance reporting unit for each state in which employment occurs. PPSD must be notified in writing of each attendance reporting unit established for this purpose. Procedures for the establishment of separate attendance reporting units are outline in PPM Section C 200.

The assignment of an employee to a position in a reporting unit established for either New York or Illinois will automatically identify the applicable state PIT withholding laws.

Nonresidents of a state for which PIT withholding is deducted should not be appointed to positions in these special reporting units for periods of temporary assignment or while on travel status from headquarters in another state.

STATES FOR WHICH TAX WILL BE WITHHELD **H 114**
(Revised 03/94)

SCO must determine that the reciprocal provisions required by the Government Code are met before taxes will be withheld. SCO Legal Office will make this determination on a case-by-case basis. SCO has determined that these provisions exist in the Personal Income Tax laws of New York and Illinois. Personal Income Taxes will be withheld in accordance with their laws.

EMPLOYEE'S WITHHOLDING ALLOWANCE CERTIFICATE **H 115**
(Revised 03/94)

The EAR is the only withholding allowance certificate acceptable under USPS. Instructions for completion of the EAR are in PAM/PIMS.

A separate EAR is not required from employees working in other states. The number of allowances claimed on the employee's EAR will be used in the computation of both state and federal withholding tax amounts.

The amount to be withheld for state PIT will be computed in accordance with the law of the state in which the employee is headquartered.

NOTE: Deceased employee wages for employees working in other states are not subject to other state's PIT withholding. See PAM page 3.258 for special processing instructions.

If an employee's headquarters is in a state for which tax is withheld but the employee is exempt from such tax because of a nonresident credit or other offset provision, the total exemption will be allowed. To claim total exemption, the employee must file a certification with PPSD in the form prescribed by the applicable state law.

EXEMPTIONS FROM WITHHOLDING **H 116**
(Revised 03/94)

Many states have entered into reciprocal agreements with other states to ensure that employees who work and reside in different states are not subject to multiple withholding or taxation. Such agreements may result in exemption from Personal Income Tax withholding. Exemptions are established as follows:

Form IL-W5NR must be completed when an employee works in Illinois but resides in Indiana, Iowa, Kentucky, Michigan, or Wisconsin and is not subject to Illinois PIT withholding. Copies of the Form IL-W5NR must be kept on file in the Agency/Campus Personnel Office.

Form IT 2104 must be completed when an employee works in New York but is a resident of another state. On this form, the employee estimates the percentage of wages subject to New York PIT withholding. Copies of the Form IT 2104 must be submitted to PPSD, Attention: SACS.

WITHHOLDING TAX RECORDS **H 117**
(Revised 03/94)

SCO will prepare and file all tax and information returns required of employers by states for which taxes are withheld. Withheld tax amounts will be paid at the time and in the manner prescribed by applicable state PIT laws.

SCO will prepare statements required by state law for each employee subject to withholding provisions of another state tax. Statements will be mailed to the address reported on the last EAR submitted by the employee. Statements will be mailed only after the close of each tax year unless a specific request is made by a separated employee.

NEW YORK PERSONAL INCOME TAX WITHHOLDING FORMULA **H 118**
EFFECTIVE 01/01/14 ANNUALIZED METHOD
(Revised 12/13)

STEP 1 Subtract amount of Deferred Compensation, flexible benefit employee share (Health, Dental, Health Care Reimbursement, Dependent Care Reimbursement) tax sheltered annuity, payroll deduction account receivable taxable gross, and/or employer paid member contribution, if applicable, from the gross. Add amount of flexible benefit cash option to the gross, if applicable.

STEP 2 Determine Annual Gross Salary

Monthly gross	- multiply by 12
Semimonthly gross	- multiply by 24
Biweekly gross	- multiply by 26

STEP 3 Calculate the Standard Deduction Allowance as follows:

a. Subtract the standard deduction shown in table below:

STANDARD DEDUCTION TABLE

Single	**Married**
$7,250	**$7,750**

b. Multiply number of exemptions by $1,000.00 and subtract this amount from results of STEP 3a to determine annual taxable wages.

STEP 4 Apply the following tax rates to the annual taxable wages to determine the annual tax amount.

SINGLE

If the Taxable Income is...	**The Computed Tax is...**

Over----	But Not Over---		Of Amount Over---		Plus*
$ 0	8,300	4.00%	$ 0	+	$ 0
8,300	11,450	4.50%	8,300	+	332
11,450	13,550	5.25%	11,450	+	474
13,550	20,850	5.90%	13,550	+	584
20,850	78,400	6.45%	20,850	+	1,015
78,400	94,100	6.65%	78,400	+	4,727
94,100	104,600	7.58%	94,100	+	5,771
104,600	156,900	8.08%	104,600	+	6,567
156,900	209,250	7.15%	156,900	+	10,792
209,250	261,550	8.15%	209,250	+	14,535
261,550	1,046,350	7.35%	261,550	+	18,798
1,046,350	1,098,700	49.02%	1,046,350	+	76,481
1,098,700	AND OVER	9.62%	1,098,700	+	102,143

* Married		Same as Single			
94,100	104,600	7.28%	94,100	+	5,771
104,600	156,900	7.78%	104,600	+	6,535
156,900	209,250	8.08%	156,900	+	10,604
209,250	313,850	7.15%	209,250	+	14,834
313,850	366,200	8.15%	313,850	+	22,313
366,200	1,046,350	7.35%	366,200	+	26,579
1,046,350	2,092,800	7.65%	1,046,350	+	76,570
2,092,800	2,145,150	88.42%	2,092,800	+	156,624
2,145,150	AND OVER	9.62%	2,145,150	+	202,912

STEP 5 Divide the annual tax amount calculated in STEP 4 by the appropriate number of payroll periods to determine the amount of tax to be withheld for this payroll period.

Monthly gross - multiply by 12
Semimonthly gross - multiply by 24
Biweekly gross - multiply by 26

ILLINOIS PERSONAL INCOME TAX WITHHOLDING FORMULA **H 119**
EFFECTIVE 01/01/14 ANNUALIZED METHOD
(Revised 01/14)

STEP 1 Subtract amount of Deferred Compensation, flexible benefit employee share (Health, Dental, Health Care Reimbursement, Dependent Care Reimbursement) tax sheltered annuity, payroll deduction account receivable taxable gross, and/or employer paid member contribution effective 2/1/85, if applicable, from the gross. Add amount of flexible benefit cash option to the gross, if applicable.

STEP 2 Determine annual gross salary:

Monthly gross - multiply by 12
Semimonthly gross - multiply by 24
Biweekly gross - multiply by 26

STEP 3 Multiply number of exemptions claimed by **$2,125.00** and subtract this amount from annual gross pay to determine annual taxable wages.

STEP 4 Multiply annual taxable wages by 5% to determine the annual tax amount.

STEP 5 Divide annual tax amount calculated in STEP 4 by appropriate number of payroll periods to determine the amount of tax to be withheld from this payroll period.

Monthly gross	- multiply by 12
Semimonthly gross	- multiply by 24
Biweekly gross	- multiply by 26

SUBJECT: EARNED INCOME CREDIT H 150 THROUGH H 158
(Deleted 02/11)

SUBJECT: RETIREMENT

H 200

REFERENCES
(Revised 09/98)

PAM	2.62
PIMS	2.41
Title 5	43150
IRS	414(h)(2)

INTRODUCTION
(Revised 09/98)

There are four retirement systems for state employees paid in USPS. They are:

Judge's Retirement System	- JRS
Legislator's Retirement System	- LRS
Public Employee's Retirement system	- PERS
State Teacher's Retirement System	- STRS

Under the USPS, retirement, Social Security, Medicare, and survivor benefits will be withheld from member's earnings and paid to the proper retirement system. Retirement withholdings will be made from current earnings of employees in accordance with PAR/PPT received from the agencies/campuses.

Retirement arrears deductions are deducted from current earnings (along with current withholdings) to collect retirement contributions due from previous earnings. Therefore, documents must be accurate and transmitted without delay. This will reduce the need to withhold double deductions from an employee's current pay.

PPSD uses the following one-time payroll deduction codes in all cases in which the employee's gross earnings subject to retirement, contribution amount or service credit (time worked) was not reported or reported incorrectly. Specifically:

JRS	- 032
LRS/PERS	- 003
STRS	- 031

CORRECTIONS/CHANGES RETIREMENT COVERAGE **H 201**
(Revised 09/98)

If an agency/campus discovers that it submitted a PAR/PPT with incorrect retirement information, correcting documentation should immediately be prepared and sent to PPSD, Personnel Operations.

Notice of individual employee rate changes and/or extra deductions will normally be prepared by PERS on Notice of Change, PERS MEM-155. PERS will route the MEM-155 to the employee's place of employment and PPSD, Payroll Operations. Concurrently, PERS submits to Personnel Operations a Retirement System Transaction (RST) document to update the Employment History Data Base (EHDB) via an R01 transaction.

PERS MISCELLANEOUS RETIREMENT ADJUSTMENT RESPONSIBILITY **H 202**
(Revised 12/96)

PERS is responsible for calculating arrears/refunds, initiated by PERS/agencies/campuses beyond the current and one prior fiscal year. PERS submits to PPSD Authorization for Contribution and/or Rate Adjustment, MEM-823/004/314 deductions; or, PERS handles the adjustment in lump sum directly with the employee.

PERS AB1104 ELECTION ADJUSTMENT RESPONSIBILITY **H 203**
(Revised 12/96)

General Election: PERS is responsible for calculating arrears/refunds based on the specific election and service prior to the current effective date of the R01 transaction. PERS submits to PPSD MEM-823/004/314 deduction; or, PERS handles the adjustment in lump sum directly with the employee.

On-going Election: PERS is responsible for calculating arrears based on the retroactive R01 eligibility effective date. PERS submits to PPSD MEM-823/004/314 deductions; or, PERS handles the adjustment in lump sum directly with the employee.

PPSD MISCELLANEOUS RETIREMENT ADJUSTMENT RESPONSIBILITY **H 204**
(Revised 12/96)

PPSD, Payroll Operations is responsible for calculating arrears/refunds, initiated by PERS/agencies/campuses, within the current and one prior fiscal year. PPSD establishes the 003 deduction to process the adjustment.

PPSD ADJUSTMENT PROCESS **H 205**
(Revised 06/95)

Arrears deductions (no retirement contribution withheld from previous earnings) will be deducted from current salary payments via the 003 deduction. Unless special instructions, to the contrary, are received on the MEM-155, Payroll Operations will make 003 deductions from the employee's next normal salary payment to collect the contribution amount due.

If more than one month's arrears are due, the deductions will normally be scheduled on a month-by-month basis until all arrears are collected. Payroll Operations will notify the agency/campus of the adjustment schedule on Payroll Form PR 370.

Arrears deductions may be withheld from payments not subject to retirement contributions (e.g., overtime and lump sum) if such amounts due would otherwise result in the establishment of an account receivable. Payroll Operations will not establish an accounts receivable unless specifically requested by the agency/campus.

If retirement arrears/contributions are erroneously computed to include payments not subject to retirement contributions (e.g., overtime, lump sum); or deducted from earnings of non-members, the erroneous amount deducted will be refunded to the employee upon discovery of the error.

Retirement contribution refunds are processed by Payroll Operations in two ways: 1) issuance of supplemental payroll warrant refunding contributions; 2) apply a one-time credit deduction to the next salary payment due the employee.

If an adjustment is required because the wrong account code, retirement rate, or formula was applied, both a credit and a debit deduction is processed. The adjustment will be applied as one-time deductions to the next salary payment due the employee.

FORM STD. 674 **H 206**
(Revised 06/95)

Agencies/campuses must use form STD. 674 only for instances of PPSD error (e.g., agency/campus submits correct retirement information. However, this information is incorrectly reflected on employee's payroll). Complete the 'REMARKS' section indicating the retirement error. Exception: Do not submit a form STD. 674 if PERS' MEM-155 was already received correcting the same information.

NOTICE OF REDEPOSIT FORM 823 **H 207**
(Revised 12/98)

If a member elects to redeposit his/her PERS service credit purchases withdrawn upon termination of previous employment with the state or other contracting agency (i.e., Redeposit Service Credit Prior to Membership, Military) the amount to be re-deposited may be deducted from current salary payments to such member.

Form 823 initiated by PERS and routed to SCO and the agency/campus of employment, is used to report redeposit of employee contributions. The adjustments are taxable and identified as deduction code 004.

PERS has provided to qualified members the option to elect to redeposit his/her PERS service credit purchases (i.e., Redeposit Service Credit Prior to Membership, Military) on a pre-tax basis. Implementation of this option became effective with the October 1996 pay period.

Members currently making payments on an after-tax basis, deduction code 004, will be given the opportunity to convert to pre-tax service credit purchases. This election is voluntary and will apply on a prospective basis only. If the member does not elect to participate his/her PERS service credit purchases continue on an after-tax basis; however, he/she may elect to participate at a future date. Members not currently making payments for service credit purchases, deduction code 004, will be informed of the pre-tax option when they make a request to purchase service credits.

The pre-tax service credit purchase is identified as deduction code 314. The deduction amount is <u>not</u> subject to state or federal taxes, but is subject to applicable Social Security and Medicare taxes. Reporting of information by PPSD to the retirement system will remain the same.

The State Teachers' Retirement System (STRS) has provided to qualified members the option to elect to redeposit previously withdrawn contributions on a pre-tax basis. Implementation of this option became effective with the September 1998 pay period.

The pre-tax deduction is identified as deduction code 315. The deduction amount is not subject to state or federal taxes, but is subject to applicable Social Security and Medicare taxes. Interested employees should contact STRS for further information.

REDUCED TIME BASE WITH FULL-TIME RETIREMENT BENEFIT **H 208**
(Revised 12/96)

CSU ONLY

Full-time CSU academic employees who are members of PERS who are at least 55 years of age and have at least ten years service may work less than full-time but receive full-time retirement service credit. The work schedule must be one of the following:

Two-thirds of full-time
One-half of full-time
One-third of full-time

The employee's regular payroll warrant will have retirement computed on the reduced salary rate. The processing of PPT A61 transaction will automatically generate a deduction code 003 for the additional retirement contribution. No additional documentation is required by the campus.

EMPLOYER PAID MEMBER CONTRIBUTION (EPMC) H 209

(Revised 12/96)

IRS allows employers to contribute an employee's share to his/her retirement plan by excluding the contribution amount from state and federal taxes until the funds are withdrawn. Effective with the February 1985 pay period, the state implemented the EPMC plan for most categories of state employees.

All PERS members are eligible to receive EPMC. Rank and file employees in CSU CBID 02, 03, 05, 06, 07, and 09 were eligible as of April 1985; the other CBID units were eligible as of February 1985.

Members of the following Retirement systems were eligible for EPMC on these dates:

LRS: September 1986 pay period
STRS: November 1998 pay period
JRS: March 1986 pay period

COMPUTATION OF PERS MEMBER DEDUCTIONS IF NO REDUCTION AMOUNT IS ALLOWED H 210

(Revised 09/98)

Normal retirement contributions will be computed by multiplying the appropriate contribution rate times the amount of the gross earnings which is in excess of the appropriate exclusion amount per month and round to the nearest cent (see retirement exclusion amounts in Section H 214).

Note that the exclusion amount is a monthly amount. Therefore, semimonthly and supplemental adjustment pay will be aggregated for computation of retirement (e.g., non-Social Security employee [Retirement ID-00] paid $400 for first half would have retirement computed on $83 [$400 - $317 exclusion], whereas, retirement would be computed on the entire gross for the second half).

It is not possible to compute retirement on a per month basis for biweekly employees. Retirement is computed on the gross in excess of $146.31 for non-Social Security or $236.77 for Social Security members per biweekly pay period ($61.00 for Modified First-Tier Social Security members).

COMPUTATION OF PERS MEMBER DEDUCTIONS IF REDUCTION AMOUNT IS ALLOWED H 211

(Revised 09/98)

See H 214 for the reduction amount and effective dates. Normal contributions will be computed by multiplying the appropriate contribution rate times the amount of the gross earnings which is in excess of the appropriate exclusion amount per month. Round the product to the nearest cent and subtract the reduction amount from the retirement amount. If the gross earnings are less than the appropriate exclusion amount, or the result of the above computation is less than the appropriate reduction amount, no contribution is due (see Section H 214 for retirement exclusion and reduction amounts).

Note that the reduction amount is also a monthly amount.
The biweekly reduction amount is $23.08 effective July 1, 1982 through December 31, 1983.

COMPUTATION OF STATE SHARE AMOUNTS OR PERS DEDUCTIONS – EFFECTIVE 05/02/84 AND THEREAFTER **H 212**
(Revised 09/98)

State share amounts for payments (clearance type 1) and applied arrears deductions (code 003) will be computed based on the state share percentage rate in effect at the time the payment was ISSUED.

State share amounts for adjustments (clearance type other than 1) and applied arrears deductions (code 003) whose original payment was issued on or after May 2, 1984 will be computed based on the state share percentage rate in effect at the time the ORIGINAL payment was issued.

COMPUTATION OF STATE SHARE AMOUNTS FOR PERS DEDUCTIONS PRIOR TO 05/24/84 **H 213**
(Revised 09/98)

State share amounts for payments (clearance type 1) and adjustment (clearance type other than 1) will be computed based on the state share percentage rate in effect at the time the compensation was EARNED (e.g., pay period).

State share amounts for arrears deductions (code 003) will be computed using the state share percentage rate in effect at the time of the pay period of the adjustment.

SENATE BILL 400 **H 213.1**
(Revised 06/00)

Senate Bill (SB) 400, effective January 1, 2000, provides numerous retirement benefit enhancements and applies to all State employees who are members of CalPERS.

Current First-Tier Employees: All current First-Tier civil service Miscellaneous and Industrial members, and civil service and CSU Safety, POFF and Patrol members were rolled-over into new retirement account codes effective January 1, 2000. The new retirement account codes have the same characteristics and eligibility criteria as the old retirement account codes.

Current Second-Tier Employees: All current Second-Tier members are given the option to elect to become First-Tier members. The election can be made at any time prior to retirement and is effective the first day of the month following the date it is received by CalPERS. Once the election is made, it is irrevocable. Employees who make this election may also buy back Second-Tier service credit.

New Employees: All new employees hired on or after January 1, 2000, who are eligible for Miscellaneous or Industrial membership will be appointed to First-Tier. However, they have the option to select Second-Tier within 180 days of appointment. If election into Second-Tier is not made within that period, the employee will retain First-Tier membership with no further opportunity to elect Second-Tier membership.

Modified Tier-One: SB 400 eliminated Modified Tier-One. All Miscellaneous and Industrial employees who elected this option were rolled-over to First-Tier effective January 1, 2000.

RETIREMENT ID, EXCLUSION AMOUNTS AND STATE SHARE RATES

(Revised 07/14)

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	EXCLUSION AMOUNT BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
00	Effective 01/2000 Miscellaneous First Tier Members not covered by Social Security/Medicare (1959-61 election or non-resident alien) for CSU members only. (Civil service moved to code 40 effective 01/2000). Effective 07/1974 - 12/1999 Miscellaneous First Tier Members not covered by Social Security/Medicare (1959-61 election or non-resident alien) for Civil Service and CSU.	NEITHER	317	146.31	6	24.280
01	Effective 07/2004 CBID's R07 and E07 except class codes, 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or 30. Effective 01/1985 Miscellaneous Second Tier Members not covered by Social Security/Medicare. Elected the Second Tier retroactively for all past and future service (G.C. 21070) (1959-61 election or non-resident alien).	NEITHER				24.237
02	Effective 07/2004 CBID's R07 and E07 except class codes, 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or 30. Effective 01/1985 Miscellaneous Second Tier Members not covered by Social Security/Medicare. Elected the Second Tier prospectively for all future service only (G.C. 21070) (1959-61 election or non-resident alien).	NEITHER				24.237
03	Effective 11/2007 CBID R12 and E12 employed by Department of Transportation moved to code 4R. Effective 09/2004 CBID's R18 and E18 employed by Department of Dev. Services, Porterville Dev.l Center moved to code 4E. Effective 07/2004 CBID's R07 and E07 except class codes 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or 30. Effective 01/1985 Miscellaneous Second Tier Members covered by Social Security/Medicare. Elected the Second Tier retroactively for all past and future service (G.C. 21070) (1959-61 election or non-resident).	SOCIAL SECURITY/ MEDICARE				24.237
04	Effective 11/2007 CBID R12 and E12 employed by Department of Transportation moved to code 4R. Effective 09/2004 CBID's R18 and E18 employed by Department of Developmental Services, Porterville Developmental Center moved to code 4F.	SOCIAL SECURITY/ MEDICARE				24.237

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	Effective 07/2004 CBID's R07 and E07 except class codes 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or 30. Effective 01/1985 Miscellaneous Second Tier Members covered by Social Security/Medicare. Elected the Second Tier prospectively for all future service only (G.C. 21070).					
05	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 40. Effective 07/2004 CBID's R17 and E17 moved to code 40. Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 40). Effective 07/2003 all CBID's moved to Code 40. Effective 05/2002 CBID's E14, E20, R14, and R20 (Formerly code 40). Effective 04/2002 Miscellaneous First Tier Members not covered by Social Security/Medicare in CBID's E01, E02, E03, E04, E09, E11, E15, E21, R01, R02, R03, R04, R09, R11, R15, and R21 (Formerly code 40). Effective 11/1984 - 12/1986 Miscellaneous First Tier Members not covered by Social Security/Medicare and employed by CHP or Dept of Justice (G.C. 21151) in class 1662, 1663, 1664, 1665, 8460, 8466, 8467, 8472, 8473, 8477, or 8478 (No active members after 1986).	NEITHER	513	146.31	1 (Beginning 10/2003) 1 6	24.280 Termed 06/03 24.280 Termed 1986
06	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 42. Effective 07/2004 CBID's R17 and E17 moved to code 42 Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 42). Effective 07/2003 all CBID's moved to Code 42.	MEDICARE	317	146.31	1 (Beginning 10/2003	24.280 Termed 06/03

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	Effective 04/2002 Miscellaneous First Tier Members covered by Medicare in CBID's E01, E02, E03, E04, E09, E11, E15, E21, R01, R02, R03, R04, R09, R11, R15, and R21 (Formerly code 42) Effective 05/2002 CBID's E14, E20, R14, and R20 (Formerly code 42). Effective 11/1984 - 12/1999 Miscellaneous First Tier Members covered by Social Security/Medicare and employed by CHP or Dept of Justice (G.C. 21151) in class 1662, 1663, 1664, 1665, 8460, 8466, 8467, 8472, 8473, 8477, or 8478 (Moved to code 43 effective 01/2000).	SOCIAL SECURITY/ MEDICARE	513		5	
07	Effective 07/2003 all CBID's moved to Code 40. Effective 07/2002 E13 and R13 (Formerly code 40). Effective 05/2002 E17 and R17 (Formerly code 40). Effective 10/2001 E13 and R13 moved to code 40. Effective 09/2001 Miscellaneous First Tier Members not covered by Social Security/Medicare in units C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21. (Formerly code 40). Effective 06/1998 - 12/1999 Miscellaneous Modified First Tier Members employed by CHP or Dept of Justice (G.C. 21151) in class 1662, 1663, 1664, 1665, 8460, 8466, 8467, 8472, 8473, 8477, or 8478 (Modified First Tier abolished effective 01/2000. No active members).	NEITHER	513	146.31	1 (07/2002 - 06/2003) 3.5 (09/2001-06/2002) 6	24.280 Termed 06/03 Termed 12/99
08	Effective 01/2000 Miscellaneous First Tier Members covered by Social Security/Medicare for CSU only. (Civil service moved to code 45 effective 01/2000.) Effective 07/1974 - 12/1999 Miscellaneous First Tier Members covered by Social Security/Medicare for Civil service and CSU.	SOCIAL SECURITY/ MEDICARE	513	236.77	5	24.280
09	Effective 07/2003 all CBID's moved to Code 42. Effective 07/2002 E13 and R13 (Formerly code 42). Effective 05/2002 E17 and R17 (Formerly code 42). Effective 10/2001 E13 and R13 moved to code 42. Effective 09/2001 Miscellaneous First Tier Members covered by Medicare in units C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21. (Formerly Code 42). Effective 06/1998 -12/1999 Miscellaneous	MEDICARE	513	146.31	1 (07/2002 - 06/2003) 3.5 (09/2001-6/2002) 6	24.280 Termed 06/03 Termed 12/99

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	Modified First Tier Members employed by CHP or Dept. of Justice (G.C. 21151) in class 1662, 1663, 1664, 1665, 8460, 8466, 8467, 8472, 8473, 8477, or 8478 (Modified First Tier abolished 01/2000. No active members).					
10	Effective 07/2006 CBID R02 moved to code 1A. Effective 10/2004 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula in CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 11). Effective 07/2004 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula in CBID's R17 and E17 (Formerly code 11). Effective 10/2003 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula in CBID's R16, R17, R19, S16 through S19, M16 through M19 moved to code 11. Effective 07/2003 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula in CBID's R16 – R19, S16 – S19, and M16-M19 (Formly codes 11, 6C, and 6H). Effective 09/2001 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula in CBID's E17 and R17 (Moved to code 11 effective 05/2002). Effective 07/1974 - 08/2001 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula. (CBID's M16-M19, R16, R18, R19, and S16-S19 moved to code 11 effective 09/2001).	NEITHER	317 (Beginning 07/2003) (09/2001) 238 (10/2001 - (06/2003)		6 6 (Beginning 07/2003) 6 (9/2001) 8 (10/2001-6/2003)	19.338
11	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 10. Effective 07/2004 CBID's R17 and E17 moved to code 10. Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 10). Effective 07/2003 all CBID's moved to code	NEITHER	317		Various 1 (Beginning 10/2003)	19.338 Termed 06/03

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	10. Effective 05/2002 CBID's E17 and R17 (Formerly code 10) Effective 09/2001 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula in CBID's M16-M19, R16,R18, R19, and S16-S19 (Formerly Code 10) Effective 07/1974 – 08/2001 Safety members Fish and Game Wardens retaining 1961 formula (Not used for new appointments after 1961)				3.5 (09/2001 – 06/2002) 1 (07/2002 – 06/2003)	
12	Effective 10/2004 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula in CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 33). Effective 07/2004 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula in CBID's R17 and E17 (Formerly code 33). Effective 10/2003 Safety Members Elected to retain Miscellaneous or Industrial First tier Formula in CBID's R16, R17, R19, S16 through S19, M16 through M19 moved to code 33. Effective 07/2003 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula in CBID's R16-R19, S16-S19, and M16-M19 (Formerly code 33). Effective 09/2001 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula in CBID's E17 and R17 (Moved to code 33 effective 05/2002) Effective 01/1989 - 08/2001 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula (CBID's M16-M19, R16, R18, R19, and S16-S19 moved to code 33 effective 09/2001)	MEDICARE	317 (Beginning 07/2003) (09/2001) 238 (10/2001 - (06/2003) 317		6 6 (Beginning 07/2003) 6 (09/2001) 8 (10/2001 - 06/2003) 6	19.338
13	Effective 01/1989 Safety Members Elected to retain Miscellaneous or Industrial Second Tier Formula	MEDICARE				19.338
14	Effective 01/1989 Safety Members Elected to retain Miscellaneous or Industrial Second Tier Formula	NEITHER				19.338
15	Effective 10/1998 Peace Officer/Fire Fighter Members (Moved to code 34 effective 01/2000)	NEITHER	238		6	33.200
16	Effective 10/1998 Peace Officer/Fire Fighter Members (Moved to code 36 effective 01/2000)	NEITHER	238		6	33.200
17	Effective 09/2001 CBID's E01, E02, E03, E04, E09, E11, E14, E15, E17, E20, E21, R01, R02, R03, R04, R09, R11, R14, R15, R17, R20, and R21 (Moved to code 63 effective 10/2001). Effective 01/2000 - 08/2001 Safety Members Forestry (Formerly code 71) (CBID's R12, R13, S08, S09 moved to code 67 effective 09/2001).	MEDICARE	317		6	19.338
18	Effective 09/2001 Safety Members in CBID's E01, E02, E03, E04, E09, E11, E14, E15, E17, E20, E21, R01, R02, R03, R04,	NEITHER	317		6	19.338

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	R09, R11, R14, R15, R17, R20, and R21 (Moved to code 64 effective 10/2001). Effective 01/2000 - 08/2001 Safety Members Forestry (Formerly code 75) (CBID's R12, R13, S08, and S09 moved to code 68 effective 9/2001)					
19	Effective 07/2006 CBID R02 moved to code 6J. Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 67). Effective 07/2004 CBID's R07 and E07 except class codes 8562, 8564, 8818, 8828 moved to Safety membership covered by Medicare (Formerly in codes 01, 02, 03, 04. 21, 22, 40, 41, 42, 43, 44 and 45). Effective 07/2004 CBID's R17 and E17 (Formerly code 67). Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 67. Effective 07/2003 CBID's formerly in codes 59, 6A, 6D, 6F, 67 and 70. Effective 07/2003 CBID's formerly in codes 59, 6A, 6D, 6F, 67 and 70. Effective 09/2001 CBID's E01, E02, E03, E04, E09, E11, E14, E15, E17, E20, E21, R01, R02, R03, R04, R09, R11, R14, R15, R17, R20, and R21(Moved to code 63 effective 10/2001). Effective 01/2000 - 08/2001 Safety Members covered by Medicare - Corrections, Youth Authority, Justice, Fish and Game Wardens, institutional Firemen, Campus Police, Life Guards, State Police (Formerly Code 82) (CBID's M01, M09, M12, M16, M18, R07, R10, R12, R13, R16, R18, R19, S01, S03, S06, S09, S11, S12, S13, S15- S20 moved to code 67 effective 09/2001).	MEDICARE	317		6	19.338
1A	Effective 07/2006 Safety Members Elected to retain Miscellaneous or Industrial First Tier Formula in CBID R02. Hired prior to July 1, 2006. (Formerly code 10)	NEITHER	317		7	19.338
20	Effective 01/2000 Miscellaneous First Tier Members covered by Medicare (1959-61 election) for CSU only. (Civil service moved to code 42). Effective 04/1986 - 12/1999 Miscellaneous First Tier Members covered by Medicare (1959-61 election) for Civil service and CSU.	MEDICARE	317	146.31	6	24.280
21	Effective 07/2004 CBID's R07 and E07 except class codes 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or	MEDICARE				24.237

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	30. Effective 04/1986 Miscellaneous Second Tier Members prospectively for all future service only (G.C. 20382) (1959-61 election).					
22	Effective 07/2004 CBID's R07 and E07 except class codes 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or 30). Effective 04/1986 Miscellaneous Second Tier Members covered by Medicare. Elected the Second Tier retroactively for all past and future service (G.C. 20382) (1959-61).	MEDICARE				24.237
23	Effective 04/1986- 08/2001 Miscellaneous First Tier Members and employed by CHP or Justice (G.C. 21151) in class 1662, 1663, 1664, 1665, 8460, 8466, 8467, 8473, 8477, or 8478 (Moved to code 58 effective 09/2001)	MEDICARE	317		6	24.280
24	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 45. Effective 07/2004 CBID's R07 and E07 except class codes 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or 30. Effective 07/2004 CBID's R17 and E17 moved to code 45. Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 45) Effective 07/2003 all CBID's moved to code 45. Effective 07/2002 units E13 and R13 (Formerly code 45). Effective 05/2002 units E17 and R17 (Formerly code 45). Effective 10/2001 CBID's E13 and R13 moved to code 45. Effective 09/2001 Miscellaneous First Tier Members covered by Social Security/Medicare in CBID's C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21. (Formerly code 45). Effective 06/1998 - 08/2001 Miscellaneous Modified First Tier Members. (Modified First Tier abolished 01/2000. No active members).	SOCIAL SECURITY/ MEDICARE NEITHER	513	236.77	0 (Beginning 10/2003) 0 (07/2002 - 06/2003) 2.5 (09/2001 - 06/2002) 6	24.280 Termed 06/03 Termed 12/99
25	Effective 07/2003 all CBID's moved to code 45.	SOCIAL SECURITY/	513		0	24.280

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	Effective 05/2002 CBID's E14, E20, R14, and R20 (Formerly code 45). Effective 04/2002 Miscellaneous First Tier Members covered by Social/Security Medicare in CBID's E01, E02, E03, E04, E09, E11, E15, E21, R01, R02, R03, R04, R09, R11, R15, and R21 (Formerly Code 45).	MEDICARE				
	Effective 06/1998 - 12/1999 Miscellaneous Modified First Tier Members covered by Medicare (Modified First Tier abolished 01/2000. No active members).	MEDICARE			6	Termed 12/99
26	Effective 06/1998 -12/1999 Miscellaneous Modified First Tier Members covered by Social Security/Medicare (Modified First Tier abolished 01/2000. Moved to code 45)	SOCIAL SECURITY/ MEDICARE	133.33	61	5	Termed 12/99
27	Effective 06/1998 - 12/1999 Miscellaneous Modified First Tier Members employed by CHP of Justice (G.C. 21151) in class 1662, 1663, 1664, 1665, 8460, 8466, 8467, 8472, 8473, 8477, or 8478) (Modified First Tier abolished 01/2000. No active members)	SOCIAL SECURITY/ MEDICARE	133.33	61	5	Termed 12/99
28	Effective 06/1998 - 12/1999 Industrial Modified First Tier Members not covered by Social Security/Medicare (Modified First Tier abolished 01/2000. No active members)	NEITHER			6	Termed 12/99
29	Effective 07/2003 all CBID's moved to code 46. Effective 05/2002 units E14, E20, R14, and R20 (Formerly code 46). Effective 04/2002 Industrial First Tier Members not covered by Social Security/Medicare in CBID's E01, E02, E03, E04, E09, E11, E15, E21, R01, R02, R03, R04, R09, R11, R15, and R21 (Formerly code 46).	NEITHER	317		1	18.134 Termed 06/03
	Effective 06/1998 -12/1999 Industrial Modified First Tier Members covered by Medicare (Modified First Tier abolished 01/2000. No active members).	MEDICARE			6	Termed 12/99
30	Effective 07/2006 CBID R02 moved to code 6K. Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 68). Effective 07/2004 CBID's R07 and E07 except class codes 8562, 8564, 8818, 8828 moved to Safety membership not covered by Social Security/Medicare (Formerly in codes 01, 02, 03, 04, 21, 22, 40, 41, 42, 43, 44 and 45). Effective 07/2004 CBID's R17 and E17 (Formerly code 68). Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15,	NEITHER	317		6	19.338

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 68. Effective 07/2003 CBID's formerly in codes 6B, 6E, 6G, 65, 68, and 69. Effective 9/2001- 12/2001 CBID's E06 and R06 (Moved to code 68 effective 01/2002). Effective 09/2001 Safety Members not covered by Social Security/Medicare Corrections, Youth Authority, Justice, Fish and Game Wardens, Institutional Firemen, Life Guards, State Police in CBID's E01, E02, E03, E04, E09, E11, E14, E15, E17, E20, E21, R01, R02, R03, R04, R09, R11, R14, R15, R17, R20 and R21 (Moved to code 68 effective 10/2001). Effective 01/2000 - 08/2001 Safety Members not covered by Social Security/Medicare - Corrections, Youth Authority, Justice, Fish and Game Wardens, Institutional Firemen, Campus Police, Life Guards, and State Police (Formerly code 83) (CBID's M01, M03, M12, M16, M18, R07, R12, R13, R16, R18, R19, S01, S03, S06, S09, S11, S12, S13, and S15-S20 moved to code 68 effective 09/2001).					
31	Effective 07/2003 Peace Officer/ Firefighter Members in CID's E08 and R08 moved to Code 34 and excluded aligned with Unit 08 moved to code 5A. Effective 01/2000 Peace Officer/Firefighter (Formerly Code 72)	NEITHER	238		3 (07/2002 - 06/2003) 8 (01/2000 - 08/2001) 5.5 (09/2001 - 06/2002)	36.827 Termed 06/03
32	Effective 07/2003 Peace Officer/ Firefighter Members in CBID's E08 and R08 moved to Code 36 and excluded aligned with Unit 08 moved to code 5B. Effective 01/2000 Peace Officer/Firefighter Members- Forestry employee (Formerly code 74).	MEDICARE	238		8 (01/2000 - 08/2001) 5.5 (09/2001- 06/2002) 3 (07/2002 - 06/2003)	36.827 Termed 6/03.
33	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 12. Effective 07/2004 CBID's R17 and E17 moved to code 12. Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 12). Effective 07/2003 all CBID's moved to code 12. Effective 09/2001 Safety Members Elected	MEDICARE	317		1 (Beginning 10/2003) 3.5 (09/2001 -	19.338 Termed 06/03.

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	to retain Miscellaneous or Industrial First Tier Formula in CBID's M16-M19, R16, R18, R19, and S16-S19. (Formerly code 12). Effective 07/1974 - 08/2001Safety Members Dept. of Justice, Life Guards (No active members)	NEITHER			06/2002) 1 (07/2002 - 06/2003) Various	Termed 12/99
34	Effective 01/2006 CBID's R08 and C08 moved to code 3A. Effective 07/2003 Peace Officer/ Firefighter Members in CBID's E08 and R08. All excluded aligned with Unit 08 moved to code 5A. Effective 01/2000 Peace Officer/Firefighter Members aligned with Unit 08 (Formerly code 15).	NEITHER	238		6 (Beginning 10/2004) 6 (07/2003 – 09/2003) 1 (10/2003 – 09/2004) 6 (01/2000 - 08/2001) 3.5 (09/2001-06/2002) 1 (07/2002 - 06/2003)	38.827
35	Effective 07/1982 – 12/1982 Safety Members State Police (Not used after 1982)	NEITHER	238		8	19.338
36	Effective 01/2006 CBID's R08 and C08 moved to code 3B. Effective 07/2003 Peace Officer/ Firefighter Members in CBID's E08 and R08. All excluded aligned with Unit 08 moved to code 5B. Effective 01/2000 Peace Officer/Firefighter Members aligned with Unit 08 (Formerly code 16).	MEDICARE	513		6 (01/2000 - 08/2001) 3.5 (09/2001-06/2002) 1 (07/2002 - 06/2003) 6 (07/2003 – 09/2003) 1 (10/2003 – 09/2004) 6 (Beginning 10/2004)	38.827
37	Effective 01/2006 CBID's R06 and C06 moved to code 3C. Effective 01/2000 Peace Officer/Firefighter Members CBID R06 only (Formerly code 78).	NEITHER	863		8 (01/2000 - 12/2001) 5.5 (01/2002 - 06/2002) 3 (07/2002 - 06/2003) 8 (Beginning 07/2003)	36.827
38	Effective 01/2006 CBID's R06 and C06 moved to code 3D. Effective 01/2000 Peace Officer/Firefighter Members CBID R06 only (Formerly code 79).	MEDICARE	863		8 (01/2000 - 12/2001) 5.5 (01/2002 - 06/2002) 8 (Beginning 07/2003) 3 (07/2002 - 06/2003)	23.563
39	Effective 07/2003 Peace Officer/Fire-fighter Excluded Members aligned with Unit 06 moved to code 55, excluded members aligned with Unit 07 moved to 57, and excluded aligned with Unit 08 moved to 5A. Effective 01/2000 Peace Officer/Firefighter	NEITHER	238		8 (01/2000 - 08/2001) 5.5 (09/2001 - 6/2002) 3 (07/2002 -	36.827

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	Excluded Members aligned with Units 06 and 07 (Formerly code 80)				06/2003)	
3A	Effective 01/2006 Peace Officer/ Firefighter First Tier members in CBID's R08 and C08 (Formerly code 34)	NEITHER	863		6 (Beginning 01/2006)	36.827
3B	Effective 01/2006 Peace Officer/ Firefighter First Tier members covered by Medicare in CBID's R08 and C08 (Formerly code 36)	MEDICARE	863		6 (Beginning 01/2006)	36.827
3C	Effective 01/2006 Peace Officer/ Firefighter First Tier members in CBID's R06 and C06 (Formerly code 37)	NEITHER	863		8 (Beginning 01/2006)	36.827
3D	Effective 01/2006 Peace Officer/ Firefighter First Tier members covered by Medicare in CBID's R06 and C06 (Formerly code 38)	MEDICARE	863		8 (Beginning 01/2006)	36.827
40	Effective 07/2006 CBID R02 moved to code 4K. Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 05). Effective 09/2004 CBID's R18 and E18 employed by Department of Developmental Services, Porterville Developmental Center moved to code 4C. Effective 07/2004 CBID's R07 and E07 except class codes 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or 30. Effective 07/2004 CBID's R17 and E17 (Formerly code 05). Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 05. Effective 07/2003 CBID's from codes 05 and 07. Effective 07/2002 CBID's E13 and R13 moved to code 07. Effective 05/2002 CBID's E14, E20, R14, and R20 moved to code 05 Effective 04/2002 CBID's E01, E02, E03, E04, E09, E11, E15, E21, R01, R02, R03, R04, R09, R11, R15, and R21 moved to code 05. Effective 10/2001 CBID's E13 and R13 (Formerly code 07). Effective 09/2001- Miscellaneous First Tier Members not covered by Social Security/Medicare in CBID's E01, E02, E03, E04, E06, E09, E11, E14, E15, E17, E20,	NEITHER	317	146.31	6	24.280

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	EXCLUSION AMOUNT BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	E21, R01, R02, R03, R04, R06, R09, R11, R14, R15, R17, R20, and R21only Effective 01/2000 - 08/2001 Miscellaneous First Tier Members not covered by Social Security/Medicare (Formerly code 00) (Effective 09/2001 CBID's C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21 moved to code 07).					
41	Effective 11/2007 CBID R12 and E12 employed by Department of Transportation moved to code 4S Effective 09/2004 CBID's R18 and E18 employed by Department of Developmental Services, Porterville Developmental Center moved to code 4D. Effective 07/2004 CBID's R07 and E07 except class codes 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or 30. Effective 07/1988 - Miscellaneous Second Tier Members covered by Social Security/Medicare. Elected Second Tier per AB 1104 General Election for past and future or prospective service, or eligible for PERS membership between 1/1/88 – 12/31/99.	SOCIAL SECURITY/ MEDICARE				24.237
42	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 06). Effective 07/2004 CBID's R07 and E07 except class codes 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or 30. Effective 07/2004 CBID's R17 and E17 (Formerly code 06). Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 06. Effective 07/2003 CBID's from codes 06 and 09. Effective 07/2002 CBID's E13 and R13 moved to code 09. Effective 05/2002 CBID's E14, E20, R14, and R20 moved to code 06 and E17 and R17 moved to code 09. Effective 04/2002 CBID's E01, E02, E03, E04, E09, E11, E15, E21, R01, R02, R03, R04, R09, R11, R15 and R21 moved to code 06.	MEDICARE	317	146.31	6	24.280

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	Effective 10/2001 CBID's E13 and R13 (Formerly code 09). Effective 09/2001 Miscellaneous First Tier Members covered by Medicare in CBID's E01, E02, E03, E04, E09, E11, E14, E15, E17, E20, E21, R01, R02, R03, R04, R09, R11, R14, R15, R17, R20, and R21 Effective 01/2000 Miscellaneous First Tier Members covered by Medicare (Formerly code 20) (Effective 09/2001 CBID's C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21 moved to code 09)					
43	Effective 07/2004 CBID's R07 and E07 except class codes 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or 30. Effective 10/2003 Excluded Members aligned with Unit 7 moved to code 4A. Effective 01/2000 Miscellaneous First Tier Members covered by Social Security/Medicare and employed by CHP or Justice (G.C. 21151) in class 1662, 1663, 1664, 1665, 8460, 8466, 8467, 8472, 8473, 8477, or 8478. (Formerly code 06)	SOCIAL SECURITY/ MEDICARE	513	236.77	5 (01/2000 - 08/2001) 2.5 (09/2001-06/2002) 0 (07/2002 - 06/2003) 5 (Beginning 7/2003)	24.280
44	Effective 07/2004 CBID's R07 and E07 except class codes 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or 30. Effective 07/1988 Miscellaneous Second Tier Members covered by Covered by Social Security/Medicare and employed by CHP or Dept of Justice in class 1662, 1663, 1664, 1665, 8460,m 8466, 8467, 8472, 8473, 8477, or 8478. Elected Second Tier per AB 1104 General Election for past and future or prospective service, or eligible for PERS membership as of 11/1/1988 or thereafter.	SOCIAL SECURITY/ MEDICARE				24.237
45	Effective 11/2007 CBID R12 and E12 employed by Department of Transportation moved to code 4T. Effective 02/2007 Judicial Council classes 2204, 2208, 2209, 2468, 2469, 3195, 3196, 3197, 3199, 3574, 3590, 3814, and 5072 moved to code 4J. Effective 07/2006 CBID R02 moved to code 4G. Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 24). Effective 09/2004 CBID's R18 and E18 employed by Dept. of Developmental Services, Porterville Developmental Center moved to code 4B. Effective 07/2004 CBID's R07 and E07	SOCIAL SECURITY/ MEDICARE	513	236.77	5	24.280

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	except class codes 8562, 8564, 8818, 8828 moved to Safety membership – codes 19 or 30. Effective 07/2004 CBID's R17 and E17 (Formerly code 24). Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 24. Effective 07/2003 CBID's from codes 24 and 25. Effective 07/2002 CBID's E13 and R13 moved to code 24. Effective 05/2002 CBID's E14, E20, R14, and R20 moved to code 25 and E17 and R17 moved to code 24. Effective 04/2002 CBID's E01, E02, E03, E04, E09, E11, E15, E21, R01, R02, R03, R04, R09, R11, R15, and R21 moved to code 25. Effective 10/2001 CBID's E13 and R13 (Formerly code 24). Effective 09/2001Miscellaneous First Tier Members covered by Social Security/Medicare in CBID's E01, E02, E03, E04, E09, E11, E14, E15, E17, E20, E21, R01, R02, R03, R04, R09, R11, R14, R15, R17, R20 and R21. Effective 01/2000 - 08/2001Miscellaneous First Tier Members covered by Social Security/Medicare (Formerly code 08) (Effective 09/2001 CBID's C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21 moved to code 24). Effective 1982 – 07/2009 State Traffic Officer Cadet (class 8445 & 8446) Effective 08/2009 State Traffic Officer Cadet (class 8446)		1,513 513			
46	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 93). Effective 07/2004 CBID's R17 and E17 (Formerly code 93). Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89,	NEITHER	317		6	18.134

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	E92, E97, E98, E99 moved to code 93. Effective 07/2003 CBID's from codes 29 and 93. Effective 07/2002 CBID's E17 and R17 moved to code 93. Effective 05/2002 CBID's E14, E20, R14, and R20 moved to code 29 and E17 and R17 moved to code 93. Effective 04/2002 CBID's E01, E02, E03, E04, E09, E11, E15, E21, R01, R02, R03, R04, R09, R11, R15, and R21 moved to code 29. Effective 10/2001 CBID's E13 and R13 added (Formerly code 93). Effective 09/2001 Industrial First Tier Members not covered by Social Security/Medicare in CBID's E01, E02, E03, E04, E09, E11, E14, E15, E17, E20, E21, R01, R02, R03, R04, R09, R11, R14, R15, R17, R20, and R21. Effective 09/2001 CBID's C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21). Effective 01/2000 - 08/2001 Industrial First Tier Members not covered by Social Security/Medicare (Formerly code 90).					
47	Effective 07/2003 CBID's from codes 73 and 97. Effective 07/1988 Industrial Second Tier Members covered by Social Security/Medicare. Elected Second Tier per AB 1104 General Election for past and future or prospective service, or eligible for PERS membership between 1/1/1988 – 12/31/1999.	SOCIAL SECURITY/ MEDICARE				**18.134**
48	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 97). Effective CBID's R17 and E17 (Formerly code 97). Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 97. Effective 07/2003 CBID's from codes 73 and 97. Effective 07/2002 CBID's E13 and R13 moved to code 97. Effective 05/2002 CBID's E14, E20, R14, and R20 moved to code 73 and E17 and	MEDICARE	317		6	**18.134**

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	R17 moved to code 97. Effective 04/2002 CBID's E01, E02, E03, E04, E09, E11, E15, E21, R01, R02, R03, R04, R09, R11, R15 and R21 moved to code 73. Effective 10/2001 CBID's E13 and R13 (Formerly code 97). Effective 09/2001 Industrial First Tier Members covered by Medicare in CBID's E01, E02, E03, E04, E09, E11, E14, E15, E17, E20, E21, R01, R02, R03, R04, R09, R11, R14, R15, R17, R20, and R21 only. Effective 01/2001 - 08/2001 Industrial First Tier Members covered by Medicare (Formerly code 93) (Effective 09/2001 CBID's C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21 moved to code 97).					
49	Effective 07/2006 CBID R02 moved to 9A. Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 99). Effective 07/2004 CBID's R17 and E17 (Formerly code 99). Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 99. Effective 07/2003 CBID's from codes 90 and 99. Effective 07/2002 CBID's E13 and R13 moved to code 99. Effective 05/2002 CBID's E14, E20, R14, and R20 moved to code 90 and E17 and R17 moved to code 99. Effective 04/2002 CBID's E01, E02, E03, E04, E09, E11, E15, E21, R01, R02, R03, R04, R09, R11, R15, and R21 moved to code 90. Effective 01/2002 CBID's E06 and R06 moved to code 99. Effective 10/2001 CBID's E13 and R13(Formerly code 99). Effective 09/2001 CBID's C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21).	SOCIAL SECURITY/ MEDICARE	513		5	18.134

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	Effective 09/2001 Industrial First Tier Members covered by Social Security/Medicare in CBID's E01, E02, E03, E04, E06, E09, Effective 09/2001 CBID's C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21).11, E14, E15, E17, E20, E21, R01, R02, R03, R04, R06, R09, R11, R14, R15, R17, R20, and R2. Effective 01/2001 - 08/2001 Industrial First Tier Members covered by Social Security/Medicare (Formerly Code 94).					
4A	Effective 10/2003 Miscellaneous 1st Tier members covered by Social Security/Medicare, Excluded Members aligned with Unit 7 (Formerly code 43)	SOCIAL SECURITY/ MEDICARE	513		0 (Beginning 10/2003 – 09/2004) 5 (Beginning 10/2004)	24.280
4B	Effective 09/2004 Miscellaneous First Tier Members covered by Social Security/Medicare in CBID's R18 and E18 employed by Department of Developmental Services, Porterville Developmental Center Effective 01/01/2007 Miscellaneous First Tier Members covered by Social Security/Medicare in CBID's R18 and E18 employed by Department of Developmental Services, Southern California Facility and Sierra Vista Facility. (G.C. 20047.5) (Formerly code 45)	SOCIAL SECURITY/ MEDICARE	513	236.77	5	24.280
4C	Effective 09/2004 Miscellaneous First Tier Members not covered by Social Security/Medicare in CBID's R18 and E18 employed by Department of Developmental Services, Porterville Developmental Center (Formerly code 40)	NEITHER	317	146.31	6	24.280
4D	Effective 09/2004 Miscellaneous Second Tier Members covered by Social Security/Medicare in CBID's R18 and E18 employed by Department of Developmental Services, Porterville Developmental Center (Formerly code 41). Elected Second Tier per AB 1104 General Election for past and future or prospective service, or eligible for PERS membership between 1/1/88 – 12/31/99. Effective 01/01/2007 Miscellaneous Second Tier Members covered by Social Security/Medicare in CBID's R18 and E18 employed by Department of Developmental Services, Southern California Facility and Sierra Vista Facility. (G.C. 20047.5)	SOCIAL SECURITY/ MEDICARE				24.237
4E	Effective 09/2004 Miscellaneous Second Tier Members covered by Social Security/Medicare in CBID's R18 and E18 employed by Department of Developmental Services, Porterville Developmental Center (Formerly code 03). Elected the Second Tier retroactively for all past and future service (G.C. 21070) (1959-61 election or non-resident) Effective 01/01/2007 Miscellaneous Second Tier Members covered by Social Security/Medicare in CBID's R18 and E18 employed by Department of Developmental Services, Southern California Facility and Sierra Vista Facility. (G.C. 20047.5)	SOCIAL SECURITY/ MEDICARE				24.237

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
4F	Effective 09/2004 Miscellaneous Second Tier Members covered by Social Security/Medicare in CBID's R18 and E18 employed by Department of Developmental Services, Porterville Developmental Center (Formerly code 04). Elected the Second Tier prospectively for all future service only (G.C. 21070) Effective 01/01/2007 Miscellaneous Second Tier Members covered by Social Security/Medicare in CBID's R18 and E18 employed by Department of Developmental Services, Southern California Facility and Sierra Vista Facility. (G.C. 20047.5)	SOCIAL SECURITY/ MEDICARE				24.237
4G	Effective 07/2006 Miscellaneous First Tier Members covered by Social Security/Medicare in CBID R02. Hired prior to July 1, 2006. (Formerly code 45)	SOCIAL SECURITY/ MEDICARE	513		6	24.280
4H	Effective 07/2006 Miscellaneous First Tier Members covered by Social Security/Medicare in CBID R02. Hired on or after July 1, 2006 with prior CalPERS service.	SOCIAL SECURITY/ MEDICARE	513		6	24.280
4J	Effective 02/2007 Miscellaneous First Tier Members covered by Social Security/Medicare in Judicial Council classes 2204, 2208, 2468, 2469, 3195, 3196, 3197, 3199, 3574, 3590, 3814, and 5072. (Formerly code 45)	MEDICARE	513		0	29.280
4K	Effective 07/2006 Miscellaneous First Tier Members not covered by Social Security/Medicare in CBID R02. Hired prior to July 1, 2006. (Formerly code 40)	NEITHER	317		7	24.280
4L	Effective 11/2007 CBID R12 and E12 moved to code 4X. Effective 01/2007 Miscellaneous Members covered by Social Security/Medicare hired on or after January 1, 2007 in CBID's E01, E03, E04, E07, E10, E11, E12, E13, E14, E15, E16, E17, E18, E19, E20, E21, R01, R03, R04, R07, R10, R11, R12, R13, R14, R15, R16, R17, R18, R19, R20, and R21 with previous CalPERS service or completes 24 months of ARP participation in code TJ.	SOCIAL SECURITY/ME DICARE	513	236.77	5	24.280
4P	Effective 01/2007 Miscellaneous Members covered by Social Security/Medicare hired on or after January 1, 2007 at Porterville Developmental Center in CBID R18 with previous CalPERS service. Effective 01/01/2007 Miscellaneous Second Tier Members covered by Social Security/Medicare in CBID's R18 and E18 employed by Department of Developmental Services, Southern California Facility and Sierra Vista Facility. (G.C. 20047.5)	SOCIAL SECURITY/ MEDICARE	513	236.77	5	24.280
4R	Effective 11/2007 Miscellaneous Second Tier Members covered by Social Security/Medicare in CBID's R12 and E12 employed by Department of Transportation (formerly codes 03 and 04). Elected the Second Tier retroactively for all past and future service (G.C. 21070) (1959-61 election or non-resident) and Second Tier prospectively for all future service only (G.C. 21070)	SOCIAL SECURITY/ME DICARE			0	24.237
4S	Effective 11/2007 Miscellaneous Second Tier Members covered by Social Security/Medicare in CBID's R12 and E12 employed by Department of Transportation (formerly code 41). Elected Second Tier per	SOCIAL SECURITY/ME DICARE			0	24.237

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	AB 1104 General Election for past and future or prospective service, or eligible for PERS membership between 01/01/1988 - 12/31/1999.					
4T	Effective 11/2007 Miscellaneous First Tier Members covered by Social Security/Medicare in CBID's R12 and E12 employed by the Department of Transportation. (Formerly code 45)	SOCIAL SECURITY/MEDICARE	513	236.77	5	24.280
4X	Effective 11/2007 Miscellaneous First Tier Members covered by Social Security/Medicare in CBID R12 and E12 employed by the Department of Transportation and newly hired to state service on or after January 1, 2007 with prior CalPERS service. (Formerly code 4L)	SOCIAL SECURITY/MEDICARE	513	236.77	5	24.280
4Y	Effective 1/2007 Miscellaneous Second Tier Members covered by Social Security/Medicare hired on or after January 1, 2007 in CBID's E01, E03, E04, E07, E10, E11, E12, E13, E14, E15, E16, E17, E18, E19, E20, E21, R01, R03, R04, R07, R10, R11, R12, R13, R14, R15, R16, R17, R18, R19, R20 and R21 initially placed in ARP then elected Second - Tier for future service only. **Effective 07/01/06 Miscellaneous members hired on or after 07/01/06 in E02 or R02 electing Second Tier.**	SOCIAL SECURITY/MEDICARE			0	24.237
4Z	Effective 01/01/2007 Miscellaneous Second Tier Members covered by Social Security/Medicare in CBID's R18 and E18 employed by Department of Developmental Services, Porterville Developmental Center, Southern California Facility and Sierra Vista Facility. (G.C. 20047.5	SOCIAL SECURITY/MEDICARE			0	24.237
50	Effective 07/2003 Peace Officer/ Firefighter Excluded Members aligned with Unit 06 move to code 56, excluded aligned with Unit 07 moved to code 58, excluded aligned with Unit 08 moved to 5B. Effective 01/2000 Peace Officer/Firefighter Excluded Members aligned with Units 06 and 07 (Formerly Code 84)	MEDICARE	238		8 (Beginning 07/2003) 3 (07/2002 - 06/2003) 8 (01/2000 - 08/2001) 5.5 (09/2001 - 06/2002)	36.827
51	Effective 01/2000 Peace Officer CSU (Formerly code 86)	NEITHER	238		0	44.827
52	Effective 01/2000 Peace Officer CSU (Formerly code 88)	MEDICARE	238		0	44.827
53	Effective 01/2000 Peace Officer CSU (Formerly code 87)	NEITHER	238		8	36.827
54	Effective 01/2000 Peace Officer CSU (Formerly code 89)	MEDICARE	238		8	36.827
55	Effective 01/2006 all S06 and M06 Peace Officer/Firefighter members and excluded and exempt positions aligned with Unit 6 moved to account code 5J. (See Section H 214.1 for specific excluded and exempt positions). Effective 09/2001- all excluded Peace Officer/Firefighter Members aligned with Unit 06. Effective 05/2001-08/2001 Peace Officer/Firefighter Members employed by Youth and Adult Correctional Agencies and Boards in CBID S06 class codes 8202, 8215, 8976, 9560, 9569, 9570, 9571, 9574, 9577, 9580, 9613, 9656, 9659, 9695, 9697, 9760, 9763, 9902, 9903, 9908, 9910 and	NEITHER	863		8 5.5 (09/2001 - 06/2002) 3 (07/2002 - 06/2003) 8 (07/2003 – 09/2003) 3 (Beginning 10/2003 – 09/2004) 8 (Beginning 10/2004) 8 (05/2001 - 08/2001)	36.827

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	E98 employees in class code 9767. (Formerly code 39).					
56	Effective 01/2006 all S06 and M06 Peace Officer/Firefighter members and excluded and exempt positions aligned with Unit 6 moved to account code 5K. (See Section H 214.1 for specific excluded and exempt positions). Effective 09/2001 - all excluded Peace Officer/Firefighter Members aligned with Unit 06. Effective 05/2001- 08/2001 Peace Officer/Firefighter Members employed by Youth and Adult Correctional Agencies and Boards in CBID S06 class codes 8202, 8215, 8976, 9560, 9569, 9570, 9571, 9574, 9577, 9580, 9613, 9656, 9659, 9695, 9697, 9760, 9763, 9902, 9903, 9908, 9910, and E98 employees in class code 9767 (Formerly code 50.	MEDICARE	863		8 5.5 (09/2001 - 06/2002) 3 (07/2002 - 06/2003) 8 (07/2003 - 09/2003) 3 10/2003 - 09/2004) 8 (Beginning 10/2004) 8 (05/2001 - 08/2001)	36.827
57	Effective 01/2004 all members moved to code 5G Effective 10/2003 Excluded Members aligned with Unit 7 moved to code 5C. Effective 09/2001 Peace Officer/Firefighter Members in CBID R07 and excluded aligned with Unit 07. Effective 07/2001 - 08/2001 Peace Officer/Firefighter Members in CBID R07 (Formerly code 39).	NEITHER	513		8 5.5 (09/2001 - 06/2002) 3 (07/2002 - 06/2003) 8 (Beginning 07/2003) 8 (07/2001 - 08/2001)	36.827
58	Effective 01/2004 all members moved to code 5H Effective 10/2003 Excluded Members aligned with Unit 7 moved to code 5D. Effective 09/2001 Peace Officer/Firefighter Members in CBID R07 and excluded aligned with Unit 07. Effective 07/2001- 08/2001 Peace Officer/Firefighter Members in CBID R07 (Formerly code 50)	MEDICARE	513		8 5.5 (09/2001 - 06/2002) 3 (07/2002 - 06/2003) 8 (Beginning 07/2003) 8 (07/2001 - 08/2001)	36.827
59	Effective 07/2003 all members moved to Code 19 Effective 04/2002 Safety Members in units E01, E03, R01, and R03 (Formerly code 63)	MEDICARE	0		1 (4/2002 - 11/2002) 0 (12/2002 - 6/2003)	19.338 Termed 06/03
5A	Effective 01/2006 all S08 and M08 Peace Officer/ Firefighter members and excluded and exempt positions aligned with Unit 08 moved to account code 5L. (See Section H 214.1 for specific excluded and exempt positions). Effective 07/2003 Excluded Peace Officer/Firefighter Members aligned with Unit 08 (Formerly code 34).	NEITHER	513		6 (07/2003 – 09/2003) 1 10/2003 - 09/2004) 6 (Beginning 10/2004)	38.827
5B	Effective 01/2006 all S08 and M08 Peace Officer/Fighter members and excluded and exempt positions aligned with Unit 08	MEDICARE	513			36.827

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	moved to account code 5M. (See Section H 214.1 for specific excluded and exempt positions). Effective 07/2003 Excluded Peace Officer/Firefighter Members aligned with Unit 08 (Formerly code 36).				6 (07/2003 – 09/2003) 1 10/2003-09/2004) 6 (Beginning 10/2004)	
5C	Effective 01/2004 Peace Officer/Firefighter members in CBID's S07 (except class code 1986), M07, C07, in class code 9013, E48 in class code 8412, and excluded and exempt positions aligned with Unit 07 moved to account code 5E. (See Section H 214.1 for specific excluded and exempt positions) Effective 10/2003 Excluded Peace Officer/Firefighter Members aligned with Unit 7 (Formerly code 57).	NEITHER	513		3 (10/2003 - 09/2004) 8 (Beginning 10/2004)	36.827
5D	Effective 01/2004 Peace Officer/Firefighter members in CBID's S07 (except class code 1986), M07, C07 in class code 9013, E48 in class code 8412, and excluded and exempt positions aligned with Unit 07 moved to account code 5F. (See Section H 214.1 for specific excluded and exempt positions). Effective 10/2003 Excluded Peace Officer/Firefighter Members aligned with Unit 7 (Formerly code 58).	MEDICARE	513		3 (10/2003 - 09/2004) 8 (Beginning 10/2004)	36.827
5E	Effective 01/2004 Peace Officer/Firefighter Members in CBID's S07 (except class code 1986), M07, C07 in class code 9013, E48 in class code 8412 and excluded and exempt positions aligned with Unit 07. (Formerly code 5C) (See Section H 214.1 for specific excluded and exempt positions)	NEITHER	513		3 (01/2004 - 09/2004) 8 (Beginning 10/2004)	36.827
5F	Effective 01/2004 Peace Officer/Firefighter Members in CBID's S07 (except class code 1986), M07, C07 in class code 9013, E48 in class code 8412 and excluded and exempt positions aligned with Unit 07. (Formerly code 5D) (See Section H 214.1 for specific excluded and exempt positions).	MEDICARE	513		3 (01/2004 - 09/2004) 8 (Beginning 10/2004)	36.827
5G	Effective 01/2004 Peace Officer/Firefighter Members in CBID R07	NEITHER	513		8	36.827
5H	Effective 01/2004 Peace Officer/Firefighter Members in CBID R07	MEDICARE	513		8	36.827
5J	Effective 01/2006 Peace Officer/Firefighter Members in CBID's S06 and M06 and excluded and exempt positions aligned with Unit 06 (Formerly code 55) (See Section H 214.1 for specific excluded and exempt positions).	NEITHER	863		8 (Beginning 01/2006)	36.827
5K	Effective 01/2006 Peace Officer/Firefighter Members in CBID's S06 and M06 and excluded and exempt positions aligned with Unit 06 (Formerly code 55) (See Section H 214.1 for specific excluded and exempt positions).	MEDICARE	863		8 (Beginning 01/2006)	36.827
5L	Effective 01/2006 Peace Officer/Firefighter members in CBID S08, M08, and excluded and exempt positions aligned with Unit 08. (Formerly code 5A) (See Section H 214.1 for specific excluded and exempt positions)	NEITHER	513		6 (Beginning 01/2006)	38.827
5M	Effective 01/2006 Peace Officer/Firefighter members in CBID S08, M08, and excluded and exempt positions aligned with Unit 08. (Formerly code 5B) (See Section H 214.1 for specific excluded and exempt positions and classes)	MEDICARE	513		6 (Beginning 01/2006)	38.827
60	Effective 04/1986 - 12/1999 Patrol Members (Not used after 1999 employees moved to code 61)	MEDICARE	863		8*	43.494
61	Effective 01/2000 Patrol Members (Formerly	MEDICARE	863		8 (Beginning	43.494

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	code 60)				07/2010) 6 (Beginning 07/2009) 4(Beginning 07/2008) 2 (Beginning 07/2007 - 06/30/2008) 0 (01/01/2000 - 06/30/2007)	
62	Effective 01/2000 Patrol Members (Formerly code 66)	NEITHER	863		8 (Beginning 07/2010) 6 (Beginning 07/2009) 4(Beginning 07/2008) 2 (Beginning 07/2007 - 06/30/2008) 0 (01/01/2000-06/30/2007)	43.494
63	Effective 07/2002 Safety members in CBID's E13 and R13 moved to code 67 Effective 05/2002 Safety members in CBID's E02 and R02 moved to code 6A, E17 and R17 moved to code 67, and E20 and R20 moved to code 6D. Effective 04/2002 Safety members in CBID's E01, E03, R01, and R03 moved to code 59, E04, E11, E15, R04, R11, and R15 moved to code 70, and E09 and R09 moved to code 6F. Effective 10/2001 Safety Members in CBID's E01, E02, E03, E04, E09, E11, E13, E14, E15, E17, E20, E21, R01, R02, R03, R04, R09, R11, R13, R14, R15, R17, R20, and R21 (Formerly codes 17, 19, and 67).	MEDICARE	238		8	19.338
64	Effective 07/2002 Safety members in CBID's E13 and R13 moved to code 68. Effective 05/2002 Safety members in CBID's E02 and R02 moved to code 6B, E17 and R17 moved to code 68, and E20 and R20 moved to code 6E. Effective 04/2002 Safety members in CBID's E01, E03, R01, and R03 moved to code 65, E04, E11, E15, R04, R11, and R15 moved to code 69, and E09 and R09 moved to code 6G. Effective 10/2001 Safety Members in CBID's E01, E02, E03, E04, E09, E11, E13, E14, E15, E17, E20, E21, R01, R02, R03, R04, R09, R11, R13, R14, R15, R17, R20, and R21 (Formerly codes 18, 30, and 68).	NEITHER	238		8	19.338
65	Effective 07/2003 all CBID's moved to code 30. Effective 04/2002 Safety Members in CBID's E01, E03, R01, and R03 (Formerly code 64).	NEITHER	0		1 (4/2002 - 11/2002) 0 (12/2002 - 6/2003)	19.338 Termed 06/03
66	Effective 07/1974 – 12/1999 Patrol	NEITHER	863		8*	43.494

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	Members (Not used after 1999 employees moved to code 62)					
67	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 19. Effective 07/2004 CBID's R17 and E17 moved to code 19. Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 19). Effective 07/2003 all CBID's moved to code 19. Effective 07/2002 CBID's E13 and R13 added (Formerly code 63). Effective 05/2002 CBID's E17 and R17 added (Formerly code 63) Effective 10/2001 CBID's E13 and R13 moved to code 63 Effective 09/2001 Safety Members in CBID's C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21. (Formerly codes 17 and 19).	MEDICARE	317		1 (Beginning 10/2003) 3.5 (09/2001 - 06/2002) 1 (07/2002 - 06/2003)	19.338 Termed 06/03
68	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 30. Effective 07/2004 CBID's R17 and E17 moved to code 30. Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 30). Effective 07/2003 all CBID's moved to code 30. Effective 07/2002 CBID's E13 and R13 (Formerly code 64). Effective 05/2002 CBID's E17 and R17 (Formerly code 64). Effective 01/2002 CBID's E06 and R06 (Formerly code 30).	NEITHER	317		1 (Beginning 10/2003)	19.338 Termed 06/30

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	Effective 10/2001 CBID's E13 and R13 moved to code 64. Effective 09/2001 Safety Members in CBID's C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21. (Formerly codes 18 and 30).				3.5 (09/2001 - 06/2002) 1 (07/2002 - 07/2003)	
69	Effective 07/2003 all CBID'S moved to code 30. Effective 04/2002 Safety Members in CBID's E04, E11, E15, R04, R11, and R15 (Formerly code 64).	NEITHER	238		1.15 (4/2002 - 10/2002) 0 (11/2002 - 6/2003)	19.338 Termed 06/03
6A	Effective 07/2003 all CBID's moved to code 19. Effective 05/2002 Safety Members in CBID's E02 and R02 (Formerly code 63)	MEDICARE			0	19.338 Termed 06/03
6B	Effective 07/03 all CBID's moved to Code 80 Effective 05/2002 Safety Members in CBID's E02 and R02 (Formerly code 64) Effective 07/2003 all CBID's moved to code 30.	NEITHER			0	19.338 Termed 06/03
6C	Effective 07/2003 all CBID's moved to code 10. Effective 05/2002 Safety Members electing to retain Miscellaneous or Industrial First Tier Formula in CBID's E02 and R02 (Formerly code 10).	NEITHER			0	Termed 06/03 19.338
6D	Effective 07/2003 all CBID's moved to code 19. Effective 05/2002 Safety Members in CBID's E20 and R20 (Formerly code 63).	MEDICARE	317		1	Termed 06/03 19.338
6E	Effective 07/2003 all CBID's moved to code 30. Effective 05/2002 Safety Members in CBID's E20 and R20 (Formerly code 64).	NEITHER	317		1	Termed 06/03 19.338
6F	Effective 07/2003 all CBID's moved to code 19. Effective 04/2002 Safety Members in CBID's E09 and R09 (Formerly code 63).	MEDICARE	317		1	Termed 06/03 19.338
6G	Effective 04/2002 Safety Members in CBID's E09 and R09 (Formerly code 64) Effective 07/2003 all CBID's moved to code 30.	NEITHER	317		1	19.338 Termed 06/03
6H	Effective 07/2003 all CBID's moved to code 10. Effective 05/2002 Safety Members electing to retain Miscellaneous or Industrial First Tier Formula in CBID's E20 and R20 (Formerly code 10).	NEITHER	317		1	Termed 06/03 19.338
6J	Effective 07/2006 Safety Members covered by Medicare in CBID R02. Hired prior to July 1, 2006. (Formerly code 19)	MEDICARE	317		7	19.338
6K	Effective 07/2006 Safety Members not covered by Social Security/Medicare in CBID R02. Hired prior to July 1, 2006 (Formerly code 30)	NEITHER	317		7	19.338
6L	Effective 07/2006 Safety Members covered by Medicare in CBID R02. Hired on or after July 1, 2006.	MEDICARE	317		7	19.338

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
6M	Effective 07/2006 Safety Members not covered by Social Security/Medicare in CBID R02. Hired on or after July 1, 2006.	NEITHER	317		7	19.338
6P	All Safety members newly hired to the State on or after 01/01/2007 in BID's E01, E03, E04, E07, E10, E11, E12, E13, E14, E15, E16, E17, E18, E19, E20, E21, R01, R03, R04, R07, R10, R11, R12, R13, R14, R15, R16, R17, R18, R19, R20, and R21. Subject to Medicare withholding.	MEDICARE	317		6	19.338
6R	All Safety members newly hired to the State on or after 01/01/2007 in CBID's E01, E03, E04, E07, E10, E11, E12, E13, E14, E15, E16, E17, E18, E19, E20, E21, R01, R03, R04, R07, R10, R11, R12, R13, R14, R15, R16, R17, R18, R19, R20, and R21. Not subject to Medicare withholding.	NEITHER	317		6	19.338
6S	Effective 07/2007 CHP Commissioner	NEITHER	863		0	43.494
70	Effective 07/2003 all CBID's moved to code 19. Effective 04/2002 Safety Members in CBID's E04, E11, E15, R04, R11, and R15 (Formerly code 63).	MEDICARE	238		1.15 (4/2002 - 10/2002) 0 (11/2002 - 06/2003)	19.338 Termed 06/03
71	Effective 04/1986 -12/1999 Safety Members Forestry (Moved to code 17 effective 01/2000)	MEDICARE	317		6	19.338
72	Effective 07/1984 - 12/1999 Peace Officer/Firefighter (Moved to code 31 effective 01/2000)	NEITHER	238		8	36.827
73	Effective 07/2003 all CBID's moved to code 48. Effective 05/2002 CBID's E14, E20, R14, and R20 (Formerly code 48). Effective 04/2002 Industrial First Tier Members covered by Medicare in CBID's E01, E02, E03, E04, E09, E11, E15, E21, R01, R02, R03, R04, R09, R11, R15, and R21 (Formerly code 48). Effective 07/1984 - 12/1999 Peace Officer/Firefighter Members Forestry elected to retain prior benefits and contributions (No active members).	MEDICARE NEITHER	317 238		1 6	18.134 Termed 06/03. Termed 12/99
74	Effective 04/1986 - 12/1999 Peace Officer/Firefighter Members Forestry (Moved to code 32 effective 01/2000)	MEDICARE	238		8	36.827
75	Effective 07/1974 - 12/1999 Safety Members Forestry (Moved to code 18 effective 01/2000)	NEITHER	317		6	19.338
76	Effective 07/1984 - 12/1999 Peace Officer/Firefighter Members Forestry elected to retain prior benefits and contributions (No active members)	NEITHER	317		Various	Termed 12/99
77	Effective 07/1974 - 12/1999 Safety Members Forestry (No active members)	NEITHER	317		Various	Termed 12/99
78	Effective 04/1995 - 12/1999 Peace Officer/Firefighter Member (Moved to code 37 effective 01/2000)	NEITHER	863		8	Termed 12/99
79	Effective 04/1995 - 12/1999 Peace Officer/Firefighter Members (Moved to code 38 effective 01/2000)	MEDICARE	863		8	36.827
80	Effective 07/1984 - 12/1999 Peace Officer/Firefighter Member (Moved to code 39 effective 01/2000)	NEITHER	238		8	Termed 12/99
81	Effective 07/1984 - 12/1999 Peace Officer/Firefighter Members elected to retain prior benefits and contributions (No active members)	NEITHER	317		6	Termed 12/99
82	Effective 01/01/2001 CSU E99, Class Code 8347 Effective 04/1986 - 12/1999 Safety	MEDICARE	317		6	19.338

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	Members covered by Medicare - Corrections, Youth Authority, Justice, Fish and Game Wardens, Institutional Firemen, Campus Police, Life Guards, and State Police (Moved to code 19 effective 01/2000)					
83	Effective 01/01/2001 CSU E99, Class Code 8347 Effective 07/1974 - 12/1999 Safety Members not covered by Medicare - Corrections, Youth Authority, Justice, Fish and Game Wardens, Institutional Firemen, Campus Police, Life Guards, and State Police (Moved to code 30 effective 01/2000)	NEITHER	317		6	19.338
84	Effective 04/1986 - 12/1999 Peace Officer/Firefighter (Moved to code 50 effective 01/2000)	MEDICARE	238		8	36.827
85	Effective 07/1984 - 11/1984 Peace Officer/Firefighter Members elected to retain prior benefits and contributions (Moved to code 81)	NEITHER	317		6	36.827
86	Effective 04/1994 - 12/1999 Peace Officer CSU (Moved to code 51 effective 01/2000)	NEITHER	238		0	44.827
87	Effective 07/1986 - 12/1999 Peace Officer/Firefighter CSU (Moved to code 53 effective 01/2000)	NEITHER	238		8	36.827
88	Effective 07/1974 - 12/1999 Peace Officer CSU (Moved to code 52 effective 01/2000)	MEDICARE	238		0	44.827
89	Effective 07/1986 - 12/1999 Peace Officer/Firefighter CSU (Moved to code 54 effective 01/2000)	MEDICARE	238		8	36.827
90	Effective 07/2003 all CBID's moved to code 49. Effective 05/2002 CBID's E14, E20, R14, R20 (Formerly code 49). Effective 04/2002 Industrial First Tier Member covered by Social Security/Medicare in CBID's E01, E02, E03, E04, E09, E11, E15, E21, R01, R02, R03, R04, R09, R11, R15, and R21 (Formerly code 49). Effective 01/1975 - 12/1999 Industrial First Tier Members not covered by Social Security 1959-61 election non-resident alien (Moved to code 46 effective 01/2000).	SOCIAL SECURITY/ MEDICARE NEITHER	513 317		0 6	18.134 Termed 06/03.
91	Effective 09/1986 Industrial Second Tier Members elected Second Tier retroactively for all past and future services (1959-61 election non-resident alien)	NEITHER				18.134
92	Effective 09/1986 Industrial Second Tier Members elected Second Tier for all future services (1959-61 election or non-resident alien)	NEITHER				18.134
93	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 46. Effective 07/2004 CBID's R17 and E17 moved to code 46. Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58,	NEITHER	317		1 (Beginning 10/2003)	18.134 Termed 06/03

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 46). Effective 07/2003 all CBID's moved to code 46. Effective 07/2002 CBID's E13 and R13 (Formerly code 46). Effective 05/2002 CBID's E17 and R17 (Formerly code 46). Effective 10/2001 CBID's E13 and R13 moved to code 46. Effective 09/2001 Industrial First Tier Members not covered by Social Security/Medicare in CBID's C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21. (Formerly code 46) Effective 04/01/86 - 12/31/99 Industrial First Tier Members (1959-61 election) (Moved to code 48 effective 01/2000).	MEDICARE			3.5 (09/2001 - 06/2002) 1 (07/2002 - 06/2003) 6	
94	Effective 01/1975 - 12/1999 Industrial First Tier Members covered by Social Security/Medicare (Moved to code 49 effective 01/2000)	SOCIAL SECURITY/ MEDICARE	513		5	18.134
95	Effective 09/1986 Industrial Second Tier Members elected Second Tier for all past and future services	SOCIAL SECURITY/ MEDICARE				18.134
96	Effective 09/1986 Industrial Second Tier Members elected Second Tier for all future services	SOCIAL SECURITY/ MEDICARE				18.134
97	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 48. Effective 07/2004 CBID's R17 and E17 moved to code 48. Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 48). Effective 07/2003 all CBID's moved to code 48. Effective 07/2002 CBID's E13 and R13 (Formerly code 48). Effective 05/2002 CBID's E17 and R17 (Formerly code 48). Effective 10/2001CBID's E13 and R13 moved to code 48. Effective 09/2001 Industrial First Tier Members covered by Medicare in CBID's	MEDICARE	317		1 (Beginning 10/2003) 3.5 (09/2001 - 06/2002)	18.134 Termed 06/03

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21. (Formerly code 48). Effective 09/1986 - 08/2001 Industrial Second Tier Members. Elected the Second Tier retroactively for all past and future service (1959-61 election) (No active members as of 08/2001).				1 (07/2002 - 06/2003)	
98	Effective 09/1986 Industrial Second Tier Members elected Second Tier for all future service (1959-61 election)	MEDICARE				18.134
99	Effective 10/2004 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09, E10, E11, E14, E15, E16, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 moved to code 49. Effective 07/2004 CBID's R17 and E17 moved to code 49. Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code 49). Effective 07/2003 all CBID's moved to code 49. Effective 07/2002 CBID's E13 and R13 (Formerly code 49). Effective 05/2002 CBID's E17 and R17 (Formerly code 49). Effective 01/2002 CBID's E06 and R06 (Formerly code 49). Effective 10/2001 CBID's E13 and R13 moved to code 49. Effective 09/2001 Industrial First Tier Members covered by Social Security/Medicare in CBID's C01-C21, E, E05, E07, E08, E10, E12, E13, E16, E18, E19, E48, E50, E58, E59, E68, E78, E79, E88, E89, E92, E97, E98, E99, M01-M21, R05, R07, R08, R10, R12, R13, R16, R18, R19, and S01-S21 (Formerly code 49). Effective 06/1998 - 12/1999 Industrial Modified First Tier Members (Modified First Tier abolished effective 01/2000. Moved to code 49 effective 01/2000).	SOCIAL SECURITY/ MEDICARE	513 133.33		0 (Beginning 10/2003) 2.5 (09/2001 - 06/2002) 0 (07/2002 - 06/2003) 5	18.134 Termed 06/03
9A	Effective 07/2006 Industrial First Tier Members covered by Social Security/Medicare in CBID R02. Hired prior to July 1, 2006. (Formerly code 49)	SOCIAL SECURITY/ME DICARE	513		6	18.134
9B	Effective 07/2006 Industrial First Tier Members covered by Social Security/Medicare in CBID R02. Hired on or after July 1, 2006 with prior CalPERS service.	SOCIAL SECURITY/ME DICARE	513		6	18.134
9C	Effective 01/2007 Industrial Members covered by Social Security/Medicare hired	SOCIAL SECURITY/ME	513		5	18.134

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	on or after January 1, 2007 in CBID's E01, E03, E04, E07, E10, E11, E12, E13, E14, E15, E16, E17, E18, E19, E20, E21, R01, R03, R04, R07, R10, R11, R12, R13, R14, R15, R16, R17, R18, R19, R20, and R21 with previous CalPERS service or completes 24 months of ARP participation in code TS.	DICARE				
9D	Effective 1/2007 Industrial Second Tier Members covered by Social Security/Medicare hired on or after January 1, 2007 in CBID's E01, E03, E04, E07, E10, E11, E12, E13, E14, E15, E16, E17, E18, E19, E20, E21, R01, R03, R04, R07, R10, R11, R12, R13, R14, R15, R16, R17, R18, R19, R20 and R21 initially placed in ARP then elected Second - Tier for future service only. **Effective 07/01/06 Industrial members hired on or after 07/01/06 in E02 or R02 electing Second Tier.**	SOCIAL SECURITY/ME DICARE			0	18.134
J	Effective 07/1974 Judicial Retirement System (Except San Diego County)	NEITHER			8	-
JA	Effective 08/1989 Judicial Retirement System (San Diego County only)	NEITHER			1	-
JB	Effective 08/1989 Judicial Retirement System (San Diego County only)	MEDICARE			1	-
JC	Judicial Retirement System (Reserved for future use)	NEITHER			-	-
JD	Judicial Retirement System (Reserved for future use)	MEDICARE			-	-
JE	Judicial Retirement System (Reserved for future use)	NEITHER			-	-
JF	Judicial Retirement System (Reserved for future use)	MEDICARE			-	-
JG	Judicial Retirement System (Reserved for future use)	NEITHER			-	-
JH	Judicial Retirement System (Reserved for future use)	MEDICARE			-	-
JI	Judicial Retirement System (Reserved for future use)	NEITHER			-	-
JJ	Judicial Retirement System (Reserved for future use)	MEDICARE			-	-
JK	Judicial Retirement System (Reserved for future use)	NEITHER			-	-
JL	Judicial Retirement System (Reserved for future use)	MEDICARE			-	-
JM	Effective 04/1986 Judicial Retirement System (Except San Diego County)	MEDICARE			8	-
L	Effective 07/1974 Legislative Retirement System Members not covered by Social Security/Medicare	NEITHER			4 (07/1974 - 01/2000) 0 (02/2000 - current)	-
LO	Effective 07/1974 Legislative Retirement System Members covered by Social Security/Medicare	SOCIAL SECURITY/ MEDICARE			4 -8 (07/1974 - 02/2000) 0% (02/2000 - current)	-
N	Effective 07/1974 Retirement and Social Security/Medicare not withheld	NEITHER				-
NM	Effective 04/1986 Retirement not withheld but Medicare is withheld	MEDICARE				-
NO	Effective 07/1974 Retirement not withheld but Social Security/Medicare is withheld	SOCIAL SECURITY/ MEDICARE				-
T	Effective 10/2004 all CBID's from Code TC. Effective 07/2003 all CBID's from Code TB. Effective 09/2001 – 6/2003 moved to TB.	NEITHER			8 (07/2003 – 09/2003) 3 (10/2003 - 09/2004) 8 (Beginning 10/2004	8.88

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	Effective 07/1974 - 08/2001 State Teachers Retirement System Members not covered by Social Security/Medicare (Effective 09/2001 excluded members moved to code TB and effective 01/2002 CBID R21 members moved to code TB).				4	
TA	Effective 10/2004 all CBID's from Code TC. Effective 01/2001- 12/2001 State Teachers Retirement System Members covered by Medicare (Effective 01/2002 - 06/2003 and effective 10/2003 moved to code TC).	MEDICARE			8 (Beginning 10/2004	8.88
TB	Effective 07/2003 all CBID's moved to code T. Effective 09/2001 State Teachers Retirement System Members not covered by Social Security/Medicare (Formerly code T).	NEITHER			5.5 (09/2001 - 06/2002) 3 (07/2002 - 06/2003)	Termed 06/03 8.88
TC	Effective 10/2004 all CBID's moved to code TA. Effective 10/2003 CBID's R01, R04, R05, R08, R09, R10, R11, R14, R15, R16, R17, R19, R20, R21, C01 through C21, S01 through S21, M01 through M21, E, E01, E04, E05, E08, E09. E10, E11, E14, E15, E16, E17, E19, E20, E21, E48, E50, E58, E59, E67, E68, E77, E78, E79, E88, E89, E92, E97, E98, E99 (Formerly code TA). Effective 07/2003 all CBID's moved to code TA. Effective 09/2002 State Teachers Retirement System Members not covered by Medicare (Formerly code TA).	MEDICARE			3 (Beginning 10/2003) 5.5 (02/2002 - 06/2002) 3 (07/2002 - 06/2003)	8.88 Termed 06/03
TD	Effective 07/1991 Part-time Seasonal and Temporary (PST) Retirement Plan participants not covered by Social Security/Medicare	NEITHER			7.5	-
TE	Effective 07/2006 Alternate Retirement Plan (ARP) Miscellaneous members covered by Social Security/Medicare in CBID R02. Hired prior to July 1, 2006. (Formerly code TK)	SOCIAL SECURITY/MEDICARE	513		6	-
TF	Effective 07/2006 Alternate Retirement Plan (ARP) Industrial members covered by Social Security/Medicare in CBID R02. Hired prior to July 1, 2006. (Formerly code TP)	SOCIAL SECURITY/MEDICARE	513		6	-
TG	Effective 07/2006 Alternate Retirement Plan (ARP) Miscellaneous members covered by Social Security/Medicare in CBID R02. Hired on or after July 1, 2006 with no prior CalPERS service.	SOCIAL SECURITY/MEDICARE	513		6	-
TH	Effective 07/2006 Alternate Retirement Plan (ARP) Industrial members covered by Social Security/Medicare in CBID R02. Hired on or after July 1, 2006 with no prior CalPERS service.	SOCIAL SECURITY/MEDICARE	513		6	-
TM	Effective 07/1991 Part-time Seasonal and Temporary (PST) Retirement Plan participants covered by Medicare	MEDICARE			7.5	-
TJ	Effective 11/2007 CBID R12 and E12 employed by the Department of Transportation moved to code TZ. Effective 01/2007 Alternate Retirement Plan (ARP) Miscellaneous Members covered by	SOCIAL SECURITY/MEDICARE	513		5	-

ACCOUNT CODE	DESCRIPTION	M=MEDICARE O=SOCIAL SECURITY/ MEDICARE N=NEITHER	EXCLUSION AMOUNT MO	BIWEEKLY	EMPLOYEE RATE (%)	07/02/2014 STATE SHARE (%)
	Social Security/Medicare hired on or after January 1, 2007 in CBID's E01, E03, E04, E07, E10, E11, E12, E13, E14, E15, E16, E17, E18, E19, E20, E21, R01, R03, R04, R07, R10, R11, R12, R13, R14, R15, R16, R17, R18, R19, R20, and R21.					
TK	Effective 11/2007 CBID R12 and E12 employed by the Department of Transportation moved to code TN. Effective 07/2006 CBID R02 moved to TE. Effective 8/11/2004 Alternate Retirement Program (ARP) Miscellaneous member covered by Social Security/Medicare.	SOCIAL SECURITY/ MEDICARE	513		5	-
TL	Effective 01/2007 Alternate Retirement Program (ARP) Miscellaneous Members covered by Social Security/Medicare hired on or after January 1, 2007 at Porterville Developmental Center, Southern California Facility Developmental Center and Sierra Vista Developmental Center in CBID R18 or E18.	SOCIAL SECURITY/ MEDICARE	513		5	-
TN	Effective 11/2007 Alternate Retirement Plan (ARP) Miscellaneous Members covered by Social Security/Medicare employed by the Department of Transportation in CBID R12 and E12. (Formerly code TK)	SOCIAL SECURITY/ME DICARE	513		5	
TP	Effective 07/2006 CBID R02 moved to TF. Effective 8/11/2004 Alternate Retirement Program (ARP) Industrial member covered by Social Security/Medicare.	SOCIAL SECURITY/ MEDICARE	513		5	-
TR	Effective 8/11/2004 Alternate Retirement Program (ARP) Miscellaneous member covered by Social Security/Medicare in BU18 employed by Dept of Developmental Services, Porterville Developmental Center. Effective 01/01/2007 Alternate Retirement Program (ARP) Miscellaneous member covered by Social Security/Medicare in BU18 employed by Department of Developmental Services, Southern California Facility and Sierra Vista Facility	SOCIAL SECURITY/ MEDICARE	513		5	-
TS	Effective 01/2007 Alternate Retirement Plan (ARP) Industrial Members covered by Social Security/Medicare hired on or after January 1, 2007 in CBID"s E01, E03, E04, E07, E10, E11, E12, E13, E14, E15, E16, E17, E18, E19, E20, E21, R01, R03, R04, R07, R10, R11, R12, R13, R14, R15, R16, R17, R18, R19, R20, and R21.	SOCIAL SECURITY/ MEDICARE	513		5	-
TX	Effective 12/1991University of California Deferred Compensation Retirement Plan participants not covered by Social Security/Medicare.	NEITHER			7.5	-
TY	Effective 12/1991 University of California Deferred Compensation Retirement Plan participants covered by Medicare	MEDICARE			7.5	-
TZ	Effective 11/2007 Alternate Retirement Plan (ARP) Miscellaneous Members covered by Social Security/Medicare in CBID R12 and E12 employed by the Department of Transportation and newly hired to state service on or after January 1, 2007. (Formerly code TJ)	SOCIAL SECURITY/ME DICARE	513		5	
	* Rate was 4% for pay periods from 9/88 to 5/89 and 7/89 to 6/91.					

EXEMPT AND EXCLUDED POSITIONS AND CLASSES ALIGNED WITH PEACE OFFICER/FIREFIGHTER MEMBERS IN UNITS 06, 07, AND 08

Unit 06

Department:	**Position Title:**	**Account Code Effective 01/01/2006**
Corrections and Rehabilitation	Chief Deputy Secretary, Adult Operations	5J and 5K
	Chief Deputy Secretary, Juvenile Justice	5J and 5K
	Chief Deputy Secretary, Office of Correctional Safety	5J and 5K
	Director, Division of Juvenile Facilities	5J and 5K
	Director of Juvenile Parole Operations	5J and 5K
	Director, Division of Adult Institutions	5J and 5K
	Director of Adult Parole Operations	5J and 5K
	Chief, Internal Affairs, Field Operations	5J and 5K
	Deputy Director, Parole & Community Services Division	5J and 5K
	Deputy Regional Administrator, Parole & Community Services Division	5J and 5K
	Assistant Deputy Director, Community and Inmate Programs	5J and 5K
	Warden	5J and 5K
	Special Agent-in-Charge, Dept of Corrections	5J and 5K
	Special Agent, Dept of Corrections	5J and 5K
	Senior Special Agent, Dept of Corrections	5J and 5K
	Assistant Secretary, Internal Affairs (added 10/07)	
	Superintendents, Juvenile Justice (added 10/07)	
Office of Inspector General	Deputy Inspector General	5J and 5K
	Deputy Inspector General, Senior	5J and 5K
	Deputy Inspector General, In-Charge	5J and 5K
	Inspector General	5J and 5K
	Chief Deputy Inspector General	5J and 5K
UNIT 07		**Account Code Effective 01/01/2004**
Alcoholic Beverage Control	Assistant Director, Northern Division	5E and 5F
	Assistant Director, Southern	5E and 5F

	Division	
Consumer Affairs	Chief, Division of Investigations	5E and 5F
	Chief, Investigations Bureau	5E and 5F
EDD	Chief, Investigations Bureau	5E and 5F
Fish and Game	Chief, Enforcement Branch	5E and 5F
Franchise Tax Board	Chief, Investigations Bureau	5E and 5F
Health Services	Chief, Division of Investigations	5E and 5F
Horse Racing Board	Chief, Licensing and Enforcement	5E and 5F
Insurance	Chief of the Bureau of Fraudulent Claims	5E and 5F
Justice	Director, Division of Law Enforcement	5E and 5F
	Deputy Director, Director of Law Enforcement	5E and 5F
	C.E.A., Bureau of Narcotic Enforcement	5E and 5F
	Chief, Criminal Intelligence Bureau	5E and 5F
	C.E.A., Firearms	5E and 5F
	C.E.A., Gambling Control	5E and 5F
	Chief, CA Bureau of Investigations	5E and 5F
Lottery	Deputy Director of Security	5E and 5F
Mental Health	Chief, Protective Services	5E and 5F
Motor Vehicles	Deputy Director, Investigations Division	5E and 5F
UNIT 08		**Account Code Effective 01/01/2006**
Forestry and Fire Protection	Director of Forestry	5L and 5M
	Chief Deputy Director	5L and 5M
	Assistant State Fire Marshall	5L and 5M
	Deputy Director, Training and Arson, Bomb Investigations	5L and 5M
	Assistant Deputy Director, Fire Prevention & Planning	5L and 5M
	Deputy Director, Fire Protection	5L and 5M
	Regional Chief, North Coast Region I	5L and 5M
	Regional Chief, Cascade Region II	5L and 5M
	Regional Chief, Southern Region III	5L and 5M
	Regional Chief, Central Sierra Region IV	5L and 5M
	Assistant Deputy Director, Cooperative Fire Protection, Training & Center	5L and 5M

(Revised 07/14)

For retirement members who are subject, a survivor benefit contribution is deducted from only one payment for each pay period. The fixed deduction amount will normally be taken from the first salary warrant subject to retirement contributions issued for a pay period. Deduction code 076 is only for Judges Retirement System (JRS); deduction code 077 is for PERS, LRS, and JRS retirement members. The basic rule applicable to survivor benefit contributions is that for any pay period in which earnings are subject to retirement, the survivor benefit coverage is also due.

Below are the effective dates, deduction amounts, and CBID's subject to deduction code 078 withholding.

Effective Date	**Deduction Amount**	**CBID**
July 2005 - December 2006	$3.65	Civil Service Not applicable CSU All eligible employees
January 2007 - June 2007	$3.40	Civil Service Rank and file in units 1, 3, 4, 10-21, and all excluded employees CSU All excluded employees
July 2007 – June 2008	$3.30	Civil Service Rank and File in units 1, 3, 4, 10-21, and all excluded employees CSU All excluded employees
July 2008 – June 2009	$3.20	Civil Service Rank and File in units 1, 3, 4, 10 – 21, and all excluded employees CSU All excluded employees
July 2009 – June 2010	$2.75	Civil Service Rank and File in units 1, 3, 4, 10 – 21, and all excluded employees CSU All excluded employees
July 2010 – June 2011	$3.45	Civil Service Rank and File in units 1, 3, 4, 10 – 21, and all excluded employees CSU All excluded employees
July 2011 – June 2013	$3.45	Civil Service All eligible employees CSU All excluded employees

July 2013 - June 2014	$3.35	Civil Service All eligible employees CSU All excluded employees
July 2014 – current	$3.55	Civil Service All eligible employees CSU All excluded employees

ARREARS **H 226**
(Revised 06/95)

Arrears deductions will be established like retirement arrears, if possible.

Deductions for survivor benefit due on previous earnings of an employee may be withheld from payments not subject to retirement (e.g., overtime).

Survivor benefit deductions are not allowed for retirement members who have Social Security coverage or for members of STRS.

Survivor benefit deductions are allowed for retirement members who are subject to Medicare.

SUBJECT: SOCIAL SECURITY

INTRODUCTION **H 250**
(Revised 12/96)
Contributions for Social Security apply to earnings of employees who became members of PERS on or after January 1, 1962, and those who:

By election, chose coverage under PERS/Social Security Coordination Plan.
OR
By election, chose coverage under Social Security without electing membership in PERS
OR
By Public Law 101-508 (Omnibus Budget Reconciliation Act of 1990) that mandates Social Security coverage as of July 1, 1991 for employees who are not members of a retirement system.

Persons directly appointed by the Governor or the Attorney General, identified in Government Code 20320, are likewise subject to Social Security contributions even though they do not elect membership in PERS.

The annual percentage rates for Social Security are shown in Section H 256.

SOCIAL SECURITY COVERAGE PAYROLL RELATED **H 251**
(Revised 12/96)

The rates in Section H 256 apply to payments for services in a PERS related position up to the maximum earnings limit for that year. The ISSUE DATE determines the rate and earnings limit regardless of pay period.

Payroll deductions for flexible benefits with employee share (health, dental, Health Care Reimbursement, Dependent Care Reimbursement) are subtracted from the gross wages prior to computing Social Security withholding. Flexible Benefit cash option amount is added to gross wages prior to computing Social Security withholding.

When an employee reaches the maximum earnings limit, no further contribution will be deducted for Social Security coverage for that year.

If any of the service in a position is creditable for PERS purposes and the employee is a Social Security member, all of the service in the position is covered under Social Security.

Secondary positions considered overtime positions are NOT covered for PERS purposes and are NOT subject to Social Security. For further information regarding requirements for qualification of PERS and Social Security, refer to the PAM/PIMS.

SOCIAL SECURITY COVERAGE (NON-PAYROLL-RELATED) H 252
(Revised 12/96)

The Internal Revenue Code (IRC) and the California Revenue and Taxation Code require that certain other payments (non-payroll related) to state employees be reported. Refer to PPM Section N 100 for reporting instructions.

EMPLOYEE TRANSFER TO USPS H 253
(Revised 12/96)

The Social Security law states that the State of California is considered to be one employer even though there are several paying agents. The law also states that one employer (in this case the entire State of California) cannot deduct more Social Security than the maximum amount allowable for the calendar year.

If an employee transfers from Non-Uniform State Payroll System (non-USPS) (such as Military Department) to USPS and Social Security was being deducted from his earnings, the employee should notify his new agency that he has already had deductions for Social Security during the calendar year. When a request is received, verification of the amount of Social Security deduction and the subject gross reported to the federal government must be obtained from the employee's previous employer. After receiving verification, the agency/campus should submit a STD. 674 to Payroll Operations and include previous employer's name, Social Security amount, and subject gross.

The above law does not apply to other employers, only to the State of California, excluding the University of California. If a similar request is received from an employee who worked for private industry, federal government, etc., it cannot be granted.

Payroll Operations will refund current year excess Social Security contributions if the notification is not received before the employee reaches the maximum earnings limit for both the previous and current employer.

Refunds for the previous calendar year will be made only upon receipt of a declaration stating a refund will not be requested on the employee's income tax return.

ADJUSTMENTS H 254
(Revised 04/99)

No refund adjustments will be made if three years have elapsed since the calendar year in which the payment was made. This means that after January 1 of each year, another full calendar year is beyond the statute of limitations. Adjustments which affect a prior calendar year will result in corrected Forms W-2C.

SOCIAL SECURITY ARREARS LIMITATIONS H 255

(Revised 04/99)

If current year arrears are for three months or less, payroll deductions are established on a month-per-month basis, provided the arrears can be collected by January 1.

Agency collection account(s) receivable will be established if:

- Arrears are for more than three months, or cannot be collected by January 1;
- Arrears are for more than one month and are for a prior tax year;
- If payroll deduction arrears are uncollectible (e.g., employee separated or intermittent employee not working).

In all cases, the agency/campus personnel/payroll offices are notified of the arrears schedule via Payroll Form PR 370.

CONTRIBUTION RATE/LIMITATION ON DEDUCTIONS H 256

(Revised 12/13)

Under the provisions of the Social Security Act, the contribution rates will be applied as indicated in the following tables:

	PERCENTAGE RATE		
YEAR	**EMPLOYEE**	**EMPLOYER**	**TOTAL**
1973-77	**5.85%***	**5.85%***	**11.70%**
1978	**6.05***	**6.05***	**12.10**
1979-80	**6.13***	**6.13***	**12.26**
1981	**6.65***	**6.65***	**13.30**
1982-83	**6.70***	**6.70***	**13.40**
1984	**6.70***	**6.70***	**13.70**
1985	**7.05***	**7.05***	**14.10**
1986	**7.15***	**7.15***	**14.30**
1987	**7.15***	**7.15***	**14.30**
1988	**7.51***	**7.51***	**15.02**
1989	**7.51***	**7.51***	**15.02**
1990	**7.65***	**7.65***	**15.30**
1991	**7.65***	**7.65***	**15.30**
1992	**7.65***	**7.65***	**15.30**
1993	**7.65***	**7.65***	**15.30**
1994	**7.65***	**7.65***	**15.30**
1995	**7.65***	**7.65***	**15.30**
1995-2001	**6.20****	**6.20****	**12.40**
2002	**6.20****	**6.20****	**12.40**
2003	**6.20****	**6.20****	**12.40**
2004	**6.20****	**6.20****	**12.40**
2005	**6.20****	**6.20****	**12.40**
2006	**6.20****	**6.20****	**12.40**
2007	**6.20****	**6.20****	**12.40**

2008	**6.20****	**6.20****	**12.40**
2009-2010	**6.20****	**6.20****	**12.40**
2011	**4.20****	**6.20****	**10.40**
2012	**4.20****	**6.20****	**10.40**
2013-2014	**6.20****	**6.20****	**12.40**

* 1.45% of contribution is for Medicare. The remainder is for Social Security.

** Effective 06/02/95 Social Security only.

LIMITATIONS

YEAR	EARNINGS LIMITATIONS	EARNINGS MAXIMUM	EMPLOYER MAXIMUM
1977	$16,500	$ 965.85	$ 965.85
1978	17,700	1,070.85	1,070.85
1979	22,900	1,403.77	1,403.77
1980	25,900	1,587.67	1,587.67
1981	29,700	1,975.05	1,975.05
1982	32,400	2,170.80	2,170.80
1983	35,700	2,391.90	2,391.90
1984	37,800	2,532.60	2,646.00
1985	39,600	2,791.80	2,791.80
1986	42,000	3,003.00	3,003.00
1987	43,800	3,131.70	3,131.70
1988	45,000	3,379.50	3,379.50
1989	48,000	3,604.80	3,604.80
1990	51,300	3,924.45	3,924.45
1991	53,400	4,085.10	4,085.10
1992	55,500	4,245.75	4,245.75
1993	57,600	4,406.40	4,406.40
1994	60,600	4,635.90	4,635.90
1995	61,200	4,681.80	4,681.80
1996	62,700	3,887.40	3,887.40
1997	65,400	4,054.80	4,054.80
1998	68,400	4,240.80	4,240.80
1999	72,600	4,501.20	4,501.20
2000	76,200	4,724.40	4,724.40
2001	80,400	4,984.80	4,984.80
2002	84,900	5,263.80	5,263.80
2003	87,000	5,394.00	5,394.00
2004	87,900	5,449.80	5,449.80
2005	90,000	5,580.00	5,580.00
2006	94,200	5,840.40	5,840.40
2007	97,500	6,045.00	6,045.00
2008	102,000	6,324.00	6,324.00
2009-2010	106,800	6,621.60	6,621.60
2011	106,800	4,485.60	6,621.60
2012	110,100	4,624.20	6,826.20
2013	113,700	7,049.40	7,049.40
2014	117,000	7,254.00	7,254.00

SUBJECT: REFUND OF SOCIAL SECURITY TAXES FOR TEMPORARY DISABILITY LEAVE — H 257

REFERENCE
(Revised 06/95)

Public Law 97-123

INTRODUCTION
(Revised 06/95)

PL 97-123, revised Section 209(d)(2) of the Social Security Act regarding supplemental payments made on account of sickness or accident disability. For the first six months an employee is off work and receives Workers' Compensation Temporary Disability Leave (TDL) supplementation payments, the TDL payments are considered to be taxable wages for Social Security purposes. These payments are subject to Social Security withholding if the employee is subject to Social Security.

Employees who are off work for a period of time more than six consecutive calendar months and continue to receive TDL supplementation payments, are entitled to a refund of their Social Security taxes. The refund is based on the employee's sick leave, vacation, extra, holiday, and annual leave hours used to supplement the disability payments.

CALCULATION OF SOCIAL SECURITY EXCLUSION PERIOD — H 258
(Revised 06/95)

PL 97-123 provides for the exclusion from Social Security withholding of taxes when the following absence criteria is met:

When an employee is absent from work for more than six consecutive calendar months, TDL payments issued after the six-month period are excluded from the Social Security withholding. Once the employee returns to work, the Social Security exclusion eligibility ceases.

The six-month waiting period begins the first month after the last month in which the employee worked and ends six consecutive calendar months thereafter. If an employee returns to work at all (even for one hour), the six-month waiting period starts anew.

In summary, an employee's "Social Security Exclusion Period" begins on the date following the expiration of the six-month waiting period and ends on the date preceding the date the employee returns to work.

REQUEST FOR REFUND — H 259
(Revised 03/02)

Social Security taxes should be refunded for TDL payments issued within an employee's "Social Security Exclusion Period." Only those hours charged to sick leave, vacation, extra, holiday, and annual leave hours are eligible for exclusion from Social Security withholding.

Submit a STD. 674 following instructions in Section 260. A separate STD. 674 is required for each employee and for each pay period a Social Security refund is due.

SUBJECT: REFUND OF SOCIAL SECURITY - MEDICARE TAXES FOR TEMPORARY DISABILITY LEAVE — H 260

REFERENCE

(Revised 09/05)

Public Law 97-123

INTRODUCTION
(Revised 09/05)

PL 97 – 123, revised Section 209(d)(2) of the Social Security Act regarding supplemental payments made on account of sickness or accident disability. For the first six months an employee is off work and receives Workers' Compensation Temporary Disability Leave (TDL) supplementation payments, the TDL payments are considered to be taxable wages for Social Security – Medicare purposes. These payments are subject to Social Security - Medicare withholding if the employee is subject to Social Security - Medicare.

Employees, who are off work for a period of time more than six consecutive calendar months and continue to receive TDL supplementation payments, are entitled to a refund of their Social Security - Medicare taxes. The refund is based on the employee's sick leave, vacation, extra, holiday, and annual leave hours used to supplement the disability payments.

CALCULATION OF SOCIAL SECURITY - MEDICARE EXCLUSION PERIOD H 261
(Revised 09/05)

PL 97-123 provides for the exclusion from Social Security - Medicare withholding of taxes when the following absence criteria is met:

When an employee is absent from work for more than six consecutive calendar months, TDL payments issued after the six-month period are excluded from the Social Security – Medicare withholding. Once the employee returns to work, the Social Security - Medicare exclusion eligibility ceases.

The six-month waiting period begins the first month after the last month in which the employee worked and ends six consecutive calendar months thereafter. If an employee returns to work at all (even for one hour), the six-month waiting period starts anew.

In summary, an employee's "Social Security - Medicare Exclusion Period" begins on the date following the expiration of the six-month waiting period and ends on the date preceding the date the employee returns to work.

REQUEST FOR REFUND H 262
(Revised 09/05)

Social Security - Medicare taxes should be refunded for TDL payments issued within an employee's "Social Security - Medicare Exclusion Period." Only those hours charged to sick leave, vacation, extra, holiday, and annual leave hours are eligible for exclusion from Social Security - Medicare withholding.

Submit a form STD. 674 following instructions in Section 283. A separate form STD. 674 is required for each employee and each pay period a Social Security - Medicare refund is due. Separate STD. 674 forms are not required for Social Security and Medicare, SCO staff will process refunds for the appropriate taxes.

COMPLETION OF FORM STD. 674 H 263
(Revised 09/05)

Top of form in bold print enter: **ATTENTION: RETIREMENT UNIT**

Item 1: Enter an "X" for PPSD/Payroll Operations.
Enter an "X" in the Retirement box.

Item 2: Enter employee's Social Security Number.

Item 3: Enter employee's initials and surname.

Item 4: Enter the position number in which the payment(s) requiring refund was issued.

Item 5: Enter an "X" in the Payment Request box.

REMARKS: Enter –

REQUEST FOR SOCIAL SECURITY-MEDICARE REFUND PER PL 97-123: TDL

1. **"Absence Period" TDL begin date: MM/DD/YY** (Enter the date the employee last physically worked prior to beginning the period of absence)
   TDL/Social Security-Medicare Exclusion begin date: MM/DD/YY (Enter the date the Social Security-Medicare exclusion period begins)
   TDL/Social Security-Medicare Exclusion end date: MM/DD/YY (Enter the date the Social Security-Medicare Exclusion period ends -- the date employee first returned to work. If the employee has not returned to work or has separated without returning to work, enter "N/A" not applicable).

2. **Hours Used: nnnnn** (Enter the number of hours charged to sick leave, vacation, extra, holiday, and annual leave hours for each Payment Type U in need of a refund).

NOTE: When requesting a refund for Payment Type U and the employee had a TDL A/R processed for the same pay period, reduce the number of sick leave, vacation, extra, holiday, and annual hours restored by the A/R.

Item 6A: Enter all payment(s) and adjustment(s) for the pay period in the Payment Per Controller's Warrant Register box. This includes A/R's and transfers of funds.
Enter the Position Identifier from Item 4 - Position Number (e.g., "1" or "2") if the request affects more than one position.
Enter issue date, pay period, salary rate, time, appointment fraction, gross, and warrant number or account receivable number for each line item.

Items 6B&C: Leave blank the payment Should Be and the Overpayment/Underpayment box.
Enter applicable name, signature, phone number, and date for Form Completed By on bottom of STD. 674.

REFUND WARRANT **H 264**
(Revised 09/05)

Refund will be made via Payment Type P, Credit Issue Warrant. The warrant will reflect a credit code 098 (Social Security) and/or Code 091 (Medicare) deduction for each TDL supplemental payment due Social Security - Medicare refund.

SUBJECT: MEDICARE

INTRODUCTION **H 270**
(Revised 08/14)

Contributions for the Medicare portion of the Federal Insurance Contributions Act apply to earnings of employees not covered by Social Security. Public Law 99-272 extends Medicare taxation to state employees hired after March 31, 1986, who are not subject to Social Security taxation. For further information regarding the eligibility criteria for qualification of Medicare tax, refer to PAM Item 505, page 2.62.1a for Civil Service; and PIMS Item 505, pages 3.36 and 3.37 for CSU.

Inclusions and Exclusions:
Whether pretax deductions count as Medicare wages depends on the type of deduction. Pretax benefits include those offered under a cafeteria – or Section 125 – plan, such as medical, dental, vision, life, accident and disability insurance; and flexible spending accounts such as dependent care, and health savings and adoption assistance reimbursements accounts. Also, qualified retirement contributions, transportation expenses and educational assistance may be pretax deductions. Most of these benefits are exempt from Medicare tax, except for adoption assistance, retirement contributions, and life insurance premiums on coverage that exceeds $50,000. Also, amounts you receive for educational assistance under your employer's program earn you a pretax deduction; up to $5,250 annually is exempt from Medicare tax, as of 2012.

MEDICARE COVERAGE **H 271**
(Revised 08/14)

The rates in Section H 275 apply to payments for services in Medicare related positions up to the income threshold for that year. The ISSUE DATE determines the rate and earnings threshold regardless of pay period.

Payroll deductions for flexible benefits with employee shares (health, dental, Health Care Reimbursement, Dependent Care Reimbursement) are subtracted from the gross wages prior to computing Medicare withholding. Flexible benefit cash option amount is added to gross wages prior to computing Medicare withholding.

Medicare Has No Maximum Taxable Earnings Limit.

EMPLOYEE TRANSFER TO USPS **H 272**
(Revised 08/14)
This section is no longer applicable.

ADJUSTMENTS **H 273**
(Revised 04/99)

No adjustments will be made if 3 years have elapsed since the calendar year in which the payment was made. This means that after January 1 of each year, another full calendar year is beyond the statute of limitations.

Adjustments, which affect a prior calendar year, will result in the issuance of Forms W-2C.

MEDICARE ARREARS LIMITATIONS
(Revised 04/99)

If current year arrears are for six months or less, payroll deductions are established over a three-month period, provided the arrears can be collected by January 1.

Agency collection account(s) receivable will be established if:

- Arrears are for more than six months, or cannot be collected by January 1;
- Arrears are for a prior tax year and the entire amount cannot be collected via payroll deduction in one month;
- If payroll deduction arrears are uncollectible (e.g., employee separated or intermittent employee not working).

In all cases, the agency/campus personnel/payroll offices are notified of the arrears schedule via Payroll Form PR 370. **H 274**

CONTRIBUTION RATE/LIMITATION ON DEDUCTIONS
(Revised 12/13)

Under the provisions of Internal Revenue Code Sections 3101(b) and 3111(b) and Proposed REG-130074-11 on Sections 3101(b)(2), 3102(f) and 3202 (a) on Additional Medicare Tax, contribution rates will be applied as indicated in the following tables:

PERCENTAGE RATE

YEAR

1994-2012
2013-2014
2013-2014

***Additional Medicare Tax for wages or compensation in excess of $200,000.00 in a calendar year.

H 275

LIMITATIONS

YEAR

1994-2014

	EMPLOYEE	EMPLOYER	TOTAL
	1.45%	**1.45%**	**2.90%**
* **No Limit**	**1.45%**	**1.45%**	**2.90%**
	1.45% + .9%*=2.35%	**1.45%**	**3.80%**

SUBJECT: VOLUNTARY CHILD/SPOUSAL SUPPORT

REFERENCES

(Revised 03/01)

	EARNINGS LIMITATIONS	EARNINGS MAXIMUM	EMPLOYER MAXIMUM
G.C. 1151.5 (a) AB 2932 and 1904	*	*	*

INTRODUCTION
(Revised 03/01)

Assembly Bill (AB) 2932 amended Government Code (GC) Section 1151.5(a) to allow state employees, both civil service and CSU, to authorize deductions made from salaries or wages for payment for the support, maintenance or care of the employee's child, children, or family for whom the employee has a duty of support. Effective July 1, 1989, SCO implemented the Voluntary Child Support (VCS) Program.

Subsequently, AB1904 again amended GC Section 1151.5(a) allowing state employees to
authorize deductions for payment of support, maintenance, or care of the employee's former
spouse. Therefore, effective January 1, 1990, SCO implemented the Voluntary Spousal Support
(VSS) Program.

Two forms are used for the VCS and VSS programs.

Form STD. 458, Voluntary Child Support Deduction/Authorization, and
Form STD. 459, Voluntary Spousal Support Deduction/Authorization.

PPSD must receive the
original and one copy of
the appropriate form for
processing.

One copy should be retained in the employing personnel office
One copy should be given to the employee.

Deduction code 025 is
assigned to the Voluntary
Child Support.
Deduction code 024 is assigned to the corresponding administrative fee.
Deduction code 047 is
assigned to Voluntary
Spousal Support.

- Deduction code 048 is assigned to the corresponding administrative fee.
-

SUPPORT PAYMENT AUTHORIZATION
(Revised 03/02)

- Deduction authorizations must be submitted on form STD. 458 for VCS enrollment and on
- form STD. 459 for VSS enrollment. (Both forms available on DGS web site or from DGS stores.)

TIMING
(Revised 09/98)

For negative attendance employees, if the form STD. 458 or form STD. 459 is received by Payroll Operations prior to the Master Payroll cutoff date, the Support will be deducted from the employee's regular salary warrant.

For positive attendance employees, the Support will be deducted from any payments (for pay periods within the withholding period) issued after the form STD. 458 or form STD. 459 is received/processed by Payroll Operations. **H 286**

NOTE: STD. 458 and 459 forms cannot be processed until the pay period in which the transaction is to be effective. DO NOT submit the document prior to the month in which the transaction is to be effective.

SPECIAL INFORMATION
(Revised 09/98)

H 287

An employee may have only one VCS and/or VSS payment deduction. If a duplicate form STD. 458 or 459 is submitted and the employee already has an active deduction, the payroll system will reject the new authorization. Support payments will continue to be issued to the prior established payee/custodial parent. If an employee wants to change the payee/custodial parent name, two STD. 458s or two STD. 459s are required: one to cancel the current deduction; one to add (as a new enrollment) the new payee/custodial parent.

It is the employee's responsibility to notify the affected payee/custodial parent of the cancellation of the support payment.

CORRESPONDENCE
(Revised 09/98)

If the payee/custodial parent does not receive the support warrant, the payee/custodial parent must contact the employee who applied for VCS or VSS deduction.

H 288

All correspondence received by SCO, from or on behalf of the payee, will be transmitted to the employee's employing agency.

TIMING – RECEIPT OF DEDUCTION WARRANT
(Revised 09/98)

If the authorization form is received prior to the 15th of the month, the support warrant will be issued and forwarded to the agency/campus with Master payroll. For daily cycles, VCS/VSS warrants will be issued no later than six work days following the issue date of the corresponding payroll warrant.

H 289

TRANSMITTAL OF CONTROLLER'S WARRANT
(Revised 09/98)

When VCS/VSS authorizations are processed, the Division of Disbursements and Support (DDS) will issue a direct disbursement warrant payable to the payee/custodial parent in the amount indicated on the authorization form.

DDS will complete, in duplicate, a Transmittal of Controller's Warrant, CD 155, entering all information except the petitioner's name and the payee/custodial parent's address. The support warrant will then be sent to the agency/campus for distribution.

H 290

The support warrant must NOT be mailed to the payee/custodial by the agency/campus until it is determined that the employee's payroll warrant from which the deduction was withheld is accurate. IF THE EMPLOYEE'S WARRANT IS RETURNED TO DDS BECAUSE IT IS INCORRECT, THE SUPPORT WARRANT MUST ALSO BE RETURNED.

If the support warrant is not returned, DDS will send a Direct Disbursement Warrant Action Notice, CD 413, to the agency/campus. If the warrant cannot be recovered from the payee/custodial parent and returned to SCO, the agency/campus must send a revolving fund check to SCO in the amount of the support warrant. The agency/campus must then recover the amount from the employee involved to reimburse their revolving fund. If, after 30 days from the date of the CD 413, the revolving fund warrant is still outstanding, SCO will begin proceedings to establish an account receivable against the agency/campus.

RETURNING SUPPORT WARRANT **H 291**
(Revised 09/98)

To return a support warrant, complete a form STD. 674, Payroll Adjustment Notice. Indicate in Item #5, "Remarks", the reason the warrant is being returned and the action to be taken; e.g., (1) "support warrant is being redeposited for an adjustment request", or (2) "support warrant is being redeposited, no warrant to be rescheduled."

NOTE: A separate form STD. 674 must be completed for the payroll warrant being returned.

Attach the support warrant and the original CD 155 to the form STD. 674, and the payroll warrant to the corresponding form STD. 674 and send to DDS.

DEDUCTIONS
(Revised 09/98)

H 292

If, after the support payment amount has been deducted from the employee's earnings the balance of the employee's remaining earnings will not cover other miscellaneous deductions (including but not limited to, garnishments, health benefits, and voluntary deductions), the employee must make payment directly to the company for whom automatic payroll deduction was not made.

For health and dental benefit insurance deductions, the employee may choose to have a one-time deduction the following month in order to have the state share for health benefits deducted. In this case, the agency/campus must submit a form STD. 674 to request the deduction be made.

See Section H 500 for treatment of Deferred Compensation wages against child support deductions.

TERMINATION
(Revised 09/98)

H 293

VCS/VSS deductions shall continue until cancellation of the authorization via the appropriate STD. Form 458 or 459; until the employee separates from state services, or until the deduction program is canceled. If the support warrant is returned undeliverable and the employee has failed to submit a change and/or a cancellation request, SCO will cancel the payroll deduction and a refund warrant will be issued to the employee.

GENERAL COMPLETION INSTRUCTIONS
(Revised 03/05)

Do not attempt to complete the form before reading the completion instructions on reverse side of the employee's copy. All items must be completed with a ball point ink pen or typed. If not typed, the items must be printed legibly.

Completion Instructions

H 294

Employee must complete Items 1 through 5, and 7 through 11 as follows:

EMPLOYEE INFORMATION:

1. Type of action-check one – If action type is modification, list items to be modified in remarks.
2. Social security number **H 295**
3. Employee name, First Initial, Middle Initial, Last Name
4. Effective date - date payment deduction is to begin or end.

NOTE: Please do not submit the document prior to the effective pay period.

5. Deduction amount per pay period - enter exact amount, in dollars and cents authorized for this deduction.
6. The administrative fee amount is preprinted on the form.
7. Employee signature and date

PAYEE/CUSTODIAL PARENT INFORMATION

8. Payee/custodial parent name

9. Optional, to be completed if name is longer than space in item 8
10. Street address or P.O. Box
11. City, state, zip code
12. Payee/Custodial Parent signature

AGENCY PERSONNEL must complete items 13 through 18:
13. Agency name
14. Agency code
15. Unit code
16. Pay period frequency (check one)
17. Authorized signature/date
18. Telephone number and extension

SUBJECT: LEVY ON EARNINGS (GARNISHMENT)

INTRODUCTION
(Revised 08/13)

Listed below, in general order of priority, are several types of levy on earnings (garnishments) that are accepted and processed in the USPS. Refer to PPM H 311 for actual order of priority.

Type of Levy	Legal Code	639 CFS/ 639 Item	Deduction Code	Amount of Disposable Pay	Admin. Fee $
Order assigning salary or wages for support of a minor child	**Family Code, Section 150, 5200**	**8A**	**038/NA**	**50%***	**1.50**
Order assigning salary or wages for spousal support	**Family Code, Section 150, 5200**	**8A**	**038/NA**	**50%***	**1.50**
Order assigning salary or wages for a support of a Conservatee	**Probate Code Section 3088**	**8A**	**038/NA**	**50%***	**1.50**
Earnings Withholding Order for support, including FTB Child Support Collection Program Orders	**Code of Civil Procedures Section 706.030; Revenue and Taxation Code 19271**	**8B, 11B, 11D**	**339/002**	**50%**	**1.50**
Certification of Facts federal tax levy	**Government Code Section 926.8**	**8C, 11B, 11D**	**339/003**	**No Limit**	**None**

Type of Levy	Legal Code	639 CFS/ 639 Item	Deduction Code	Amount of Disposable Pay	Admin. Fee $
Earnings Withholding Order for taxes, including FTB Registration Collection Program Orders and Court Ordered Debt	**Code of Civil Procedures Section 706.072; Revenue and Taxation Code 10878 and 19280**	**8D, 11B, 11D**	**339/004**	**25%**	**1.50**
FTB Student Loan Collections	**Government Code Section 16583.5**	**8D, 11B 11D**	**339/004**	**10%**	**1.50**
Board of Equalization for taxes	**Code of Civil Procedures Section 706.074**	**8D, 11B, 11D**	**339/004**	**25%**	**1.50**
Unemployment Insurance for taxes	**Unemployment Insurance Code 1755**	**8D, 11B, 11D**	**339/004**	**25%**	**1.50**
Earnings Withholding Order for an ordinary money judgment	**Code of Civil Procedures Section 706.125**	**8E, 11B, 11D**	**339/007**	**25%**	**1.50**
Student Loan Default	**Higher Education Act of 1965: 20 U.S.C. Section 1095a**	**8F, 11D**	**339/008**	**15%**	**NONE**

* These Support Orders can go higher than 50% of the employee's disposable earnings if so ordered by the court and it specifically states this on the order.

Payroll Operations is **ONLY** authorized to withhold specific amount deductions for a "Federal Levy for Federal Tax through Payroll Deduction" (an agreement entered into between an employee and IRS) that is filed on IRS Form 668. If IRS Form 668 is received for this type, the department must complete a STD. 639 and submit it along with a photocopy of the IRS Form 668-D to Payroll Operations for processing. If an agency/campus receives an IRS Form 2159 or IRS Form 3676, Payroll Deduction Agreement, the agency/campus may **ACCEPT** or **REJECT** this voluntary payment arrangement. If an agency/campus voluntarily participates, it is the agency's/campus' sole responsibility to withhold and remit the deduction to IRS. Payroll Operations is NOT AUTHORIZED to process IRS Forms 2159 or IRS Form 3676.

A garnishment deduction will appear on the warrant register and employee's earnings statement in the miscellaneous deduction columns. Assignment of wages for support are identified as deduction code 038. The remaining garnishment types will appear as deduction code 339 with the garnishment type appearing as the organization code.

Any claim of exemption from a levy on earnings is the employee's personal responsibility and must be directed to the levying officer not SCO or employing agency/campus.

If a court order is filed under Chapter VII or Chapter XIII of the National Bankruptcy Act, a copy of the order must be sent to Payroll Operations (see Section H 327).

The garnishment process MUST NOT be used to satisfy bankruptcies. Refer to PPM Section H 327.

PAYOFF AMOUNTS: There are two ways to submit payoff amounts depending on the timing of the request. If you know the payoff amount **prior** to the garnishment being satisfied, a STD. 639

or STD. 639CFS must be submitted as a type of action "Modification" showing the **total amount** owed towards the garnishment. If the request for the payoff amount is not submitted until after the garnishment has already been satisfied then the document must be submitted as a type of action "New" with the effective date being after the garnishment was satisfied, and showing only the payoff amount as the amount due.

Pursuant to Government Code Section 26746, a processing fee of $12 will be assessed for each disbursement of money collected by the levying officer. The $12 processing fee is withheld from the amount collected by the levying officer and reduces the amount that is forwarded to the obligee. Contact the levying officer if you have any questions.

If an assignment of wages for support (deduction code 038) is received and the employee is off pay status, **DO NOT SUBMIT STD. 639 OR STD. 639CFS.** The Payroll system is unable to accept a STD. 639 or STD. 639CFS to add, correct or cancel an ongoing support order when the employee is off pay status. Hold the order and wait until the employee is back on pay status before submitting a STD. 639 or STD. 639CFS. All other types of garnishments may be processed.

OUT-OF-STATE GARNISHMENTS **H 300.1**
(Revised 06/00)

Four citations address enforcement of judicial proceedings between states, including writs of garnishments. They are Article IV, Section 1 of the Constitution of the United States, the Federal Judicial Code, the California Code of Civil Procedure (CCP) Section 1710, and the Uniform Interstate Family Support Act, Family Code Section 4900.

Out-of-state judgments served upon a state agency may be subject to enforcement if they are appropriately processed, as follows:

1. An ordinary money judgment issued by an out-of-state court is enforceable if the agency is served within that state.

EXAMPLE: A state agency with an office out-of-state is served with an order (339-007) by that out-of-state court. According to the Constitution and the Federal Judicial Code, the state agency must adhere to the judicial proceedings of that state and process the order.

2. An ordinary money judgment issued by an out-of-state court is not valid if the state agency is served within California.

EXAMPLE: An agency in California is served with an out-of-state court order (339-007) to satisfy a debt owing to a judgment creditor in another state. According to CCP Section 1710, the out-of-state judgment is not enforceable since it was not served through a California court.

The judgment creditor may however apply for the entry of a sister state judgment by filing an application pursuant to CCP Section 1710 in a California court. Upon entry of the judgment, the judgment becomes a valid ordinary money judgment.

3. Defaulted Student Loans (339-008), issued by an out-of-state collection agency, for student loans guaranteed pursuant to the Higher Education Act of 1965, do not have to be registered in a California court. These are issued under the authority of the Secretary of Education and do not originate in a court, therefore, are not required to be registered with a court.

4. Effective January 1, 1998, out-of-state support orders do not have to be registered in California to be considered valid and enforceable. Senate Bill 568, Chapter 194, Statutes of 1997, repealed Family Code Section 4800 and the Uniform Reciprocal Enforcement of Support Act and added Section 4900 and the Uniform Interstate Family Support Act.

EXAMPLE: An agency in California is served with an out-of-state support order. The out-of-state support order does not have to be registered in California to be considered valid and enforceable.

GARNISHMENT APPLICATION DURATION **H 301**
(Revised 07/09)

Garnishments will be applied only to earnings for a PAY PERIOD ENDING during the withholding period. This applies to all garnishment types.

The "withholding period" means the period which commences on the effective date as shown on STD. 639 or STD. 639CFS and which continues until the earliest of the following dates:

1. The month in which the full amount specified in the order is withheld.
2. The date of termination specified in a court order served on the agency.
3. The date of termination specified in a Notice of Termination served on the agency by the levying officer.

NOTE: If earnings FOR A PAY PERIOD THAT WAS WITHIN THE WITHHOLDING PERIOD are issued after a termination date has passed, the garnishment WILL BE applied, as all wages earned within the "withholding period" are subject to attachment.

MULTIPLE GARNISHMENTS **H 302**
(Revised 11/10)

An employee may have active, simultaneously, any of the garnishment types listed in H 300 with the following exceptions:

1. Order Assigning Salary or Wages for support, deduction code 038. May have more than one code 038 at the same time, if the amounts differ. If the order is for the same dollar amount, split the deduction amount into two different amounts; e.g., a second order in the amount of $100.00 would become $75.00 and $25.00. Use two separate STD. 639's or STD. 639 CFS's must be unique and may not be re-used. Send in the documents together noting "1 of 2" and "2 of 2" in the upper right corner of the documents.

2. Earnings Withholding Order for Support including FTB Child Support Collection Program Orders, deduction code 339/002. An employee may have any number of these as long as **effective dates differ.**

3. Federal Tax Levy, deduction code 339/003 - may have **only one** levy deduction under code 339/003 active at the same time.

4. Earnings Withholding Order for State Taxes including FTB Registration Collection Program Orders, Court-Ordered Debt, and Student Loan Collections, deduction code 339/004; Board of Equalization, deduction code 339/004; and Unemployment Insurance, deduction code 339/004 - may have **only one** garnishment deduction under code 339/004 active at the same time.

NOTE: Per the FTB, the maximum withholding amount of Student Loan Collections should be 10% of disposable earnings. Departments/campuses should compute 10% of disposable earnings and enter the amount in item 11D on the Salary Garnishment, STD. 639.

Per CCP 706.023, only one Earnings Withholding Order for state taxes, (deduction code 339-004) or ordinary money judgment (deduction code 339-007) or a Defaulted Student Loan (deduction code 339-008) may be applied at a time. It does not matter if there is sufficient disposable earnings to withhold both. Per CCP 706.077, regardless of effective date, the Earnings Withholding Order for state taxes takes priority. If you receive an Earnings Withholding Order for an ordinary money judgment and/or a Defaulted Student Loan, submit one STD.639 to cancel the earnings withholding order for ordinary money judgment and/or a Defaulted Student Loan. Submit a second STD. 639 to establish the earnings withholding order for state taxes. Notify the levying officer who served the earnings withholding order for an ordinary money judgment and/or the collection agency that served the Defaulted Student Loan that a supervening order for taxes is in effect.

5. Earnings Withholding Orders for Ordinary Money Judgment, deduction code 339/007 - may withhold **only one** ordinary money judgment at a time.

6. Defaulted Student Loan, deduction code 339-008 - may withhold only one administrative wage garnishment for a Defaulted Student Loan in the payroll system at a time. A Defaulted Student Loan and an Earnings Withholding Order for an ordinary money judgment may be simultaneously withheld as long as the effective dates differ.

NOTE: Multiple administrative wage garnishments for a Defaulted Student Loan may be withheld simultaneously, provided that the maximum amount withheld does not exceed 25% of disposable earnings. Due to system limitations, the State Controller's Office is unable to withhold both simultaneously; therefore, it is the responsibility of the departments /campuses to withhold both and remit the amounts to the collection agencies.

SUBMISSION OF STD. 639 **H 303**
(Revised 02/07)

The agency/campus which receives an Order Assigning Salary or Wages for spousal support Earnings Withholding Order, or Tax Levy Notice must retain the original court order in its possession.

- **Only the STD. 639 should be transmitted to Payroll Operations.**

The agency/campus must prepare a Salary Garnishment, form STD. 639 (available on DGS web site or from DGS Stores), and send it to Payroll Operations to begin the deduction. ONLY THE STD. 639 SHOULD BE TRANSMITTED TO PAYROLL OPERATIONS.

STD. 639 may be submitted via FAX and will be accepted until NOON on Master Payroll Cutoff. Due to the volume of documents received via FAX, please submit only one copy per document. DO NOT submit multiple 639s or follow up with a hard copy of the FAX copy document; this creates duplicate transactions and unnecessary workload.

For Semi-Monthly Employees, STD 639 may be submitted via FAX and will be accepted until NOON on Semi-Monthly Cutoff. ‘Semi-Monthly Employee’ must be written in BOLD on top of each STD 639 to bring attention to SCO staff of the need for special processing.

Due to the time needed by Administration and Disbursements Division to process address changes, the cutoff to FAX address changes is the 15th of each month.

To allow us to provide you with better service, please verify your FAX communication to us via your "Communications Result Report" produced by your FAX equipment.

CHILD SUPPORT AND FAMILY SUPPORT GARNISHMENTS **H 303.1**
(Revised 03/07)

The California Department of Child Support Services State Disbursement Unit (SDU) is the centralized payment processing center that handles the collection and disbursement of child and family support. California Family Code 5236 requires employers to forward wage withheld child and family support payments that were previously sent to a local child support agency or to an individual to the California SDU. Support orders payable to an out-of-state SDU should continue to be forwarded to that state.

SUBMISSION OF SALARY GARNISHMENT CHILD SUPPORT/FAMILY SUPPORT STD. 639CFS **H 303.2**
(Revised 08/09)

The Salary Garnishment Child Support/Family Support STD. 639CFS must be used for all child and family support related garnishments (except those payable to an out-of-state SDU), Deduction Code 038 and Deduction Code/Organization Code 339-002. Complete the STD. 639CFS (available on the Department of General Services website and the SCO website) in duplicate and attach a copy of the court order and send it to Payroll Operations. The current payee name must be entered on the STD. 639CFS and the current name and address of the custodial parent must be entered on the court order. The STD. 639CFS or court order cannot be faxed to PPSD.

When establishing a child or family support order, use the case number assigned by the court. When modifying or canceling the child or family support order, use the case number assigned by the SDU. The SDU will provide departments and campuses with the new SDU case number after the support order has been established in the SDU system.

If a court order is received that includes child/family support and spousal support that clearly distinguishes a specific amount for the child/family support and a specific amount and specific address for the spousal support, process one STD. 639CFS for the child/family support and one STD 639 for the spousal support. If the amount and address is not clearly distinguished for the spousal support, combine the child/family support and spousal support amounts and process the child/family support and spousal support on a STD. 639CFS. If you receive a court order for spousal support only, process on a STD 639.

CHILD SUPPORT/FAMILY SUPPORT ADDRESS AND NAME CHANGES **H 303.3**
(Revised 03/07)

After a child or family support order has been established in the SDU system the employee or custodial parent can make an address or name change directly by contacting one of the following:

Type of Child/Family Support	Address	Name
Non IV-D (payable to an individual)	SDU Customer Service Center (866) 349-7540.	Stacie.clemons@dcss.ca.gov
IV-D (payable to a public agency)	Contact individual county case worker.	Contact individual county case worker.

TIMING **H 304**
(Revised 07/09)

For negative attendance employees, if the STD. 639 or STD. 639CFS is received/processed by Payroll Operations prior to the cutoff date, the salary garnishment amount will be deducted from the employee's regular salary warrant.

For positive attendance employees and for supplemental or adjustment payments issued to negative attendance employees, the salary garnishment amount will be deducted from any payments (for pay periods within the withholding period) issued after the STD. 639 or STD. 639CFS is received/processed by Payroll Operations.

If an employee's regular payroll warrant was released to the agency/campus prior to the receipt/processing of the STD. 639 by Payroll Operations, it is the agencies/campuses' responsibility to return the warrant to the Administration and Disbursements Division for redeposit. After the redeposit is processed, the Administration and Disbursements Division sends the redeposit documents to Payroll Operations. If documentation is correct, Payroll Operations will reschedule the pay with the salary garnishment deduction. If the regular payroll warrant was released and has not been returned, and the STD. 639 or STD. 639CFS was processed prior to the issuance of supplemental payments, the deduction amount on the supplemental warrant will appear too high.

When the payroll system calculates the deduction amount, it aggregates all pay that issued for the pay period. When the regular payroll warrant is re-deposited and rescheduled, the system recalculates the deduction amount and the correct percentage is taken. The supplemental warrant should not be re-deposited due to an exaggerated deduction amount. The system re-computes the amount due as each payment issues.

When returning an employee's payroll warrant to be rescheduled with a garnishment deduction the agency/campus must submit STD. 674 to reschedule the payment. Complete the STD. 674 as outlined in Section I 317.

In addition, indicate in "Remarks" that the warrant is being rescheduled for a garnishment deduction and note which garnishment deductions are to be taken. Print or type in bold letters "GARNISHMENT" at the top center portion of the form. This method will facilitate processing and provide for added assurance of accurate reissuance of these warrants.

NOTE: STD. 674 item 6 "Payment Should Be" MUST be completed for rescheduling.

TRANSMITTAL OF GARNISHMENT AMOUNTS DEDUCTED **H 305**
(Revised 07/09)

When a salary garnishment amount is deducted, Administration and Disbursements Division will issue a direct disbursement warrant in that amount made payable as indicated on the STD. 639 or STD. 639CFS.

All garnishment warrants will be sent to the agency/campus for distribution.

If the garnishment, together with all other deductions, results in no balance remaining due the employee, a zero balance warrant and earnings statement will be written. In order to expedite the release of payrolls, the Administration and Disbursements Division does not retain the zero balance warrant prior to the release and mailing of payroll. Zero balance warrants must not be released to the employee. If you choose to return the warrant to the State Controller's Office, **the zero balance warrant must be returned to the Administration and Disbursements Division using a Mini-Memo, form STD. 100-B.**

Administration and Disbursements Division will complete in duplicate a Transmittal Form, CD 155, entering all information except the plaintiff's name, title of action, and payee address. The garnishment warrant, together with both copies of the Form CD 155, will be transmitted to the originating agency/campus after clearance to disburse has been received from Division of Accounting. No warrant register for this special warrant is furnished the agency/campus as no appropriation transfer is involved.

The agency/campus will enter on Form CD 155 all pertinent information which may include payee's address and, for withholding orders Code 399/007 (CCP 706.125), the full title, the action and the name of the plaintiff. The agency/campus will mail to the garnishment payee the duplicate CD 155 with the garnishment warrant attached. The original CD 155 should be retained by the agency/campus.

The warrant must NOT be mailed to the garnishment payee by the agency/campus until it is determined that the employee's payroll warrant from which the garnishment was withheld is accurate and released to the employee.

NOTE: IF THE EMPLOYEE'S WARRANT IS RETURNED TO THE ADMINISTRATION AND DISBURSEMENTS DIVISION BECAUSE IT IS INCORRECT, THE WARRANT PAYABLE TO THE GARNISHMENT PAYEE MUST ALSO BE RETURNED BECAUSE IT WILL REPRESENT AN OVERPAYMENT. SEPARATE FORMS STD. 674 MUST BE USED TO RETURN THE PAYROLL WARRANT AND GARNISHMENT WARRANT.

EXCEPTION:
If the employee's warrant is returned for redeposit and reissue and a garnishment was withheld for a specific amount; e.g., child/spousal support (038) or support arrearages (339-002), the original garnishment warrant may be released if the same garnishment warrant will be reissued.

However, it is extremely important that verification be made to ensure that sufficient disposable earnings are available to withhold the garnishment when the payment is rescheduled. This includes verifying that another garnishment (with higher priority) has not been established subsequently, that would prevent the original garnishment from being withheld again. Also, your actions should be documented if other staff handle your desk, and we suggest you notify your Accounting Office.

Once the second garnishment is received, it must be returned to Administration and Disbursements Division to satisfy the original re-deposited warrant. If the second garnishment warrant is mistakenly released, it is the personnel/payroll office's responsibility to resolve the overpayment with the employee and/or payee. If unresolved, Administration and Disbursements Division will establish an account receivable against the department/campus for the amount of the garnishment deduction.

If the garnishment payee warrant is not returned, Administration and Disbursements Division will send a Garnishment Warrant Action Notice, CD 413, to the agency/campus. If the garnishment warrant cannot be recovered from the garnishment payee and returned to SCO, the agency/campus must send a revolving fund check to SCO in the amount of the garnishment warrant. The agency/campus must then recover the amount from the employee involved to reimburse their revolving fund. If, after 30 days from the date of the CD 413, the garnishment amount is still

outstanding, an account receivable will be established against the agency/campus. (See GC 17097)

RETURNING GARNISHMENT WARRANT **H 306**
(Revised 06/99)

To return a garnishment warrant, complete a STD. 674. Indicate in item 5 "Remarks" the reason the garnishment warrant is being returned and the action to be taken; e.g., 1) garnishment warrant to be re-deposited only - payroll warrant is being re-deposited, or 2) garnishment warrant to be rescheduled payable to employee. Garnishment canceled, payroll warrant released.

NOTE: The disposition of the payroll warrant MUST be indicated in the remarks section of the STD. 674.

Attach the garnishment warrant along with the original CD 155 to the STD. 674 and forward to the Administration and Disbursements Division.

MODIFICATION OF GARNISHMENT WARRANT **H 306.1**
(Revised 07/09)

If the garnishment warrant is split internally by the agency or returned to Administration and Disbursements Division for the warrant to be made payable to the employee, and the garnishment is not cancelled, a correcting STD. 639 or STD. 639CFS must be sent to Payroll Operations to modify the balance of the garnishment; e.g., modification received to change the specific amount from $200.00 to $75.00. The agency deposits the garnishment warrant in their revolving fund and issues a revolving fund warrant for $75.00 to the garnishment payee and a revolving fund warrant for $125.00 to the employee. At the same time a correcting STD. 639 or STD. 639CFS must be submitted to increase the total garnishment balance by the $125.00 that was issued to the employee. This must be done to ensure that the entire garnishment amount is satisfied.

TIMING – RECEIPT OF GARNISHMENT WARRANT **H 307**
(Revised 06/99)

Garnishment warrants for amounts withheld from master payroll will be issued and forwarded to the agency/campus within four work days following the close of the pay period; e.g., for deductions withheld from the January master payroll (ending Friday, January 31), the garnishment warrants would be forwarded to the appropriate agency/campus no later than Thursday, February 6.

For daily cycles, garnishment warrants will be issued no later than six work days following the issue date of the corresponding payroll warrant.

DEDUCTIONS **H 308**
(Revised 02/13)

After the garnishment amount has been deducted, IF the earnings of the employee will not cover insurance or other voluntary deductions, it is the employee's responsibility to directly pay the deduction company.

If the gross of the payment was sufficient, but the net was insufficient to take any or all of the benefit deductions (health/dental/vision/Flex/CoBen), follow the instructions in the H 010 to submit a STD. 674AR.

SUPPORT ADMINISTRATIVE CHARGE **H 308.1**
(Revised 03/05)

An administrative charge will be assessed for every employee who has a deduction pursuant to a Wage Assignment for Support (deduction code 038), an Earnings Withholding Order for Support (deduction 339/002), an Earnings Withholding Order for State Taxes (deduction 339/004) and an Earnings Withholding Order for Ordinary Money Judgments (deduction 339/007). The administrative charge will be identified as deduction code "338" and will appear on the Statement of Earnings and Deductions as "SUP ADM CHG". The amount will be $1.50 for each 038, 339/002, 339/004 or 339/007 withheld. For example, if an employee has only one 038 deduction, the 338 amount will be $1.50. If the employee has one 038, one 339/002, and one 339/004, the 338 amount will be $4.50, etc. The administrative charge will be applied only once per pay period. Thus, if an additional or supplemental payment is issued which contains one of the above deduction codes, there will NOT be an administrative charge withheld.

EXCEPTIONS TO GARNISHMENTS **H 309**
(Revised 06/05)

Garnishments will be applied to all payments for which there are sufficient wages with the following exceptions:

Exempt from ALL garnishments:

Payment Type
I - LC 4800 tax refund (SEE NOTE)
K - Deduction A/R collection
P - Credit deduction refund (except Flex Cash Option)

NOTE: If a garnishment is effective for a pay period where a LC4800 tax refund is being issued and the garnishment is not satisfied for that pay period, a garnishment may be withheld from the LC4800 tax refund.

The following three payment types are subject to all four types of support order/assignment of wages but are exempt from the remaining garnishment/levy types listed:

Payment Type
6 - IDL Full Pay
N - IDL 2/3 pay
T - NDI pay

Exempt from	
GC 926.8	- Federal tax levy
CCP 706.072, R&T 10878 and 19280, GC 16583.5	- State tax levy
CCP 706.125	- Earnings withholding order
CCP 706.074	- Board of Equalization
UI 1755	- Unemployment Insurance
Higher Education Act of 1965:20 U.S.C. Section 1095a	- Defaulted Student Loan

PAYMENT TYPES
3 - Lump Sum Overtime
4 - Lump Sum Vacation
5 - Lump Sum Sick Leave

An Earnings Withholding Order for an ordinary money judgment (deduction code 339-007) and/or a Defaulted Student Loan (deduction code 339-008) are exempt and will not be withheld from the following lump sum payment.

PAYMENT TYPE
4 - Lump Sum Vacation

AGGREGATE BY PAY PERIOD TYPE **H 310**
(Revised 06/00)

Garnishments will be computed using the aggregation method-aggregated by pay period TYPE within a pay period.

IF PAYMENT BEING MADE IS PAY PERIOD TYPE:	WILL AGGREGATE WITH ALL OTHER PAYMENTS FOR THE PAY PERIOD WITH PAY TYPE:
0	**0, 1, 2**
1, 2, A, B, C	**Only the individual matching pay period types**
D, E	**D, E**

PRIORITY ORDER FOR GARNISHMENTS **H 311**
(Revised 06/00)

If an employee has more than one active garnishment, they will be applied in the following priority order:

1. Order Assigning Salary or Wages (FC 150, 5200, PC 3088)
2. Earnings Withholding Order for Support, including FTB Child Support Collection Program (CCP 706.030; Rev & Tax Code 19271)
3. * Federal Tax Levy (GC 926.8)
4. * Earnings Withholding Order for State Taxes, including FTB Registration Collection Program, Court-Ordered Debt, and Student Loan Collections (CCP 706.072; Rev & Tax Code 10878 and 19280; GC 16583.5)

   If an Earnings Withholding Order for State Taxes, deduction code 339-004, is being applied and an FTB Registration Collection Program Order, Court-Ordered Debt, or Student Loan Collections is received, the original Earnings Withholding Order prevails. Return the Registration Collection Program Order, Court-Ordered Debt, or Student Loan Collections to the FTB and inform them that an earlier order is in effect.

5. * Unemployment Insurance (UI 1755)
6. * Board of Equalization (CCP 706.074)
7. ** Earnings Withholding Order (regular) CCP 706.125
8. ** Defaulted Student Loan (Higher Education Act of 1965: 20 U.S.C. Section 1095a)

* Among these, the first received will prevail; e.g., a state levy served on September 1 will prevail over a federal levy served on September 2.

** Among these, the first received will prevail; e.g., an Earnings Withholding Order (regular) served on September 1 will be withheld before a Defaulted Student Loan served on September 2.

Each garnishment amount will be reduced by the higher priority garnishment amount(s) applied (to the same pay period); e.g., if an employee has garnishment types 2 and 3, and $20.00 was applied for type 2, the garnishment amount computed for type 3 will be reduced by $20.00 (see H 319).

If there is an "Amount Owing the Agency" entered on the STD. 639, it will be applied to the disposable earnings before the actual garnishment is applied. A current balance will be kept of the amount(s) applied toward the "Amount Owing Agency." The actual garnishment will not be applied until the "Amount Owing Agency" has been satisfied. Occasionally, when the employee has multiple garnishments and/or multiple miscellaneous payments, manual intervention may be required to track the "Amount Owing Agency," please contact the Garnishment Unit if this occurs.

RESTRICTION ON GARNISHMENT EARNINGS **H 312**
(Revised 06/00)

Title III of the Consumer Credit Protection Act, 15 USC 1673, identifies that portion of a person's salary or wages which is subject to withholding and attachment. No court of the United States or any state may make, execute, or enforce any order in violation of this section.

The restrictions do not apply in the case of:

1. Any order for any court for the support of any persons issued by a court of competent jurisdiction or in accordance with an administrative procedure established by State Law.
2. Any order of any court of bankruptcy under Chapter VII or Chapter XIII of the Bankruptcy Act (see Section H 327 for further information).
3. Any debt due for any State or Federal Tax.

The maximum part of the aggregate disposable earnings of an individual for any work week which is subject to garnishment may not exceed:

1. 25 percent of disposable earnings for that week.

   OR

2. The amount by which the disposable earnings for that week exceeds 30 times the federal minimum hourly wage prescribed by Section 6(a)(1) of the Fair Labor Standards Act of 1938 in effect at the time the earnings are payable, whichever is less.

   In the case of earnings for any pay period other than a week, the Secretary of Labor shall by regulation prescribe a multiple of the federal minimum hourly wage equivalent.

DISPOSABLE EARNINGS **H 313**
(Revised 02/07)

The term "Disposable Earnings" means that part of the individual's earnings remaining after deduction amounts required by law are withheld (U.S. Code Title 15, Sec. 1672 [b]). The "amounts required by law" include:

1. Normal percentage deductions of taxes, Social Security, Medicare, State Disability Insurance and retirement.
2. Additional tax withholding (codes 094, 095, 096, 099)
3. State Disability Insurance Adjustment (Code 600)
4. Retirement deductions:
   - Arrears retirement (codes 003, 005, 031, 032)
   - Re-deposits (code 004, 314, 015)
   - Survivor benefit (codes 076, 077)
5. Amounts due and owing the agency:
   - Account receivable deductions (code 035) to be deducted from the pay period that is subject to the garnishment.

Maintenance deductions (codes 011, 012) to be deducted from the pay period that is now subject to the garnishment.

The amount owing agency indicated on form STD. 639.

6. Social Security adjustments (codes 097, 098) or Medicare adjustments (codes 091, 092).
7. Fair Share, Fair Share Alternative, and Union Dues if required as a condition of employment.
8. The "Support Exemption Amount" entered on form STD. 639.

The support exemption amount will be computed by pay period type as follows:

If paid:	Reduce the disposable earning by the support exemption amount:
Monthly	- entire amount
Semimonthly	- divided by 2
Biweekly	- multiplied by 12 ÷ 26

COMPUTATION – ORDER ASSIGNING SALARY OR WAGES CODE 038 (FC 150, 5200 OR PC 3088) **H 314**
(Revised 07/09)

No computation is necessary as the amount shown on the form STD. 639 or STD. 639CFS will be the amount deducted from each pay period (including semimonthly and biweekly pay period).

If there are two codes 038's existing at the same time with the SAME DEDUCTION AMOUNT TO BE APPLIED FOR EACH PAY PERIOD, the second 038 will be split into two different amounts; e.g., $100 would be split $60.00 and $40.00.

COMPUTATION – EARNINGS WITHHOLD ORDER FOR SUPPORT, INCLUDING FTB CHILD SUPPORT COLLECTION PROGRAM, CODE 339/002 (CCP 706.030; REV & TAX CODE19271) **H 315**
(Revised 06/00)

The amount to be deducted is one-half of the disposable earnings.

COMPUTATION - FEDERAL TAX LEVY CODE 339/003 (GC 926.8) **H 316**
(Revised 12/11)

The amount to be deducted is the disposable earnings reduced by the standard deduction, plus the total amount of deductions for personal exemptions claimed by the employee (see chart shown below).

STANDARD/PERSONAL EXEMPTIONS EFFECTIVE 1/01/10

STANDARD DEDUCTION	MO.	SEMI	BI-W
Single	**495.83**	**247.92**	**228.85**
Married filing Joint	**991.66**	**495.84**	**457.70**
Married filing Separately	**495.83**	**247.92**	**228.85**
Head of Household	**725.00**	**362.50**	**334.62**
Surviving Spouse	**991.66**	**495.84**	**457.70**
PERSONAL EXEMPTIONS (each)	**316.67**	**158.33**	**146.15**

EXAMPLE: A monthly paid employee claims "single" and is entitled to one personal
exemption. The amount exempt from the levy would be $812.50 for the month.

STANDARD DEDUCTION	Annualized 01/01/09	EFFECTIVE 01/01/10	01/01/11	01/01/12
Single	**$ 5,700**	**$ 5,700**	**$ 5,800**	**$5,950**
Married, filing jointly	**11,400**	**11,400**	**11,600**	**11,900**
Married, filing separately	**5,700**	**5,700**	**5,800**	**5,950**
Head of Household	**8,350**	**8,400**	**8,500**	**8,700**
Surviving Spouse	**11,400**	**11,400**	**11,600**	**11,900**
Personal Exemptions (each)	**3,650**	**3,650**	**3,700**	**3,800**

Divide product by the employee's pay period frequency; e.g., 12 for monthly, 24 for semimonthly, 26 for biweekly.

EXAMPLE: Employee is married filing jointly, two dependents (effective 01/01/11).

Standard deduction	$11,900
Personal exemptions (2 X $3,700)	7,600
Total	$19,500

Monthly amount of exempt wages is $19,500.00 divided by 12 equals $1,625.00.

NOTE: Number of dependents MUST be at least one.

If employee does not fill out the IRS dependent form, show "Married Filing Separately with one dependent". This can later be modified if the employee completes the IRS form.

(Revised 02/14) **H 317**

COMPUTATION-EARNINGS WITHHOLDING ORDER FOR STATE TAXES, INCLUDING FTB REGISTRATION COLLECTION PROGRAM CODE 339/004 (CCP 706.072, REV & TAX CODE 10878) (STD. 639, ITEM 8D)

OR

COURT-ORDERED DEBT CODE 339/004 (REV & TAX CODE 19280) (STD. 639, ITEM 8D)

OR

STUDENT LOAN COLLECTIONS CODE 339/004 (GC 16583.5) (STD. 639, ITEM 8D)

OR

UNEMPLOYMENT INSURANCE CODE 339/004 (UI CODE 1755) (STD. 639, ITEM 8D)

OR

BOARD OF EQUALIZATION CODE 339/004 (CCP 706.074) (STD. 639, ITEM 8D)

OR

EARNINGS WITHHOLDING ORDER CODE 339/007 (CCP 706.125) (STD.639, Item 8E)

OR

DEFAULT STUDENT LOAN CODE 339/008 (U.S.C. 1095a) (STD. 639, ITEM 8F)

If the court states a "Maximum Garnishment Amount Deductible per Month", the garnishment will be computed according to type. However, the garnishment amount will not exceed the maximum

amount deductible per month entered on the STD. 639. The amount to be deducted will be computed based on the following:

25% Garnishment

PAY PERIOD	DISPOSABLE EARNINGS	MAXIMUM WITHHOLDING
Monthly	$0.00 - $1,386.67	Nothing
	$1,386.68 - $1,852.36	Amount above $1,386.67
	$1,852.37 or more	25% of total disposable earnings
Semimonthly	$0.00 - $693.33	Nothing
	$693.34 - $924.39	Amount above $693.33
	$924.40 or more	25% of total disposable earnings
Biweekly	$0.00 - $640.00	Nothing
	$640.01 - $853.32	Amount above $640.00
	$853.33 or more	25% of total disposable earnings

15% Garnishment

PAY PERIOD	DISPOSABLE EARNINGS	MAXIMUM WITHHOLDING
Monthly	$0.00 - $1,386.67	Nothing
	$1,386.68 - $1,540.76	Amount above $1,386.67
	$1,540.77 or more	15% of total disposable earnings
Semimonthly	$0.00 - $693.33	Nothing
	$693.34 - $770.39	Amount above $693.33
	$528.08 or more	15% of total disposable earnings
Biweekly	$0.00 - $640.00	Nothing
	$640.01 - $710.99	Amount above $640.00
	$711.00 or more	15% of total disposable earnings

NOTE #1: The above limits are based on the California minimum hourly wage of $8.00 per hour (effective 7/1/13).

NOTE #2: The regulations regarding defaulted student loans permit the withholding of 15% of disposable earnings unless the employee provides written consent to withhold more (but never to exceed 25% of disposable earnings). If employee written consent is provided, calculate the amount to withhold and enter it in 11D on the STD. 639.

NOTE#3: The SCO system does not automatically calculate the 15% withholding amount of an employee's disposable earnings. Therefore, it's the agency's responsibility to manually calculate and enter it in box 11D of the STD. 639 (Refer to SCO Payroll Letter #06-12).

MISCELLANEOUS COMPUTATION-SPECIFIC AMOUNT TO BE DEDUCTED **H 318**
(Revised 07/09)

If the court states a "Specific Amount to be deducted per Month", do not follow the computation procedures under the type of garnishment being processed. The amount indicated on STD. 639 or STD. 639 CFS will be the amount applied per month. If the employee is paid semimonthly or biweekly, the "Specific Amount" will be computed as follows:

Semimonthly - the "Specific Amount Per Month" divided by 2, will be applied to each pay period.

Biweekly - the "Specific Amount Per Month" multiplied by 12÷26, will be applied to each pay period.

NOTE: There are two instances when an amount less than the "Specific Amount" may be withheld.

1. When the amount of the disposable earnings is insufficient to withhold the entire amount; a partial deduction may be withheld.
2. When the balance of the garnishment is less than the "Specific Amount"; the balance of the garnishment will be withheld.

COMPUTATION – MULTIPLE GARNISHMENTS **H 319**
(Revised 06/99)

If an employee has more than one type of active garnishment, deductions will be computed as follows:

Deduction/Organization Code	Deduction Amount Calculation
038 Continuing Support (child, spousal, conservatee)	**Deduction amount entered on the payroll master file is withheld (employee may have multiple codes 038).**
339/002 Delinquent Support (child, spousal, conservatee, FTB Child Support Collection Program)	**50% of the disposable earnings minus any amounts withheld for continuing support and Code 339/002 with an earlier effective date is withheld. If the garnishment balance is less, balance amount is withheld.**
339/003 Federal Tax Levy	**Disposable earnings minus employee and dependent allowance allowed based on Payroll Master File Garnishment Tax Dependent, minus any amounts withheld from garnishment(s) with a higher priority. If the garnishment balance is less, balance amount is withheld.**
339/004 Earnings Withholding Order for State Taxes, FTB Registration Collection Program, Court-Ordered Debt, Student Loan Collections, Unemployment Insurance, or Board of Equalization	**From disposable earnings the maximum withholding is computed (see H 316.) The maximum withholding is reduced by any amounts withheld for garnishment(s) of a higher priority. If the garnishment balance is less, balance amount is withheld.**
339/007 Earnings Withholding Order for an ordinary money judgment and Federally Guaranteed Student Loan	**From disposable earnings amount, the maximum withholding is computed (see H 317). The maximum withholding is reduced by amount(s) withheld for garnishment of a higher priority. If the**

	garnishment balance is less, balance amount is withheld.
339/008 **Defaulted Student Loan**	**From disposable earnings amount the maximum withholding is computed (see H 317). The maximum withholding is reduced by amount(s) withheld for garnishment of a higher priority. If the garnishment balance is less, balance amount is withheld.**

NOTE: For garnishment types 339/002, 339/004, 339/007 or 339/008, if the garnishment has a maximum amount per month to be withheld or a specific amount per month, that amount is not to be exceeded.

PRORATION OF SUPPORT ORDERS H 319.1

(Revised 07/09)

Family Code Section 5238 requires the employer to prorate multiple support orders if 50% of disposable earnings will not withhold all the support orders in full. The proration should be in the same proportion that each support order bears to the total support owed. The employer shall apply any remainder for support arrears in the same proportion that each support arrears bears to the total arrears owed.

For example, if an employee has two support orders that are greater than 50% of disposable earnings, determine the percentage that each support order bears to the total sum of all support orders. Multiply the disposable earnings by those percentages and enter the amounts in item 11D on the STD. 639 or STD. 639CFS.

EXAMPLE:

$2,655.94 (Employee's disposable earnings)
÷ 2
$1,327.97 (50% of disposable earnings)

$1,193 (Support order amount)
+ 599 (Support order amount)
$1,792 (Total support order amounts greater than 50% of disposable earnings)

$1,193 ÷ 1,792 = 66.6% (Percent of total support order amount)
$ 599 ÷ 1,792 = 33.4% (Percent of total support order amount)
$1,327.97 X 66.6% = $ 884.43 (Enter amount in Item 11D)
$1,327.97 X 33.4% = $ 443.54 (Enter amount in Item 11D)
100.0% $1,327.97

COMPLETION OF STD. 639 SALARY GARNISHMENT H 320

(Revised 07/09)

Agencies must complete the following items for ALL garnishments:

ITEM ENTER

1 Agency name
2 Social security number
3 Employee name (first/middle initial, complete surname)
4 Position number (employee's current position)
5 Effective date
Enter the date which is 10 calendar days (not work/business days) after the date on which the Earnings Withholding Order was served; e.g., if an order was served on Friday, the withholding period would commence on the second following Monday. The 10-day delay affords the agency time to process the order and submit documentation to Payroll Operations.

NOTE:
We cannot process a STD. 639 with an effective date more than 10 days into the future. If this occurs, DO NOT submit the document prior to 10 days before the effective date.

Exceptions:
If the Earnings With holding Order is a "Jeopardy Withholding Order for Taxes", the effective date must be the date on which the order was served/received.

If the garnishment is a modification, enter the same effective date shown on the original form STD. 639.

If the garnishment is a cancellation, enter the date the cancellation was served/received.

6 Action Type – Cancellation of garnishment, enter the effective date shown on the original form STD. 639 that established the garnishment.
7 Pay frequency
8&9 See specific type of levy instruction in Section H 321 - H 323.
10 Sum amount - If applicable, enter the total of all amounts due and owing agency. Complete this item only if the employee owes your agency/campus money that **WILL NOT** be collected through a **payroll deduction** A/R. (The system already takes payroll deduction A/R's into consideration when computing the disposable earnings.) The amount owing agency will be subtracted from the disposable earnings before the garnishment amount is computed. This allows the agency/campus to collect any monies prior to the garnishment amount being deducted.
11 Complete this area only when it is specifically noted on the court order. Item 11 may be completed with items 8B, 8C, 8D, 8E and 8F. Use the following guidelines:
A Termination date of Earnings Withholding Order – may only be completed with 8B and 8E. If the court order or earnings withholding order indicates a specific termination date, enter the date specified on the order.
B Maximum garnishment amount deductible per month.

NOTE: Maximum amount means less than the amount specified may be deducted but under no circumstances will more be withheld.
C Support exemption amount - this is an additional amount subtracted from the disposable earnings before the garnishment amount is computed.
NOTE: For IRS garnishments with a specific or maximum amount, a copy of the IRS form 668-D must be submitted.
D Specific amount to be deducted per month - specific amount shown will be taken without the system doing any calculations or going through the multiple garnishment computations. It is the agencies responsibility to verify this information prior to submitting garnishment documents when this happens to ensure that the employee is not over garnished.
12 Warrant to be made payable to.

a. Warrants must include either the File, Case, or Account Numbers, as requested in the order. The appropriate numbers are located in the upper right hand corner of the order.

NOTE: Social security number and/or SCO EIN should never be used in place of a File, Case, or Account number.

Complete the Levying Office File Number/Case Number Box, with the appropriate number as follows:

For	Enter
Sheriff's Office	Levying Officer
Marshal's Department	File Number
FTB Child Support Collection Program	Account Number
All others	Account Number (Never SSN or SCO EIN)

b. Four lines are provided for the appropriate payee and address information. Enter name shown on court order, writ, levy. Include address if pursuant to Family Code 150 and 5200; Revenue and Taxation Code 19271 and 10878; or Penal Code 3088.

NOTE: Each line must be limited to 25 characters.
The Billing Number must be entered for warrants payable to the Franchise Tax Board, Child Support Collection Program. Enter the number on the last of the 4 lines provided for the payee and address.

EXAMPLE: Billing No. 94-0000-12345

NOTE: Do not use window envelopes when mailing warrants with the billing number on line 4 as the post office may not deliver timely.

If you do not enter the Billing Number in the payee and address field, you must type or print the number on the CD 155, in the space below CASE NUMBER (See PPM Section Z, Attachment H-1).

13 Remarks

14 Form completed by/and telephone number with extension if necessary. This will assist SCO in contacting you if further assistance is needed to process the document. This is especially important close to Master Payroll cut off.

15 Authorized signature/date

COMPLETION OF SALARY GARNISHMENT CHILD SUPPORT/FAMILY SUPPORT STD. 639CFS **H 320.1**
(New 07/09)

Agencies/campuses must complete the following items for child and family support related garnishments:

ITEM	ENTER
1	Agency name
2	Social security number
3	Employee name (first/middle initial, last name)
4	Position number (employees current position)
5	Effective date Enter the date that is 10 calendar days (not work/business days) after the date on which the Child Support or Family Support related court order was served; e.g., if an

order was served on Friday, the withholding period would commence on the second following Monday. The 10-day delay affords the agency time to process the order and submit documentation to Payroll Operations.

NOTE A STD. 639CFS cannot be processed with an effective date more than 10 days into the future. Do not submit the document prior to 10 days before the effective date.

Exception If the child support or family support garnishment is a modification, enter the same effective date shown on the original STD. 639CFS.

If the child support or family support garnishment is a cancellation enter the date the cancellation was served/received.

6 Action type - Cancellation of child support or family support enter the effective date shown on the original STD. 639CFS that established the garnishment.

7 Pay frequency

8A Enter an "X" and circle the applicable reference section. Complete the monthly deduction amount in the space provided. See Section H 321 for further instructions.

8B Enter an "X". See Sections H 321 for further instructions.

9 Enter the total arrearage amount. If the total amount to be collected is not entered on the court order, enter 99,999.99.

10 Three lines are provided to enter the employee's address and date of birth. Enter the street on the first line and city, state, and zip code on the second line. Enter the employee's date of birth on the third line.

11 Complete only when it is specifically noted on the court order. May only be completed with item 8B. Use the following guidelines:

A. Termination date of Earnings Withholding Order - if the court order or earnings withholding order indicates a specific termination date, enter the date specified on the order.
B. Maximum garnishment deductible per amount - maximum amount means less than the amount specified may be deducted but under no circumstances will more be deducted.
C. Support exemption amount - this is an additional amount subtracted from the disposable earnings before the garnishment is deducted.

Specific amount to be deducted per month - specific amount shown will be taken without the system doing any calculations or going through the multiple garnishment computations. It is the agency/campus responsibility to verify this information prior to submitting garnishment documents to ensure that the employee is not over garnished.

12 Case number - enter the case number assigned by the court when establishing a child or family support order. Enter the case number assigned by the State Disbursement Unit when modifying or canceling the child or family support order.
Payee name - name of the payee. (Do not enter the State Disbursement Unit)

Child and family support payments should be mailed to the State Disbursement Unit (the address is pre-printed on all STD. 639CFS's) at:
C/O SDU
P.O. Box 989067
West Sacramento, CA 95798

13 Remarks if necessary.

14 Form completed by and telephone number and extension if applicable. This will assist SCO in contacting you if further assistance is needed to process the document and is especially important close to Master Payroll cut off.

15 Authorized signature and date.

COMPLETION OF ITEMS 8 AND 9 ON STD. 639:

Order Assigning Salary or Wages for Support - Code 038 (FC 150, 5200 or PC 3088) - Item 8A

Garnishment Type - enter an "X" in box 8A and circle the applicable reference section (e.g., CC 4390 [Support of Minor Child or Spousal Support], or PC 3088 [Support of a Conservatee]). Complete the MONTHLY DEDUCTION AMOUNT in the space provided.

Deduction code 038 will be applied to every pay period; therefore, the DEDUCTION AMOUNT PER PAY PERIOD must also be completed as follows:

If the employee is paid:

Monthly	- enter the monthly amount.
Semimonthly	- divide the monthly amount by 24 and enter the result.
Biweekly	- multiply the monthly amount by 12 ÷ by 26 and enter the result.

EXAMPLE: If 8A is $300.00 per month, the deduction amount is determined by the employee's pay frequency as follows:

Monthly	$300.00 X 12 ÷ 12 = $300.00
Semimonthly	$300.00 X 12 ÷ 24 = $150.00
Biweekly	$300.00 X 12 ÷ 26 = $138.46

This is a monthly amount rather than a gross amount. It will continue to be withheld until Payroll Operations receives a STD. 639 or STD. 639CFS to correct or cancel.

NOTE: If the employee has a change in pay frequency, it will be necessary to submit a STD. 639 or STD. 639CFS to change the deduction amount per pay period.

If a change in the code 038 deduction amount is requested, enter an "X" in the box entitled "Deduction Amount Changed From $__" and enter the deleted monthly deduction amount in the space provided.

Earnings Withholding Orders for Support, including Child Support Collection Program - Code 339/002 (CCP 706.030)-Item 8B

Garnishment Type - enter an "X" in box 8B.

Enter the garnishment amount in column 9.

The total amount to be collected is entered in column 9. The system computes the deduction amount unless a specific amount is entered in item 11. The deduction will be withheld until the total garnishment amount is satisfied.

NOTE: If the total amount to be collected is not entered on the court order, enter 99,999.99 in column 9.

Federal Tax Levy - Code 339/003 (GC 926.8) - Item 8C

Garnishment Type - enter an "X" in box 8C.

Enter the garnishment amount in column 9.

DO NOT enter the SCO EIN in Item 12 as the File, Case or Account Number.

When a federal tax levy is filed against an employee's salary, the agency/campus should contact the employee and verify his/her dependents. This information is obtained from the IRS Form 668-W(c), Notice of Levy on Wages, Salary and Other Income, which accompanies the levy. **(DO NOT USE THE WITHHOLDING TAX INFORMATION FILED BY THE EMPLOYEE ON AN EAR/SPAR SINCE IT IS USED FOR WITHHOLDING TAX PURPOSES ONLY AND DOES NOT NECESSARILY REFLECT THE EMPLOYEE'S TRUE EXEMPTIONS.)**

Effective 7/1/89, STD. 639's for federal tax levies must show the number of personal exemptions in item 8C(1) AND the standard deduction information (i.e., Single, Married Filing Separately) in item 8C(2).

NOTE: Number of dependents MUST be at least one.

If employee does not fill out the IRS dependent form, show "Married Filing Separately with one dependent". This can later be modified if the employee completes the IRS form.

The number of exemptions and the standard deduction indicated on STD. 639 will be used by Payroll Operations to compute the exemption from tax levy but will not be used to compute withholding tax. If the employee's number of exemptions or standard deduction should change while a tax levy is still in effect, a CORRECTED STD. 639 must be submitted to Payroll Operations. It is important to note that a change in tax exemptions or filing status reported on the EAR/SPAR WILL NOT change the information recorded for tax levies.

NOTE: IRS Levies - if an employee has a large Deferred Compensation (DC) and or Tax Sheltered Annuity (TSA) deduction, it could affect the calculation and withholding of an IRS levy and other miscellaneous deductions. If this occurs, contact the Garnishment Unit as it may be necessary to modify the DC or TSA deduction.

<u>Earnings Withholding Order for State Taxes (CCP 706.072), Registration Collection Program - (Rev & Tax Code 10878), Court-Ordered Debt - (Rev & Tax Code 19280) - Code 339/004, Student Loan Collections (GC 16583.5) - Code 339/004, Unemployment Insurance (UI 1755) - Code 339/004, or Board of Equalization (CCP 706.074) - Code 339/004 - Item 8D</u>

Garnishment Type - enter an "X" in the applicable box in 8D.

Enter the garnishment amount in column 9.

The total amount to be collected is entered in column 9. The system computes the deduction amount unless a specific amount is entered in item 11. The deduction will be withheld until the total garnishment amount is satisfied.

ORDINARY MONEY JUDGMENTS **H323**
(Revised 06/00)

<u>Earnings Withholding Order - Code 339/007(CCP 706.125) – Item 8E</u>

Earnings withholding order will continue until the earliest of the following dates:

1. The month in which the full amount specified in the order is withheld.
2. The date of termination specified in a court order served on the agency.

3. The date of termination specified in a Notice of Termination served on the agency by the levying officer.

Enter the garnishment amount in column 9.

The total amount to be collected is entered in column 9. The system computes the deduction amount unless a specified amount is entered in item 11. The deduction will be withheld until the total garnishment amount is satisfied.

DEFAULTED STUDENT LOANS **H 323.1**
(Revised 08/13)

Defaulted Student Loan - Code 339-008 (Higher Education Act of 1965; 20 U.S.C. Section 1095a) – 8F

A Defaulted Student Loan will continue until the earliest of the following dates:

1. The month in which the full amount specified in the order is withheld.
2. The date of termination specified by the collection agency served on the agency/campus.

Highlight Student Loan Higher Education Act of 1965: 20 USCA Section 1095a in Section F and check the corresponding box if the amount to be withheld is 15% of disposable earnings, or complete Section 11D if a specific amount is to be withheld.

The total amount to be collected is entered in column 9. The system computes the deduction amount at 15% unless a specified amount is entered in item 11. The deduction will be withheld until the total garnishment amount is satisfied.

If a Defaulted Student Loan has been established in the payroll system as deduction code 339-007, it must be re-established in the payroll system as deduction code 339-008. To re-establish it as deduction code 339-008, submit one STD. 639 to cancel the Defaulted Student Loan as deduction code 339-007. Submit a second STD. 639 to re-establish the Defaulted Student Loan as deduction 339-008. When re-establishing as deduction code 339-008, the effective date must be a current date and the correct balance amount remaining to satisfy the Defaulted Student Loan must be entered on the STD. 639.

If a Defaulted Student Loan has been withheld and remitted outside the payroll system, submit a STD. 639 to establish it in the payroll system as deduction code 339-008. When establishing as deduction code 339-008, the correct balance amount remaining to satisfy the Defaulted Student Loan must be entered on the STD. 639.

MODIFICATIONS OR CORRECTIONS **H 324**
(Revised 07/09)

Complete garnishment type and effective date per the original STD. 639 or STD. 639CFS that was submitted to establish the garnishment. The amount of the garnishment may have changed due to action taken upon receipt of subsequent orders, with the exception of the following items:

1. Enter the correct information in the item(s) being changed.
2. Action Type - "X" the Modification Correction box and indicate the item number(s) being changed.

NOTE: If an order is received to modify the effective date, you must submit a STD. 639 or

STD. 639CFS to cancel the garnishment using the old date. Also, submit a second STD. 639 or STD 639CFS to establish the garnishment using the new date. Please note, if the new date is more than 10 days into the future, hold the second STD 639 or STD. 639CFS until within 10 days of the effective date.

Complete Item 13 "Remarks" if additional information or further explanation is necessary.

NOTE: If the original STD. 639 or STD. 639CFS was used to establish two different types of garnishments and only one is being modified, complete the modification form with the information pertaining to the garnishment type that is changing. The other will continue to be withheld per the original request.

Example: When an employee has an Order Assigning Salary or Wages (8A) and an Earnings Withholding Order for Support (8B) that were established from the same STD. 639 and a new order is received to cancel the Earnings Withholding Order for Support, a STD. 639 should be completed to cancel the Earnings Withholding Order for Support only. The Order Assigning Salary or Wages will still be withheld per the original STD. 639 (if Item 8A is left blank).

ADDRESS CHANGES (Item 10 and 12): Due to the time needed by Administration and Disbursements Division to process address changes, please be aware that the cut-off for requesting address changes is the 15th of each month. This includes document requests submitted via the FAX.

PAYOFF AMOUNTS: For information regarding pay-off amounts please refer to PPM Section H 300.

CANCELLATIONS **H 325**
(Revised 07/09)

A cancellation STD. 639 or STD. 639CFS (with a court order) must be submitted when the agency/campus receives legal proof that a garnishment has either been satisfied in full or that the employee is being released from obligation.

An STD 639 or STD. 639CFS certifying the garnishment as it is currently established must be submitted with the exception of the following item:

1. Item 5, "Effective Date" - enter the date the cancellation notice was received by the agency/campus.
2. Item 6, "Action Type" - "X" the cancellation box and fill in the original effective date of the garnishment as was shown on the original STD. 639 or STD. 639CFS submitted to establish the garnishment in the blank space provided.

TERMINATION OF GARNISHMENTS **H 325.1**
(New 01/08)

The following garnishments will be terminated by the controllers Office one year following permanent separation:

Earnings Withholding Order for Support - 339-002
Earnings Withholding Order for Taxes - 339-004
Earnings Withholding Order for an Ordinary Money Judgment - 339-007

The following garnishments will continue to be withheld until released from withholding by the appropriate authority (e.g., court, levying officer):

Support Order - 038
IRS Tax Levy - 339-003
Default Student Loan - 339-008

RETURNED GARNISHMENT WARRANTS **H 326**
(Revised 06/99)

If the levying officer returns a garnishment warrant to an agency/campus stating that the garnishment has been satisfied, send the garnishment warrant to the Administration and Disbursements Division with a form STD. 674 (see H 306 for completion instructions).

Upon receipt of a returned garnishment warrant, the Administration and Disbursements Division will stamp the warrant "replaced" and will issue a replacement warrant made payable to the employee.

If any part of a garnishment warrant is required to satisfy a garnishment, the levying officer must apply such part payment and issue a check to the garnishment debtor (employee) for the excess amount included in the SCO warrant.

GARNISHMENT DOCUMENTATION EXAMPLES **H 326.1**
(Revised 03/02)

See PPM Section Z, Attachment H-2 for examples.

SUBJECT: WAGE EARNER PLAN CHAPTER VII AND CHAPTER XIII **H 327**
REFERENCES
(Revised 09/98)
SAM 8578

CHAPTER VII INTRODUCTION

The National Bankruptcy Act, Chapter VII, permits a wage earner to petition the United States District Court for liquidation of a debtors estate (at the time of filing) and distribute the assets to creditors.

PAYROLL DEDUCTIONS/GARNISHMENTS **H 328**
(Revised 09/98)

Post petition earnings are NOT part of the bankrupt estate; therefore, voluntary deductions will not be affected by the filing of a Chapter VII petition.

Documents that are filed with a Bankruptcy Court under Chapter VII and issued a bankruptcy number, court date and bankruptcy trustee provide that the employer make no garnishment deductions for taxes or earnings withholding orders for ordinary money judgments from the employees pay except as authorized by the order (refer to 11 USCS 362, N11).

PROCESSING (CHAPTER VII) **H 329**
(Revised 03/05)

A copy of the court order must be sent to Payroll Operations, Garnishment Unit. If the original court order is sent directly to Payroll Operations instead of the employing agency/campus, the order will be processed. A copy will be maintained by Payroll Operations, and the original order will be forwarded to the employing personnel office.

Upon receipt, Payroll Operations will cancel the following deductions UNLESS otherwise noted on the court order:

- Court Ordered Assignment of Wages for Ongoing Support if the effective date is after the filing date of Chapter VII (Deduction Code 038).
- Earnings Withholding Order for Support Arrears and Franchise Tax Board Child Support Collection (Deduction Code 339-002).
- Federal Tax Levy (Deduction Code 339-003).
- Earnings Withholding Order for State Taxes, Vehicle Registration, Court Ordered Debt and Student Loan Collection (Deduction Code 339-004).
- Earnings Withholding Order for an Ordinary Money Judgment and Delinquent Student Loan (Deduction Code 339-007).
- Delinquent Student Loan (Deduction Code 339-008)

CHAPTER XIII INTRODUCTION **H 330**
(Revised 09/98)

The National Bankruptcy Act, Chapter XIII, permits a wage earner to petition the United States District Court for relief from attachment, harassment, and other creditor pressures. The Wage Earner Plan court order to the wage earner and to wage earner's employer and creditors:

- Provides that the employer make no payroll deductions from employee's pay except as authorized by the order,
- Either (a) make no provisions for the disposition of the employee's pay check, (b) provide that employer send employee's pay check to the trustee appointed by the court, or (c) provide that employer deduct from employee's pay an amount ordered by the court and remit it to the trustee.

DISPOSITION OF WAGE EARNER'S PAYROLL WARRANT **H 331**
(Revised 09/98)

Court orders may provide for the disposition of the employee's payroll warrant. In such cases, the employing agency/campus will do as directed by the order.

NOTE: The garnishment process is not to be used for the purpose of remitting specific amounts to the trustee appointed by the Bankruptcy Court.

PROCESSING (CHAPTER XIII) **H 332**
(Revised 09/98)

A copy of the court order must be sent to Payroll Operations, Miscellaneous Deductions Unit. If the

original court order is sent directly to Payroll Operations instead of the employing agency/campus, the order will be processed. A copy will be maintained by Payroll Operations, and the original order will be forwarded to the employing personnel office. Upon receipt, Payroll Operations will cancel the following deductions UNLESS otherwise noted on the court order:

- All garnishments and tax levies including: Court Ordered Assignment of Wages for On-Going Support
- Credit Union
- Banks
- Savings and Loan Associations
- Industrial Loan Companies

ATTACHMENT OF WAGES **H 333**
(Revised 09/98)

In the event any creditor attempts to attach (garnish) the pay of an employee while the court order remains in effect, THE EMPLOYING AGENCY/CAMPUS WILL NOT honor the attachment. The employing agency/campus is to notify the persons (County Sheriff, County Marshal, Franchise Tax Board, Internal Revenue Service, etc.) attempting the attachment, that they are "Unable to respond to the Levy. Income of employee under jurisdiction of U.S. District Court under Chapter XIII."

RESCINDING COURT ORDERS **H 334**
(Revised 09/98)

Employing agencies/campuses will honor subsequent court orders from higher courts or United States District Court rescinding orders regarding Wage Earner Plans under Chapter XIII.

All United States District Court orders regarding Wage Earner Plans under Chapter XIII remain in effect until rescinded by a subsequent court order.

SUBJECT: FAIR SHARE H 400

REFERENCES
(Revised 12/85)

G.C.	3515.7
Senate Bill	1419

INTRODUCTION
(Revised 12/85)

Fair share fee/fair share alternative deductions were initiated effective January 1, 1983. Employee organizations are authorized to enter into agreements with the state as an employer to assess fair share fees to employees who are not dues paying members and who are represented by an exclusive representative for collective bargaining purposes. Fair share fee is identified as deduction code 500.

For employees who are members of a religious body whose traditional tenets or teachings include objections to joining or financially supporting unions, the law requires employees to pay sums equal to the fair share fee to a nonreligious non-labor, charitable organization fund, approved by the State Board of Control. Fair share alternative is identified as deduction code 550.

The amount of fair share fee/alternative that may be assessed is limited. These fees cannot exceed the standard initiation fee, membership dues, and general assessment of the recognized

employee organization. The fees are set by the union.

TERMINATION **H 401**
(Revised 12/85)

Fair share fee/alternative deductions shall continue for the duration of the agreement between the employee and employee organization or for a period of three years from the effective date of the agreement, whichever comes first. These fees are mandatory for all non-dues paying members once an agreement is signed and for the duration of that agreement. There is no 30-day window period for fee cancellation by employees.

The only exception is that fees may be rescinded by a majority vote of all the employees in the unit covered by a MOU. Without such a vote, Payroll Operations will not cancel fees when requested by either employees or the employer. Fees will only be canceled upon request by the employee organization.

CANCELLATION **H 402**
(Revised 12/85)

Fair share fee/alternative cannot be canceled by the employee or employer via an administrative cancellation letter. If a cancellation letter is received from an employee, it will be returned via a Notice of Incomplete Deduction Action Request, Form PR 352. Fees can only be canceled by the employee organization.

SUBMISSION OF CD 88A **H 403**
(Revised 03/02)

Payroll Deduction Fair Share Authorization, BLUE Form CD 88A, is the only form to be submitted for fair share fee/alternative deductions. The form must be completed by the exclusive representative and forwarded to Payroll Operations, Deductions Unit. This form is used for adding, changing, and deleting deductions.

COMPLETION OF CD 88A **H 404**
(Revised 12/85)

Complete Form CD 88A as follows:

Full name of organization
Social security number
Employee name
Deduction code – must be 500 or 550
Organization code
Amount of deduction – must be entered on all additions and changes
Type of change – enter “X” in the appropriate box
Pay period – numerical month/year
Authorized signature/year

SUBJECT: SALARY REDUCTIONS H 500

REFERENCES
(Revised 06/95)

GC	19993, 12420.2
SAM	8576

INTRODUCTION
(Revised 06/95)

There are several types of salary reductions available in the USPS—Flexible Benefits Employee Amounts, EPMC Amounts, Savings Plus, and Tax Sheltered Annuity (TSA). This section deals exclusively with TSA plans and Savings Plus. Refer to Section H 200 for EPMC information and Section H 750 for Flexible Benefits Information. Savings Plus is available to all state officers and employees; TSA plans are available only to eligible non-CSU employees in specific agencies and CSU employees.

GENERAL INFORMATION FOR ALL SALARY DEDUCTIONS H 501
(Revised 06/95)

Although Saving Plus/TSA are salary reductions rather than a payroll deduction, it is procedurally expedient to identify them by deduction and organization codes.

Savings Plus /TSA amounts are not subject to federal or state withholding tax, although they are subject to retirement and Social Security/Medicare deductions. They are also subject to garnishments, tax levies, and child support court orders.

If an employee's net pay is not sufficient to make all authorized deductions, Savings Plus /TSA will be applied according to the deduction priority order (see H 001).

If the gross wages of an employee are not sufficient to withhold the Saving Plus /TSA, the entire gross then becomes subject to federal and state withholding taxes. In such a situation, the salary reduction plans will not be applied to the payment.

If an SCO warrant is redeposited, the deferred amount will be recovered from the proper company; a credit entry will appear on the payroll report. If the redeposited payment is subsequently reissued, the deferred amount will be withheld if gross wages are sufficient.

If a salary reduction amount must be refunded because of a retroactive cancellation, the entire gross then becomes subject to federal and state taxes. Such refunds must be by credit issue warrants for each pay period with taxes withheld from the warrants. Refunds will be recovered from the proper company; a credit entry will appear on the payroll report.

The form to add, change, or delete a salary reduction must be received in Payroll Operations by the 15th of the month. If the 15th falls on Saturday, Sunday, or a holiday, the following workday will be cutoff.

SCO salary payments to employees are sometimes suspended (not issued) temporarily for nonsufficient funds, no appropriation header, etc. When these payments for prior pay periods are issued, Savings Plus /TSA will be withheld.

A prior year account receivable which reduces the gross to an amount that necessitates recovery of Savings Plus /TSA will be processed by refunding the salary reduction amounts by credit issue warrant and establishing the account receivable in the following cycle.

On current year account receivable, Savings Plus /TSA to be recovered will be credited against the account receivable.

Savings Plus /TSA cannot be deferred when an employee is on nonpay status (leave, suspension, temporary disability, academic vacation, etc., or intermittent employee does not work) during a pay period.

Employees CANNOT make direct payments to Savings Plus /TSA to companies under this plan because the state is not paying wages which can be deferred.

Savings Plus /TSA is be withheld from supplemental temporary disability payments.

Savings Plus /TSA will be terminated if an employee permanently separates from state service; however, Savings Plus /TSA will be withheld from regular separation payments (payment type 0) if the net is sufficient.

WAGE AND TAX STATEMENT FORM W-2 **H 502**
(Revised 03/94)

All Savings Plus TSA amounts are reflected in box # 13 on the Form W-2.

SAVINGS PLUS PROGRAM 401(k)/457 **H 503**
INTRODUCTION
(Revised 08/14)

The Saving Plus Plan is administered by DPA. SCO provides salary reduction and accounting services. Monies withheld are placed in the employee's Savings Plus account.

Payroll reductions are made under deduction codes 029-401 and 029-457 (pre-taxed); and deduction codes 075-010 and 075-011 (post-taxed) for the total amount due to the applicable plan type.

RESTRICTIONS **H 504**
(Revised 08/14)

Savings Plus amounts for employees who are paid biweekly or semimonthly are withheld from each payment; 26 or 24 deferred amounts are withheld per year. Employees must enter the biweekly and semimonthly amount to be deferred.

Savings Plus cannot be deducted from special emergency appointments.

The minimum Savings Plus deduction amount is $50.

NOTE: Both the 401K and 457 Savings Plus plans have special provisions which allow employees to contribute more than the annual contribution limit.

<u>Age-Based Deferral</u>: Employee enrolled in the 401k or 457 plan, who are 50 or older in the current calendar year may exceed the annual limit.

<u>Traditional Catch-Up</u>: Employees enrolled in the 457 plan may exceed the annual limit if they: 1) Are within three years from their normal retirement age (aged 50 – 70 ½); and, 2) Are permanent State employees of the California State University system, the Senate Rules Committee, the Assembly Rules Committee, the Joint Legislative Budget Committee, or the Judges' Retirement System.

For more information regarding the Savings Plus program go to their web site at www.savingsplusnow.com.

EFFECTS OF PAYROLL/PERSONNEL TRANSACTIONS **H 505**
(Revised 02/11)

When an employee transfers and has previously authorized Savings Plus, it will continue to be applied by SCO.

Savings Plus is withheld from lump sum payments if requested/elected by the employee and the PAR/PPT remarks indicate the withholding information. An employee separating under Labor Code Section 201 or 202 must submit a written election five days before her/his final day of employment authorizing the deferral.

Savings Plus is withheld from academic employee final settlement pay ONLY if the PPT indicates the deferred amount. The number of deductions could vary depending upon whether the employee worked on an academic year, quarter, or semester basis.

FORM SUBMISSION **H 506**
(Deleted 02/11)

TAX SHELTERED ANNUITY PLAN (TSA) **H 507**
INTRODUCTION
(Revised 06/98)

The following procedures are limited to those agencies/campuses which by legislative action, have been authorized to participate in TSA plans.
These agencies are:

California State University
Board of Governors of the California Community Colleges
Department of Corrections
Department of Education
Department of Mental Health (hospitals only)
California Maritime Academy
Commission for Teacher Credentialing
Department of Youth Authority
Department of Developmental Services (hospitals only)
California State Library
California Postsecondary Education Commission
Private Postsecondary Vocational Education Council
Department of Consumer Affairs – Agency Code 597

The TSA Program Administrators are the Chancellor's Office for CSU participants and the Office of the State Controller (SCO) for non-CSU participants.

SCO provides salary reduction and accounting services. TSA monies collected for non-CSU employees' will be transferred by the Division of Accounting to the Special Deposit Fund or will be disbursed directly to each TSA company via the direct disbursement method. Disbursements from the Special Deposit Fund (non-CSU) will be made from claims filed by the participating state agencies. TSA monies collected for CSU employees' are disbursed directly to each TSA company via the direct disbursement method.

State costs for administering the plan, withholding TSA amounts from salary payments, and remitting withheld amounts to TSA companies for CSU sponsored TSA deductions will be assessed against the CSU Chancellor's Office. State costs for non-CSU sponsored TSA companies will be assessed against the participating agency and participating employee.

Deduction code 041 is an administrative fee charged to participating non-CSU employees. This deduction is withheld only once a month, regardless of the number of code 040 deductions the employee may have and the employees' payment schedule (i.e., monthly, semimonthly or biweekly).

RESTRICTIONS **H 508**
(Revised 01/08)

Deduction code 040 with organization code (refer to PPM section B022.1 for organization codes) is assigned for the non-CSU TSA reductions. Deduction codes 026 and 027 with organization code (refer to PPM section B020-B021 for organization codes) are assigned for CSU TSA reductions.

A tax sheltered annuity amount may not be less than $25. The maximum annual contribution amount is $15,500. This applies to all TSA plans combined.

Catch-up limit – for employees with 15 years of service with annual contributions averaging less than $5,000. The "catch-up" limit is $3,000 per year and $15,000 over a lifetime. These amounts are in addition to the regular yearly TSA contributions.

NOTE: Effective January 1, 1989, DPA established a policy that does not allow an employee with a TSA deduction to have a Savings Plus Program and/or a Thrift Plan (DC/TP) in the same tax year.

Only one code 030 tax sheltered annuity amount is permitted an employee. If an employee has various plans or companies, the agency will be responsible for apportioning these amounts.

Multiple deduction codes 040 are permitted; however, only one annuity amount per organization code is allowed.

A limit of two separate organization codes for CSU codes 026 and/or 027 tax sheltered annuities is permitted an employee but only one annuity amount per organization code is allowed.

EFFECTS OF PAYROLL/PERSONNEL TRANSACTIONS **H 509**
(Revised 03/03)

When a non-CSU employee transfers within the same agency code, the annuity deduction will continue to be applied. If a non-CSU employee transfers to a new agency code, the annuity deduction will not be applied. The previous department must submit a Miscellaneous Deduction Change Report (STD. 650) to cancel the deduction and the new department must submit a STD. 650 to establish the deduction. For CSU employees the annuity deduction will continue to be applied if the employee transfers within the same CSU campus or another campus.

Tax shelter annuity deduction will be withheld from lump sum payments if requested/elected by the

employee and the PAR/PPT remarks indicate the withholding information. Employees separating under Labor Code Section 201 or 202 must submit a written election five days before her/his final day of employment authorizing the deferral.

Annuity amounts will be withheld from academic final settlement pay ONLY if documentation to report the separation indicates the amount of the annuity, as this will vary depending upon whether the employee worked on an academic year, semester, or quarter basis.

When any type of separation other than permanent separation is received by PPSD, annuities will be retained in the deduction file. Upon the employee's return or reinstatement, the non-CSU or CSU employee annuities will continue to be applied automatically.

REPORTS AND REMITTANCES **H 510**
(Revised 06/98)

The SCO has converted the majority of non-CSU employees' annuity deductions from claim processing to direct disbursement processing. In the interim, two methods (claims and direct disbursement) exist for remitting non-CSU annuity deductions to TSA companies. Remittances for CSU employees' annuity deductions are issued via the direct disbursement method. Following is an explanation of each process:

CLAIMS PROCESSING

Approximately the 2nd and 17th of each month, SCO's Division of Disbursements will send two original copies of the Payroll Deduction Report (CD446) to SCO's Division of Accounting and a copy to the employing agency showing the annuity amounts withheld for each employee for each agency.

The first report is for amounts withheld from payments issued between the 17th of the preceding month and the 1st of the current month; the second report is for payments issued between the 2nd and 16th of the current month.

SCO's Division of Accounting will transfer the money from the Payroll Revolving Fund to the Special Deposit Fund and will then forward a copy of the register and a transfer of notice to each participating agency. The agency will file claims with SCO's Division of Audits to remit the money to the proper companies. No reconciliation of payroll reports will be made by Payroll Operations.

DIRECT DISBURSEMENT PROCESSING

Approximately the 2nd of the each month, SCO's Division of Disbursements will send the warrant, remittance advice, and the original and one copy of the CD 446 showing the annuity amounts withheld for each CSU employee to each TSA company. The warrant, remittance advice, and the report will be for amounts withheld from payments issued the 2nd of one month through the 1st of the following month (e.g., warrant, remittance advice, and CD446 dated 10/1/92 will reflect deductions withheld from payments issued 9/2/92 through 10/1/92).

To redeposit a warrant with a TSA deduction, please refer to PPM Section I 318 for instructions.

FORM SUBMISSION **H 511**
(Revised 03/02)

A Miscellaneous Deduction Change Report, STD. 650 (available on DGS web site or from DGS Stores), sent to Payroll Operations is the only document which may be submitted to add, change, or delete tax sheltered annuities.

COMPLETION OF STD 650 **H 512**

(Revised 06/98)

The following items must be completed on STD. 650:

ITEM	INSTRUCTION
Social Security Number	Enter the employee's SSN
Name	Enter the employee's first/middle initial(s) and surname
Position Number	Must be entered
Deduction Code	For non-CSU employees, enter 040. For CSU employees, enter 026 or 027.
Organization Code	Must be completed
Deduction Amount	Leave blank for Delete, otherwise complete. (When completed, must be greater than or equal to $25.00.)
Type of Change	Check the appropriate box
Pay Period	Enter month/year
Remarks	Describe the status of the employee's TSA account(s) (e.g., Cancel 040-069, Northern Life. Employee still has code 040-032, General American Life for $200.00).
Form Completed by/ Telephone Number	Must be completed
Agency Name	Must be completed
Authorized Signature/ Date Signed	Must be completed

One STD. 650 may be used for multiple changes for an employee.

SUBJECT: DUES, INSURANCE, CREDIT UNION H 600

REFERENCES
(Revised 03/89)

GC 1151-1153

INTRODUCTION
(Revised 03/89)

This section contains general information regarding dues, insurance, and credit union deductions. The following types of deduction are submitted by associations for dues or by private companies for insurance/employee benefit deductions.

Deduction Type	Deduction Code
Dues	088, 089
Insurance's	
Employee Organization Sponsored	074
State Agency Sponsored	075
Credit Union	051

* See Section B 024-028 for organization codes.

Although personnel/payroll offices do not submit the documentation for these deductions, the following information is provided to assist with employee questions.

DUES (FOR BONA FIDE ASSOCIATIONS) H 601
(Revised 03/89)

Bona fide associations may request membership dues from the salaries and wages of employees and former employees of agencies/campuses of the State of California. These deductions are limited to organizations having a minimum of 50 employees participating via payroll deductions. SCO will cancel deduction privileges and individual deductions if the level of 50 deductions is not met/maintained within three months from the month in which the deduction code was assigned.

INSURANCE (SPONSORED BY EMPLOYEE ORGANIZATIONS) H 602
(Revised 03/89)

Deductions can only be made for rank and file employees for premiums on an insurance/benefit program that have the sponsoring employee organization deduction. Audits are made by SCO to determine rank and file employees are members of the association that sponsors related insurance/employee benefit plans. Insurance/employee benefit plans will be canceled for non-members. Unrepresented employees do not have to have a sponsoring association deduction to have the insurance/employee benefit plan deduction. These deductions are limited to companies having a minimum of 50 employees participating via payroll deduction. SCO will cancel deduction privileges and individual deductions if the level of 50 deductions is not met/maintained within three months from the month in which the deduction code was assigned.

INSURANCE (SPONSORED BY STATE AGENCY) H 603
(Revised 12/85)

Deductions can only be made for payments for insurance or other employee benefit programs sponsored by a state agency/campus under appropriate statutory authority. Only group life and disability insurance approved by CSU and medical and life insurance offered to corps members of the California Conservation Corps are allowed by law.

CREDIT UNIONS H 604
(Revised 12/85)

Deductions can only be made for a regularly chartered credit union. A change from one credit union to another requires a cancellation notice from the former credit union and new authorization from the new one.

SPECIAL INFORMATION H 605
(Revised 12/85)

Deductions will only be made in a fixed amount each month beginning in the period in which, the Payroll Deduction Authorization, Form CD 88, is received. Deductions will continue until the employee separates or a CD 88 change or cancellation is received.

Associations/companies do receive notices of some transactions affecting employees such as name/SSN changes, changes to non-pay status, separations, etc.

If employees wish to get advice or information on coverage rights, refunds, etc., they should contact the company/association.

Separate deductions for several types of coverage for a single company will not be made. Only the total amount will be shown; companies must apportion amounts based on their own records.

The relations between the employee and the deduction company/association determines the employee’s status. Whether deductions are made is not a governing fact. Deduction companies/associations will collect delinquent amounts, make refunds, or will arrange with Payroll Operations for proper action in special cases only.

A deduction company/association will refund excess amounts directly to the employee where amounts have been deducted after the cancellation date or change. To prevent duplicate refunds, Payroll Operations will not make a refund of any amount without first clearing with the deduction company/association to ensure a refund has not already been made. Refunds will only be made if over collection was an SCO error.

SUBJECT: BENEFIT TRUST FUND H 610

REFERENCES
(Revised 08/93)

GC	19831
SAM	8597
SPB Rule	112

INTRODUCTION
(Revised 08/93)

Certain union agreements require, a) the employer to make contributions to casual employee benefit trust funds, b) that the employer withhold income tax on these contributions. Payments to private benefit trust funds of payroll deductions for vacation, holidays, and similar benefits for casual employees are prescribed in Department of Industrial Relations General Prevailing Wage Determinations (G.P.W.D.). These payments will be distinguished from state contributions to health and welfare funds by a statement on the G.P.W.D. Letter that income tax will be withheld. For further information, refer to SAM.

Fund contributions are identified as deduction code 049 and must be withheld from all payments made to a trade rate employee who has contributions paid into a benefit trust fund.

COMPUTATION H 611
(Revised 08/93)

In order to withhold income tax on these amounts, the rate is included in the employee's hourly salary rate for gross wages. The amount of each deduction is an hourly amount multiplied by the number of hours worked in the pay period; e.g.,

Employee hourly rate is	$ 17.00
Benefit trust funds rate is	2.00
Total hourly rate	$ 19.00
Hours worked during the pay period	x 45
Gross wages	$855.00
Minus tax computed on $855.00	- xx.xx
Minus code 049 deduction (45 hours X $2.00)	- 90.00
Net amount	$ xx.xx

SUBMISSION H 612
(Revised 03/02)

Benefit Trust Fund Deductions can be requested via the Payroll Input Process (PIP) System using the STD. 671 or Form 672. Refer to H 613 for Processing Procedures and Limitations and H 616-617 for document completion instructions.

For all retroactive deduction requests, a STD. 674 and STD. 650 must be submitted to Payroll Operations for processing. The code 049 deduction amount will be certified on a Miscellaneous Deduction Change Report, STD. 650 (available on DGS web site or from DGS Stores). This form will be attached to the related STD. 674 and will be certified on the PAR/PPT for separations or emergency appointments.

The deductions withheld will be for the total amount due from the employee (e.g., separate deductions will not be withheld for vacation and holidays).

PROCESSING PROCEDURES AND LIMITATIONS **H 613**
(Revised 08/93)

Code 049 is limited to the pay period (month/year) of the regular or overtime payment being requested (i.e., if the regular pay is for the May 1992 pay period, the code 049 will be processed in the PPSD Personnel/Payroll systems as 05/92 pay period.) To request a code 049 for an arrears pay period other than the pay period in which the payment is being issued, the requests must be SUBMITTED TO PPSD on a 674 and 650.

DO NOT process 1st and 2nd half code 049's for the same pay period month in the same payroll cycle (e.g., if an employee has a request for an adjustment to 1st half 06/92 with code 049 and 2nd half 06/92 pay code with code 049 is also being requested, key/process the 2nd half payroll, then key/process the 1st half in the next payroll cycle). Code 049 deductions must be cycled as the deduction does not process in the PPSD Personnel/Payroll system with a Pay Period Type; therefore, the system cannot determine 1st and 2nd half of a pay period.

Requests for pay at multiple rates with separate code 049's for each rate must be processed in separate payroll cycles (e.g., if requesting two regular pay and two overtime payments at different rates with separate code 049 deductions, request/key the higher rate regular pay, overtime and corresponding code 049's. In the next cycle key the lower rate regular pay and overtime with the applicable code 049's.)

It is very IMPORTANT to call the PPSD, Payroll Phone Liaison Unit to verify the status (suspended or rejected) of a code 049 before keying a code 049 request.

Code 049 transactions may also be documented and keyed for salary adjustments created by retroactive PAR/PPT transactions. The code 049 deductions must be keyed on the same day or prior to keying the PAR/PPT and will be deducted from the <u>first half of each pay period</u>. For example, on 10/01/92 a PAR/PPT is keyed effective 09/01/92 for a salary increase. Code 049 deductions for the first and second half of September must also be keyed on 10/01/92. Both code 049 deductions (first and second half) will be deducted from the first half September adjustment.

REPORTS **H 614**
(Revised 08/93)

Approximately the 2nd of each month, Division of Disbursements will send to the Division of Accounting two original copies of the register. These registers will show the amount of benefit trust fund deductions for each employee for each agency withheld from salaries and wages issued between the second of the preceding month and first of the current month. The money will be transferred from the Payroll Revolving Fund to the Special Deposit Fund. Division of Accounting will then forward a copy of the register and a transfer notice to each participating agency.

Each agency will file claims with Division of Audits to remit the money to the proper deduction companies each month.

No reconciliation will be made by SCO between registers for the current month and those of preceding months.

COMPLETION OF FORM STD. 650 **H 615**
(Revised 08/93)

Complete the following items on each STD. 650:

- Social security number
- Employee name
- Position number
- Deduction code – must be 049
- Deduction amount
- Pay period
- Form completed by/telephone number
- Agency name
- Authorized signature/date

One STD. 650 may be used for several employees. Enter "various" in the boxes for SSN, name, and deduction amount and list in Remarks for each employee:

- Social security number
- Employee name
- Deduction amount

STD. 671 COMPLETION REQUIREMENTS **H 616**
(Revised 03/02)

Complete STD. 671 as follows (available on DGS web site or from DGS Stores)

Item	Enter
	Pay Period
1	Type
2	Month (two digits)
3	Year (two digits))
4	Agency Name
8	Social Security Number
9	Initials
10	Name (surname)
	Position
11	Agency (Agency Code))
12	Unit (Reporting Unit)
13	Class
14	Serial
15	Earnings ID – Enter BT for Regular Pay deduction, BT1 for Overtime deduction
	Time to Pay
16	Days – Blank
17	Hours/Hdths – Blank
18	Alt. Fund Code (Alternative Funding Code) – DO NOT USE FOR BENEFIT TRUST DEDUCTIONS
19	Rate – Enter amount to be deducted
20	Work Week – Blank
21	Alternative Funding – DO NOT USE FOR BENEFIT TRUST DEDUCTIONS
22	Total Time – Complete for batch entry control
23	Total Rate – Complete for batch entry control

Authorized Signature/Phone/Date

FORM 672 COMPLETION REQUIREMENTS **H 617**
(Revised 03/02)

Form 672 may be used for request Benefit Trust deductions.

Header Information
PAY PERIOD* - Type, month and year
ROLL* - Roll Code
PAGE* -
BATCH ID* - Batch number assigned by the system
OK (Indicator) – Enter an "X" in box if pay is requested for employee
SSN* - Social Security Number
NAME* - Initials, Surname
CLASS* - Class Code
SERIAL* - Serial Number
ERN ID* - Earnings ID - Enter BT for Regular Pay deduction, BT1 for Overtime deduction
DYS – Blank
HOURS – Blank
RATE – Enter amount to be deducted
AF – Alternative Funding Code - DO NOT USE FOR BENEFIT TRUST DEDUCTIONS
AGY* - Agency Number
UNIT* - Reporting Unit Number
NO. OF EMPLOYEES*- Total number of employees printed on the last page within a given agency, reporting unit, roll code and pay period.
TOTALS – Complete for Batch Control
DATE KEYED - Leave blank (enter initials and date after document has been keyed)
AUTHORIZED SIGNATURE – Must be completed

* This item may be preprinted. Preprinted information may be changed <u>except</u> for the agency, reporting unit, pay period, roll code and Batch ID.

SUBJECT: UNITED STATES SAVINGS BONDS

H 620

REFERENCES
(Revised 03/95)

GC 1153

INTRODUCTION
(Revised 10/11)

The U.S. Department of Treasury (Treasury) eliminated the employer-sponsored payroll savings bond plan used to purchase paper U.S. Savings Bonds on January 1, 2011. Because of this change, the State Controller's Office (SCO) withheld the last savings bond deduction from the employee's November 2010 payroll warrant issued December 1, 2010. The employee's savings bond escrow account balance was refunded to the employee's last agency or campus in 2011.

SAVINGS BOND ACCOUNT THROUGH NOVEMBER 2010 **H 621**
(Revised 10/11)

The employee's savings bond account number consists of a three (3) digit account number. The account number was assigned by the Bond System for each new bond purchase authorization starting with 001. This account number was displayed on the face of the savings bond, lower right side, and is preceded by "CA#".

The Federal Reserve Bank mailed the savings bond to the registered owners address as printed on the savings bond within 60 days from the savings bond deduction date.

Information about the Controller's savings bond program can be found on the State Controller's Office website at http://www.sco.ca.gov/ppsd_empinfo_bond_faq.html

UNDELIVERABLE SAVINGS BONDS **H 622**
(Revised 10/11)

PPSD's Bond Unit forwards all "undeliverable" savings bonds to the Federal Reserve Bank.

CORRESPONDENCE **H 623**
(Revised 10/11)

Employees not agreeing with the U.S. Savings Bond purchase must return the savings bond with a letter explaining the nature of the discrepancy to PPSD's Bond Unit. Mail to:

State Controller's Office
Personnel/Payroll Services Division
P.O. Box 942850
Sacramento CA 94250-5878
ATTN: Bond Unit

If the Bond Unit agrees that the inscription on the bond is not correct PPSD's Bond Unit will submit the Form PR 468 (see PPM Section Z, Attachment H-4) to the Federal Reserve Bank requesting a replacement of the savings bond.

REPLACEMENT U.S. SAVINGS BOND PROCESS **H 624**
(Revised 10/11)

If the savings bond owner determines they never received their savings bond, the owner must complete form PDF 3062 to request a replacement. If the savings bond was lost, stolen or destroyed after receipt, the owner must complete form PDF 1048 to request a replacement. Both forms are available on the U.S. Savings Bonds web site at:
http://www.savingsbonds.gov/NC/FoRMSHome?FormType=SBF&site=indiv

PURCHASING U.S. SAVINGS BONDS **H 625**
(New 01/11)

ONLINE SYSTEM **H 625.1**
(New 10/11)

Employees may purchase U.S. Savings Bonds by accessing the federal government's online TreasuryDirect system. This is a FREE and secure online system that allows employees to purchase, manage and redeem electronic (paperless) U.S. Savings Bonds 24 hours a day, 7 days a week. To learn more about the TreasuryDirect program go to their website at http://www.savingsbonds.gov.

PAPER BONDS **H 625.2**
(New 01/11)

Paper U.S. Savings Bonds remain available for purchase at financial institutions.

MYCALPAYS **H 626**
(New 10/11)

Employees may establish a payroll savings bond deduction plan under the TreasuryDirect system after the employee's department begins using MyCalPAYS, the state's new payroll system. Please check the State Controller's Office website at http://www.sco.ca.gov/21century.html to find when your department will begin using MyCalPAYS. Since the timeline for the rollout of MyCalPAYS to California State University (CSU) employees has not been determined, CSU employees are encouraged to purchase U.S. Savings Bond directly through the TreasuryDirect system program.

UNDELIVERED ESCROW ACCOUNT REFUND WARRANT **H 627**
(NEW 10/11)

The State Controller's Office refunded all proceeds held in employee's savings bond escrow account to the employee's last agency or campus. Agencies and campuses were instructed to return the undelivered refunds to the PPSD's Bond Unit. The Bond Unit continues to work with the SCO's Division of Unclaimed Property (UCP) to attempt to locate the employee's new address. The employee's unclaimed refund(s) will be held by UCP in perpetuity for the employee or their heirs to claim.

FORM STD. 242 COMPLETION **H 628**
(Deleted 02/11)

SUBJECT: CHARITABLE CONTRIBUTIONS

H 630

REFERENCES
(Revised 03/89)

GC 1151 (f)
Board of Control Rule 663

INTRODUCTION
(Revised 03/89)

The Charitable Contribution procedures apply to all agencies/campuses in the USPS and to all principal combined fund drive agencies for which payroll deductions are made.

AUTHORIZATIONS FOR DEDUCTIONS **H 631**
(Revised 03/89)

The deductions withheld by Payroll Operations shall be for only one of the approved fund drive agencies per employee. Separate deductions should not be made from an employee's salary for several fund drives.

Deduction code 017 has been assigned for all charitable deductions. An organization code is used to identify each individual fund drive. See Section B 018 for organization codes.

SPECIAL PROVISIONS **H 632**
(Revised 03/89)

If the net wages of an employee are not sufficient to withhold the voluntary deduction or the employee is on leave, the employee may make a direct payment to the fund drive.

No deduction should be taken from separation pay of employee unless the separation occurs at the close of the last work day of the pay period. When an employee separates from a position (by leave of absence or permanently) prior to the end of the pay period, a separation payment to the employee should not include charitable contribution deductions.

PLEDGE DRIVE **H 633**
(Revised 03/02)

State agencies/campuses shall designate employees in each locality, office, or reporting unit to assist the local charitable fund drive in its appeal for contributions from state employees. This assistance shall include the distribution of preprinted pledge forms and the proper disposition of these forms after the employee has signed a pledge form.

All pledges to fund drive agencies not approved for payroll deduction and pledge forms indicating support by means other than by payroll deduction must be treated by representatives of the agency/campus as requested by the fund drive.

Pledge forms authorizing payroll deductions for charitable contributions to approved fund drive agencies shall be delivered to the personnel clerk for the locality, office, or reporting unit of each agency/campus.

PLEDGE DRIVE FORMS **H 634**
(Revised 12/85)

Pledge forms will be sent directly from a state agency/campus to Payroll Operations daily as the basis for the addition, change, or deletion of a deduction. Such notices must be received in Payroll Operations by the 15th of the month in order to be processed in that month. If the 15th falls on a Saturday, Sunday, or holiday, cutoff will be the following workday. Authorized deductions will show on succeeding warrant registers and Statement of Earnings and Deductions.

No requests for new deductions, deduction of retroactive amounts, or notices of change of amounts will be accepted from employees by Payroll Operations. All requests and information must be sent by the employees to their employing agency/campus. Deductions will be processed only in the period in which received. After the United Way Drive is completed, cancellations will be accepted from employees the same as other administrative cancellations (see H 014).

SUBMISSION OF PLEDGE FORMS **H 635**
(Revised 12/85)

Agencies/campuses will review pledge forms for payroll deduction and send them to Payroll Operations.

Errors in SSN, name, or incorrectly completed forms may result in the return of deduction authorization forms. Since this may result in no deduction in the initial pay period, extreme care must be exercised in obtaining and transcribing the correct information on the pledge form.

COMPLETION OF PLEDGE FORM **H 636**
(Revised 12/85)

The following information is required on the pledge form:

Social Security Number	
Employee name	Show complete last name (although SCO listing will show only the first 13 characters)
Agency, unit	
Fund drive code	Indicate code number assigned (see Section B 001).
Amount of deduction	Up to 6 digits. Must be entered on all additions and changes.
Employee's signature/date	

SUBJECT: MAINTENANCE - FIXED AND VARIABLE

H 650

REFERENCES
(Revised 12/85)

CD	1156(e)
SAM	11000-11075

INTRODUCTION
(Revised 03/02)

Maintenance charges may be submitted as payroll deductions by agencies in the USPS. An agency may have both fixed (deduction code 011) and variable (deduction code 012) maintenance deductions. Different procedures are employed for reporting variable maintenance deductions and for reporting fixed maintenance deduction amounts. An employee may have one deduction for fixed maintenance and one deduction for variable maintenance in the same pay period.

Maintenance cannot be deducted if related personnel documents have not been forwarded to PPSD. All maintenance deductions originated by the agency on a list should be checked against the personnel records prior to transmittal to Payroll Operations.

Maintenance deductions not withheld from the master payroll will be taken from supplemental payrolls if applicable. Also, if a warrant is re-deposited, the related maintenance deduction will be taken from the warrant as reissued.

Miscellaneous Deduction Change Report, form STD. 650, (available on DGS web site or from DGS Stores), and attached listing, if necessary, should be sent to Payroll Operations as early in the month as possible, but must be received by the 15th of the month. If the 15th falls on Saturday, Sunday or holiday, the following workday will be cutoff.

FIXED MAINTENANCE **H 651**
(Revised 12/85)

Fixed maintenance is the same as other "fixed" deductions. The deduction amount after being documented to Payroll Operations will continue to be automatically deducted for the same employee each pay period until changed or canceled by another document.

If several fixed maintenance deductions are involved for the same employee, the amount must be aggregated into one amount to be reported by Payroll Operations.

Fixed maintenance deductions are restricted to the agency code shown on form STD. 650 or PAR. Therefore, if an employee transfers from one agency code to another, a delete form STD. 650 cancellation from the delete agency is necessary. A form STD. 650 must be submitted to establish the deduction in the new agency.

A fixed maintenance deduction may be reported on a PAR to coincide with an appointment or a separation pay. This is in lieu of submitting a form STD.650.

VARIABLE MAINTENANCE **H 652**
(Revised 03/02)

Variable maintenance should be used when the deduction amounts vary for each pay period. It is treated as a "one-time" deduction each time it is submitted. If several variable maintenance deductions are involved for the same employee, the amount must be aggregated into one amount to be reported to Payroll Operations.

Agencies will report variable maintenance deductions only once each pay period. For employees paid semimonthly, maintenance will be deducted from the payment for the first or the second half of the pay period, depending on when the deduction is processed.

Variable maintenance charges will be reported by use of form STD. 650 and Variable Maintenance Lists (See PPM Section Z, Attachment H-5). SCO will generate lists for the subsequent pay period for employees who had maintenance deductions processed in the current pay period. Employees are listed alphabetically by initials within the surname.

No variable maintenance charges will be deducted per any other document except STD. 674 requesting supplemental pay for temporary disability as outlined in Section E 300.

Form STD. 650 and lists must be received by the close of business on the 15th of the month. If the 15th falls on a Saturday, Sunday, or holiday, the following workday will be cutoff.

Agencies who decentrally request maintenance deductions should follow the instructions in the Keymaster Decentralized Users Manual, form STD. 650 Application Only.

ADJUSTMENTS OF VARIABLE MAINTENANCE DEDUCTIONS **H 653**
(Revised 08/93)

When excess deductions have been withheld from an employee's warrant, an agency may reduce the next month's deduction amount for that employee by the amount of such overdeduction or may write a check against the proper account to reimburse the employee for the amount overdeducted.

If the agency failed to report the full amount of maintenance deductions to be withheld or if the deductions were not made as requested, the agency may add the amount of such uncollected deductions to the maintenance deduction amount to be taken for the succeeding month if the individual is still employed by the agency. At its option, an agency may act immediately to collect the amount due from the employee.

PAYMENT TO AGENCY OF MAINTENANCE DEDUCTIONS H 654

(Revised 08/93)

SCO will prepare a warrant for each agency for the total amount of maintenance deductions withheld. This warrant must be drawn payable to the fund and appropriation or account designated in advance as the proper payee by the appointing power or representative. The warrant together with Notice of Claim Paid, form CD 102, will be released to the agency about the first of the month.

After the first of each month (the cutoff date for payroll reports), all maintenance items deducted during the preceding business month will be sorted alphabetically to the employee's initials and surname within agency code and a listing will be prepared for each agency.

COMPLETION OF FORM STD. 650 FOR FIXED MAINTENANCE H 655

(Revised 10/06)

The following items must be completed on STD. 650

ITEM	INSTRUCTION
Social security number	Enter the employee's SSN with hyphens or spaces
Name	Enter the employee's first/middle initial(s) and surname
Position Number	Must be entered
Deduction Code	For fixed Maintenance, enter 011. For Variable Maintenance, enter 012
Deduction Amount	Leave blank for delete, otherwise complete
Type of Change	Check the appropriate box
Pay Period	Enter month/year
Form Completed by/ Telephone Number	Must be completed
Agency Name	Must be completed
Authorized Signature/ Date Signed	Must be completed

If more than one employee is involved for the same deduction and agency code, a listing may be attached. A separate covering Form STD 650 must be completed with the following information: agency code, deduction code, type of change, pay period, form completed by, telephone number, agency name, authorized signature and date signed. "Various" must be printed in items where applicable. The covering form must accompany each list. The list must be double-spaced with no more than 50 entries per list and a Font size of 12. The list must show the social security number (with hyphens), first/middle initials, surname and deduction amounts (in that order) for each affected employee. If the same deduction amount applies to all listed employees, the amount need only be listed once on the cover STD 650. Varying amounts must be shown on the double-spaced list. Deduction amount should be totaled on the attached listing.

COMPLETION OF VARIABLE MAINTENANCE LISTS H 656

For employees shown who have maintenance deductions, ENTER (in ink) the amounts due in the blank space between the columns "SERIAL NUMBER" and "DEDUCTION PAY PERIOD". Entries must show two decimal places; e.g., 7.00 not 7.

For employees shown who DO NOT have maintenance deduction due, line out the entire line of information.

For employees who have maintenance deduction due but the employee information is incorrect on list, line out the entire line of information and submit a STD. 650 (see H 655).

Prepare adding machine tapes showing totals of the maintenance deduction amounts due for each reporting unit on the listing. A SEPARATE COVERING form STD. 650 MUST ACCOMPANY THE LIST FOR EACH AGENCY CODE. A separate line must show pay period, agency and reporting unit codes. It must contain a statement of the number of entries, sum of maintenance deduction amounts reflected on the listing and the adding machine tapes. The forms STD. 650 must be signed by an the front of the lists in the upper left hand corner and sent to Payroll Operations.authorized person, stapled to

Agencies will submit/process variable maintenance deductions only once each pay period. For employees paid semimonthly, maintenance will be deducted from the payment for the first or second half of the pay period, depending on when the deductions is processed.

The Miscellaneous Deduction Change Report, form STD. 650, and the related variable maintenance lists must be received by the close of business on the 15th of the month. If the 15th falls on a Saturday, Sunday or holiday, the following workday will be cutoff.

SUBJECT: PARKING H 660

REFERENCES
(Revised 03/01)

GC 1151(d)

INTRODUCTION
(Revised 04/02)

Civil service agencies that wish to collect parking fees by payroll deduction must contact the Department of General Services and PPSD for collection plan approval; CSU campuses need only contact Payroll Operations.

Before sending deduction authorization forms, Payroll Deduction Authorization, Form CD88, the agency/campus must satisfy statutory requirements and furnish the following to PPSD:

Complete the Payroll Deduction Specification Form.

Signature Cards of agency employees authorized to sign forms CD88 must be on file with Payroll Operations.

Complete the Internet Payroll Deduction Reporting Participation Form.

Deduction codes 050 (Post-Tax) and 360 (Pre-Tax) are assigned for all parking deductions. An organization code is used to identify each individual parking lot. See Sections B 023 and B 032 for organization codes.

SPECIAL INFORMATION **H 661**
(Revised 04/03)

Parking deductions will be made in a fixed amount each month beginning with the pay period Payroll Operations receives the notice from the agency/campus (if received by the cutoff date) and will continue until the employee separates or until the agency/campus submits a cancellation.

Effective with the June 2000 pay period, the Department of Personnel Administration (DPA) established a pre-tax parking program for Civil Service employees. For details of this program, please refer to the DPA Personnel Management Liaison (PML) memorandum 2000-024 and the State Controller's Office Payroll Letter 00-012.

Effective with the December 2001 pay period, the Office of the Chancellor established a pre-tax parking program for CSU employees. For details of this program, please refer to the Office of the Chancellor's Technical Letter HR/Benefits 2001-20 and 2001-20 Supplements 1, 2 and 3 and 2002-13 the State Controller's Payroll Letter 01-022.

Please refer to PPM Section N 161.1 for the monthly benefit exclusion amount.

A change from one parking lot to another requires a cancellation notice from the old and a new authorization for the new.

AUTOMATED CONVERSION PROCESS H 661.1

(New 07/02)

A monthly Mark IV program, PDC1086 – 1087 (Civil Service) and PDC 2086 – 2087 (CSU), is run to convert parking deductions to or from pre-tax status for employees who become eligible or ineligible. If the employee is eligible or has previously declined participation and wishes to resume participation in the pre-tax plan their deduction will convert to pre-tax status. For the employees who become ineligible or decline participation in the pre-tax plan, their deduction is converted to post-tax status.

CHANGE IN ELECTION (OPT-OUT/IN) H 661.2

(New 07/02)

If eligible, participation in the pre-tax plan is automatic unless chosen otherwise. Participation in the pre-tax plan is optional and employees may choose to start/stop participation at any time. All changes must be prospective. Requests must be received at the Controller's Office by the 15th of the month to be effective current month. If the 15th falls on Saturday, Sunday or a holiday, the following workday will be the cutoff.

Civil Service employees that decide to discontinue or resume participation must send a written request containing the following information:

- State the action requested – either decline participation in the pre-tax parking plan or request participation in the pre-tax parking plan
- Employee's name
- Employee's social security number
- Employee's original signature
- Date request signed

Send the written requests to:

State Controller's Office
Personnel/Payroll Services Division, Collective Bargaining Unit
P.O. Box 942850
Sacramento, CA 94250-5878

CSU employees that decide to discontinue or resume participation must complete and submit a CSU Pre-Tax Parking Deduction Election Authorization form to their campus Human Resources Office

APPLICATION FOR PARKING H 662

(Revised 03/01)

Applications must be obtained by the employee through contact with the agency. Application fees, if any, must be collected by the agency, as only the normal monthly deductions will be collected by payroll deductions.

An application, signed by an employee, will show his social security number. An authorization for Payroll Operations to take deductions from the employee's pay must be included in the application. The deduction authorization forms must provide that the agency/campus is to act as the agent of the employee in payroll deduction agreements for parking fees.

Upon receipt of applications from employees, the agencies/campuses shall complete Form CD 88. Employee's applications shall be retained by the agencies/campuses.

AUTHORIZATION FOR PARKING H 663

(Revised 03/01)

No retroactive additions, cancellations, or changes in amount may be requested by an agency/campus or employee. Deductions or cancellations of deductions will only be processed by Payroll Operations in the period in which received (16th of one month through the 15th of the following month constitutes current pay period).

The agency/campus must notify Payroll Operations daily of deduction changes. Change in deductions will be made only upon notice from the agency/campus. No requests for new deductions, deduction of delinquent fees or notices of changes of amounts of fees will be accepted from employees. All requests and information in such cases must be sent by the employees to the agency/campus.

AUTHORIZATION FOR REFUNDS H 664

(Revised 04/02)

Effective with the implementation of the pre-tax parking plans, the State Controller's Office must refund pre-tax parking deductions because the amount refunded becomes taxable income and all applicable taxes need to be withheld from the refund. Therefore, if an employee is due a refund for parking fees because fees were deducted after the effective date of a cancellation or change, complete and submit a Parking Adjustment Notice, form PPSD 360 (See PPM
Section Z, Attachment H-6) to the Miscellaneous Deductions Unit. For PPSD 360 completion instructions refer to PPM Section Z, Attachment H-7.

EFFECTS OF PAYROLL/PERSONNEL TRANSACTIONS H 665

(Revised 04/02)

When an employee transfers from one agency to another and has previously authorized a payroll deduction, the deduction will continue to be applied automatically unless a cancellation has been received.

Employees on leave must make arrangements with agencies to make direct payment.

No deduction will be taken from separation pay of employee unless the separation occurs at the close of the last work day of the pay period. When an employee separates from a position (by leave of absence or permanently) prior to the end of the pay period, the final payment to the employee will not include deductions.

If the gross wages of an employee are not sufficient to withhold a parking deduction, agencies/campuses may submit STD. 674 to request the deduction be taken from a subsequent month provided there was sufficient gross earnings for the previous pay period to withhold the deduction. Employees enrolled in the pre-tax parking plan should not make direct payments to the agency/campus because they would not receive the pre-tax benefit.

REPORTS/REMITTANCES TO AGENCIES **H 666**
(Revised 04/02)

After the first of each month, SCO will remit to each agency/campus the amount deducted for that agency/campus from employees between the second of the preceding month and the first of the month in which the remittance is made.

Each remittance will be followed within six days by a payroll report showing the amount deducted for each employee.

No reconciliation will be made between reports for the current month and those of preceding months. Notices of transactions affecting employees, such as SSN, name changes, changes of nonpay status, separations, etc., will be sent by Payroll Operations on Notice of Deduction Deletion or Temporary Discontinuance, PR 1740A.

Agencies/campuses shall not contact Payroll Operations regarding nonreceipt of a deduction unless the deduction has not been made for two consecutive months. Agencies should research PR 1740A carefully and should also check to see if forms CD 88 were returned due to errors. Frequent causes of deductions not being made initially are incorrect data, future pay period and late receipt. Late problems usually involve delayed pay that will be in the next listing.

SUBMISSION OF PAYROLL DEDUCTION AUTHORIZATION CHANGE **H 667**
(Revised 04/02)

Forms CD 88 will be sent directly to the Payroll Operations daily as a basis for the addition, change, or deletion of a deduction. Authorized deductions will show on succeeding warrant registers and Statement of Earnings and Deductions. Form CD 88 must be received by the 15th of the month. If the 15th falls on Saturday, Sunday or holiday, the following workday will be cutoff.

Deduction authorization forms will be returned if forms are incorrectly completed or if there is an error in name or SSN. Since this will result in no deduction in the initial pay period, extreme care must be exercised in obtaining and transcribing the correct information to the form CD 88.

The only deduction form Payroll Operations will accept is form CD 88. Payroll Operations supplies master forms CD 88 from which the agencies/campuses can make their own copies. All copies must be EXACT reproductions of the master form CD 88 including the white paper. Reformatting or changing the form CD 88 in any way will result in its return to the agency/campus.

COMPLETION OF FORM CD 88 **H 668**
(Revised 04/02)

Complete the information on the form CD 88 as follows:

- Full name of company or organization (agency/campus)
- Social security number
- Employee name - show complete last name (although SCO listing will show only the first 13 digits)
- Deduction code - enter 360
- Organization code - indicate code number assigned by Payroll Operations
- Amount of deduction - up to 7 digits. Must be entered on all additions and changes. Leave blank for cancellations.

Type of change - enter "X" in the appropriate box
Pay period - use numerical month and year (e.g., enter 04/85 for April 1985)
Authorized signature/date

SUBJECT: FINGERPRINTING FEES – CCC H 670

REFERENCE
(New 06/97)

GC 1151(a)

INTRODUCTION
(New 06/97)

There are several types of state agency program fee deductions available to state employees. This section deals exclusively with CCC fingerprinting fees which is available only to newly hired corps members of the California Conservation Corps.

GENERAL INFORMATION **H 671**
(New 06/97)

The California Conservation Corps must fingerprint all newly hired corps members and the fingerprint cards are then forwarded to the Department of Justice (DOJ) for processing. The one-time fingerprinting fee charged by DOJ is passed on to the corps member as a one-time deduction from the employee's first paycheck. CCC later refunds the fee as a "longevity" bonus after the corps member completes 320 hours of work. The refund is handled outside the payroll process.

FORM STD. 650 COMPLETION **H 672**
(Revised 03/02)

Form STD. 650 (available on DGS web site or from DGS Stores) is used to submit the deduction information to Payroll Operations. The form must be received in Payroll Operations by the 15th of the month. If the 15th falls on a weekend or holiday, the following workday is the cutoff.

The following items must be completed on form STD. 650:

Social Security number
Employee name
Position number
Deduction code - must be 021
Organization Code - must be 532
Deduction amount
Type of change - must be NEW
Pay period
Number of times - must be ONCE
Agency name
Telephone number
Authorized signature/date

PAYMENT TO AGENCY **H 673**
(New 06/97)

SCO will prepare a warrant for the total dollar amount of deductions withheld that month and will be released to the agency on the first of the following month.

SUBJECT: CALIFORNIA STATE LIBRARY H 675

REFERENCE
(New 01/00)

Education Code Sections 19331 and 19332

GENERAL INFORMATION
(New 01/00)

The California State Library provides books and materials on loan to other libraries, the Legislature, the Executive Branch of Government and State employees. When books or materials borrowed by State employees are not returned in a timely manner, the California State Library is authorized to charge up to three times the value of the borrowed material. The amount authorized shall be repaid by the delinquent borrower through payroll deduction.

After the California State Library provides the State Controller's Office in writing with the employee's name and deduction amount, the State Controller's Office will notify the employee in writing that pursuant to Education Codes 19331 and 19332, the State Controller's Office will withhold the amount directed by the California State Library from his/her next payroll warrant to recover the cost of delinquent materials.

The employee should contact the California State Library if he/she has any questions.

SUBJECT: COUNTY MISCELLANEOUS

INTRODUCTION H 680
(Revised 12/85)

Miscellaneous voluntary deductions for Superior Court Judges are identified as "County Miscellaneous" and are assigned deduction code 014. The list of deductions included in this code are shown in B 017.

SUBMISSION OF FORM CD 88 H 681
(Revised 03/02)

A Payroll Deduction Authorization, form CD 88 must be submitted by the payroll office to add, delete, or change a deduction

COMPLETION OF FORM CD 88 H 682
(Revised 12/85)

Complete form CD 88 as follows:

- Full name of company or organization
- Social security number
- Employee name
- Deduction code - must be 014
- Organization code
- Amount of deduction - must be entered on all additions and change
- Type of change - enter "X" in the appropriate box
- Pay period - numerical month/year
- Authorized signature/date

SUBJECT: DOMESTIC PARTNER/SAME SEX MARRIAGE BENEFITS H 690

REFERENCES
(Revised 06/08)

Assembly Bill No. 26 (AB 26)(Stats. 1999, Ch. 558),

Assembly Bill No. 25 (AB 25)(Stats. 2001, Ch. 893),
Department of Personnel Administration (DPA) Personnel Management Liaison (PML) memorandum 99-068 and 2001-002;
California State University Technical Letter HR 2000-01, HR 2000-01 Supplement #1, HR 2000-01 Supplement #2, HR/Benefits 2001-08, HR/Benefits 2002-03, HR/Benefits 2002-03 Supplemental #1
CalPERS Circular Letter 600-18, 600-006-02 and
State Controller's Office Payroll Letter 00-008, 02-006
Department of Personnel Administration (DPA) Personnel Management Liaisons (PML) 2008-17

INTRODUCTION
(Revised 06/08)

With passage of AB26, effective January 1, 2000, domestic partners and with the California Supreme Court ruling effective June 16, 2008, same sex marriage of Non-CSU and CSU employees became eligible to obtain health benefits under the standard eligibility rules of the Public Employees' Medical Health and Care Act (PEMHCA). The DPA and the Board of Trustees and employee unions extended dental and vision benefits to domestic partners/same sex marriage of eligible employees. Employees were advised that adding domestic partner/same sex marriage benefits could result in taxable income to the employee (See Tax Implications for exceptions).

ELIGIBILITY **H 691**
(Revised 11/03)

AB 26 began January 1, 2000 and established the right to register a domestic partnership relationship with the State. The Secretary of State will register the domestic partnership and provide a Declaration of Domestic Partnership to the domestic partners. Same-sex domestic partnerships between persons who are both at least 18 years of age, and opposite sex domestic partnerships when both persons are over age 62, are eligible to register with the Secretary.
AB 25, effective January 1, 2002, changed the eligibility requirements to include opposite sex domestic partnerships if *one or both* partners are over age 62.

After the employee registers his/her domestic partner, the employee may enroll a domestic partner in the health, dental and vision benefits and receive the increased employer contribution for the coverage. An employee may add the domestic partner's children to the benefit plans provided they reside in the employee's home and meet the definition of economic dependents.

If the partnership dissolves, the employee must file a notice of Termination of Domestic Partnership with the Secretary of State and cancel coverage of the domestic partner and any children who were added as a result of the partnership.

ENROLLMENT PROCESS **H 692**
(Revised 06/08)

After the employee registers the partnership with the Secretary of State or if the employee enters into a same sex marriage he/she may enroll a domestic partner/same sex marriage in the health, dental, and vision benefits. Refer to CalPERS Circular Letter No. 600-18 for the enrollment process in a CalPERS health plan. The same modifications used for the health documents are followed in completing dental enrollment. Because the vision benefit enrollment process is automated and the cost is a flat rate regardless of the number of dependents, it is not necessary to add dependents to the vision program.

PARTY RATE CODES **H 693**
(Revised 06/08)

To compute the tax liability of the domestic partner's/same sex marriage benefits applicable to health and dental, party rate codes A and B were established. Party rate code A is equivalent to party rate code 2 and represents an employee plus a domestic partner/same sex marriage. Party rate code B is equivalent to party rate code 3 and represents an employee, a domestic partner/same sex marriage plus one or more dependents.

TAX DEPENDENT DESIGNATIONS **H 694**
(Revised 10/08)

Adding domestic partner/same sex marriage benefits results in taxable income to the employee unless the domestic partner/same sex marriage is a tax dependent for purposes of federal and state taxes. If a non-CSU employee's domestic partner qualifies as a dependent for tax reporting and wishes to claim the tax exemption, a DPA 680 form must be completed and signed by the employee. When an employee no longer qualifies for the tax exemption, the employee is required to rescind his/her affidavit. For non-CSU employees, please refer to DPA PML 2001-02 and DPA PML 2008-017 for instructions regarding domestic partner/same sex marriage benefits tax exemption. CSU employees may designate domestic partner/same sex marriage tax dependent status by following the instructions outlined in Technical Letter HR/Benefits 2008-09. When a domestic partner/same sex marriage no longer qualifies as a tax dependent, the appropriate form (Std. 692) must be completed with the appropriate party code information (see H 693) and forwarded to the State Controller's Office. Do not forward the DPA 680 (civil service) or CSU Affidavit For Employees. These documents must be retained by the employer. The employee's domestic partner/same sex marriage benefit will then be subject to the imputed tax liability.

TAX IMPLICATIONS
(Revised 06/08)

The DPA and Chancellor's Office have determined that the actual cost of the domestic partners/same sex marriage benefit is taxable income to the employee. The premium structure for health, dental, and vision benefits was examined to arrive at the actual cost of this benefit. Because the vision premium has a single composite rate and adding dependents does not result in any additional cost, the vision benefit is not a taxable benefit for the employee. The most equitable way to calculate actual cost for adding a domestic partner/same sex marriage to health and dental benefits is to use the difference between the health and dental premiums of party rate one and party rate two. This method uses party rate one premium as the baseline and treats the domestic partner/same sex marriage as the first addition to the employee's coverage.

TAX COMPUTATION **H 695**
(Revised 06/08)

The reportable/taxable income for the domestic partners/same sex marriage benefit is an "imputed value" based on the difference between the one and two party health and dental premiums. Federal and the appropriate state (NY, Ill.) taxes will be applied at their flat rates. Social Security and Medicare taxes will be withheld if applicable. Please note that California state taxes were applicable
from the beginning of the program, January 1, 2000, up through December 31, 2001. AB 25, effective January 1, 2002, and the California Supreme Court ruling, effective June 16, 2008, acknowledges domestic partners/same sex marriage as dependents, thus eliminating any further California state tax liability.

EXAMPLE: Employee is enrolled in Kaiser, party rate code B and Delta Dental, party rate code A.

The monthly 'imputed value' of the domestic partner benefit/same sex marriage is computed as follows:

Kaiser, party rate code 2 premium	$ 518.42
Kaiser, party rate code 1 premium	- 259.21
Health Benefit Taxable Income	$ 259.21

Delta Dental, party rate code 2 premium	$ 71.67
Delta Dental, party rate code 1 premium	- 40.82
Dental Benefit Taxable Income	$ 30.85

Health Benefit Taxable Income	$ 259.21
Dental Benefit Taxable Income	30.85
Total Monthly Taxable Income	$ 290.06

Each month the employee will have an additional $290.06 in taxable income.

The monthly tax liability is computed on the total taxable income of $290.06 as follows:

Federal Tax	$290.06 x 25%	$72.52
Social Security Tax, if applicable	$290.06 x 6.2%	$17.98
Medicare Tax, if applicable	$290.06 x 1.45%	$ 4.21

TAX WITHHOLDING **H 696**
(Revised 11/03)

Tax withholding is on a one month lag (i.e., taxes withheld from the July pay period warrant are for deduction activity that occurred during the June pay period).

All applicable taxes, Federal, State (NY, Ill.), Social Security and Medicare are withheld on a monthly basis. Federal and State taxes are not withheld from the December pay period warrant for the November benefits since the December warrant is income for the following year.

Tax liability is applied to the employee's regular payroll warrant. Should the employee separate or be on a leave of absence, an account receivable will be established for the Social Security and/or Medicare taxes.

WAGE AND TAX FORM W-2 **H 697**
(Revised 06/08)

The 'imputed value' of the domestic partner/same sex marriage benefits is reported as taxable income on the Form W-2. Taxes withheld will also be reflected on the Form W-2.

RETROACTIVITY **H 698**
(Revised 06/08)

In addition to the health and/or dental premiums being adjusted, for the current year all Federal, State (NY, Ill.), Social Security and Medicare, and the taxable gross will be adjusted. For prior years only the health and/or dental premiums, Social Security, Medicare and taxable gross will be adjusted.

YEAR-TO-DATE INQUIRY (TAXI) SYSTEM **H 699**
(New 06/01)

Class Code 0009 displayed on the Year-To-Date Inquiry System identifies domestic partner benefit "imputed value".

SUBJECT: BASIC LIFE INSURANCE H 700

REFERENCES
(Revised 03/89)

GC 19849.10 - 19849.12, 1151a

INTRODUCTION
(Revised 03/89)

The Basic Life Insurance Deduction Plan is available to all agencies/campuses in the USPS and to all group insurers for whom payroll deductions are made by SCO for specific groups of managers, supervisors, and excluded confidential employees.

The Program Administrators, Chancellor's Office and DPA, will approve the deduction company interested in participating in the Basic Life Insurance Payroll Deduction Program. Once the respective administrator approves the company for participation, PPSD is notified and will assign an organization code to identify the approved deduction plan.

Deduction code 200 is assigned for civil service basic life insurance deductions--deduction code 250 is assigned for CSU for basic life insurance. For organization code numbers assigned to the basic life insurance deductions, see Section B 031.

LIFE INSURANCE ENROLLMENT AUTHORIZATION H 701
(Revised 03/02)

Life Insurance Enrollment Authorization, form STD 698 (available on DGS web site or from DGS Stores), is the only form that Payroll Operations will accept to establish, change, or cancel a basic life insurance deduction.

Agencies will send the original and carrier copy of the form STD 698 to Payroll Operations for review and approval. After the form has passed the audit stage (with a carrier copy intact), it is processed through the payroll system. Once the deduction is established, changed, or deleted, the carrier copy is forwarded to the Department of Personnel Administration (non-CSU) or to carrier (CSU).

An employee may authorize only one payroll deduction for a basic life insurance plan.

If an employee elects not to enroll in the Basic Life Insurance Plan, the form STD 698 is forwarded by the agency directly to the Department of Personnel Administration (non-CSU only). The form STD 698 for CSU employees is retained in the campus file. NO COPIES are forwarded to Payroll Operations for non-elects.

EFFECTIVE DATE H 702
(Revised 03/89)

The effective date of coverage is the first day of the month following the pay period the life insurance deduction is taken.

RETROACTIVITY H 703
(Revised 03/89)

Retroactivity is limited to a PPSD error in processing a correctly completed form received by the tenth of the month.

EFFECT OF PAYROLL/PERSONNEL TRANSACTIONS H 704
(Revised 09/92)

Employees must make direct payments to deduction companies while on leave if they wish to continue coverage. Employees should contact the Department of Personnel Administration to arrange direct payments. CSU employees should contact their personnel/payroll office for direct payment information.

Deductions will be taken from separation pay (unless the separation is for death) and from TD payments.

When an employee transfers from one agency to another and has previously authorized a payroll deduction, the deduction will continue to be automatically applied providing the employee still meets eligibility requirements. However, if any employee transfers from a civil service position to a CSU position or vice versa, the payroll deduction will be canceled. The receiving agency/campus should enroll the employee in the new life insurance plan if eligible.

REFUND OF PREMIUM OVERPAYMENTS AND RECOVERY OF STATE CONTRIBUTION **H 705**
(Revised 03/89)

If a carrier receives a premium which is not due and was paid by payroll deduction, the overpayment must be reported to SCO. They will process documents to correct the employee's deduction record as well as process a transaction to recover the overpayment.

REPORT OF STATE CONTRIBUTION TRANSFER **H 706**
(Revised 03/89)

The transfer of the state share will be made at the same time and by the same transfer document Payroll Revolving Fund Transfer Notice, SM 62, which transfers the gross wages from the appropriation to the Payroll Revolving Fund.

In some instances, Form SM 62 which involves transfers of funds will reflect state contributions.

COMPLETION OF FORM STD.698 **H 707**
(Revised 06/91)

Complete the following items on form STD. 698:

Section A	Social security number
	Employee name
	Date of birth
	Marital status
	Sex
	Mailing address
Section B	Name of plan (complete only for new or change)
Section C	Name of plan (complete only for change or cancellation)
Section D	Check one box
	Employee signature/date
Section E	Complete only if box B is X'd in
Section D	Employer deduction code
	Life insurance plan code
	Employee deduction amount
	State share amount
	Total premium account
	CBID
	Effective date
	Permitting event date
	Permitting event code
	Agency code
	Unit code
	Check if PI employee
	Agency name
	Remarks, if applicable
	Authorized signature/telephone number

REFERENCES
(Revised 01/02)

GC 22950-22958

INTRODUCTION
(Revised 01/02)

The Dental Deduction plan applies to all agencies/campuses in the USPS and to all group insurers for whom payroll deductions are made under the State Employee's Dental Care Act.

Program Administrators, Chancellor's Office, and DPA will approve a deduction company which is interested in participating in the dental benefits payroll deduction program. If the respective administrator approves the company for participating, PPSD is notified and will assign an organization code to identify the approved deduction. Deduction codes 351 and 100 (civil service) and 150 (CSU) have been assigned for all dental benefit deductions. See Section B 029, 030, and 032 for organization codes. The Program Administrators will also set rules and regulations on enrollment activities.

CIVIL SERVICE ONLY

Civil Service employees will automatically have their dental deductions pre-taxed via the Premium Only Plan (POP). Refer to PPM Section 766. The exceptions to this program are employees who voluntarily disenroll via a Request for Disenrollment Form or a STD.674 submitted through their Personnel Office. Disenrollment may be done within the first 60 days of dental benefit eligibility or during the Benefit Open Enrollment period each year.

DENTAL PLAN ENROLLMENT AUTHORIZATION **H 711**
(Revised 03/02)

The Dental Plan Enrollment Authorization form, STD. 692 (available on DGS web site or from DGS Stores), is the only form that Payroll Operations will accept to establish, change or delete a dental insurance deduction.

CIVIL SERVICE ONLY

If the employee is enrolled in FlexElect, the choice to enroll in dental or dental cash is a three year commitment. The only exception to this commitment would be in the event employee loses other dental coverage (see FlexElect Brochure).

Agencies/campuses will send the original and carrier copy of the form STD. 692 regarding payroll deduction to Payroll Operations for review and approval. After the form has passed the audit stage (with carrier copy intact), it is processed through the payroll system. Once the deduction has been established, changed, or deleted, the carrier copy is sent to the respective dental carrier.

An employee may authorize only one payroll deduction for a state sponsored dental plan.

If an employee chooses not to enroll in a dental plan, the form STD. 692 is filed in the employee's file. It is NOT sent to Payroll Operations.

The effective date of form STD. 692 is either "Standard" or "Mandatory" based on the permitting event code. Refer to the Permitting Event Chart in the "Benefits Administrative Manual" for Civil Service or the "Dental Administrative Guide" for CSU. The effective date rules are:

CSU ONLY

"Standard" If a properly completed form STD. 692 is received in the State Controller's Office by the 10th of the month, the effective date of enrollment or change of enrollment is the first of the month following.

CIVIL SERVICE ONLY

"Standard" The effective date shall be the first day of the month after the form STD. 692 is received by the employing department. (Effective 7/1/98.)

"Mandatory" The effective date shall be the first day of the month following the event.

CBID **H 712**

(Revised 01/02)

The employee's designation and/or bargaining unit must be used to determine in which dental plan the employees are entitled to enroll. If the employees are in more than one bargaining unit, they must enroll in the dental plan offered under the permanent position having the greatest time base. If the time base of multiple positions is equal, employees may select either plan.

RETROACTIVITY **H 713**

(Revised 02/13)

CIVIL SERVICE ONLY

Request for retroactive deductions not in accordance with the procedures in the Benefits Administrative Manual must be submitted with form STD. 692 to CalHR. Upon approval, CalHR will forward the form STD. 692, with an authorized seal, to SCO for processing.

CSU ONLY

Request for retroactive deductions not in accordance with the procedures in the Dental Administrative Guide must be submitted with Permitting Event Code 44 and signed by the Benefits Officer or designated staff, who has a letter on file with SCO, to authorize the use of Code 44. The Code 44 authorized signature may be included on the dental form itself or on an attached letter authorizing the use of the Code 44.

Retroactivity is restricted to a period of three years except mandatory events that are restricted to a period of six months, including the pay period in which the adjustment can be made.

The timing of retroactive adjustments for dental is based on the date the STD. 692 is received at SCO. If it is received by the 10th of the month, the adjustments will be processed for the current month through the automated retroactive adjustment program. If received after the 10th, the adjustments will be processed the following month.

Dental retroactive adjustments are established as agency collection account receivables, payment type K. The detail of the account receivable (AR) may be viewed on the deduction screen of the payment history system (HIST). Retroactive adjustments may be required for a variety of reasons including but not limited to the following:

- A new/change/delete dental deduction with a retroactive effective date
- The employee has separated from state service
- The employee has permanent intermittent status and is not paid on a regular basis
- The employee is currently on EDL and the retroactive adjustment is pre-tax

Once the AR is established as agency collection, a change in the method of collection (PPM I 026) to either payroll deduction of the use of leave time (leave offset, civil service only) may be requested by completing the STD. 674 AR.

If the gross of the payment was sufficient, but the net was insufficient to withhold the dental deduction, follow the instructions in H 010 to submit a STD. 674AR.

If the gross is insufficient, the employee must make direct payment to the deduction company.

EFFECT OF PAYROLL/PERSONNEL TRANSACTIONS **H 714**
(Revised 01/02)

Employees must make direct payments to deduction companies while on leave, if they wish coverage to continue. The employee's Health Benefit Officer will provide information.

Deductions will be taken from separation pay unless the separation is for death or if retirement is effective the 10th of the month or prior.

When an employee transfers from one agency/campus to another and has previously authorized a payroll deduction, the deduction will continue to be applied automatically.

REFUND OF PREMIUM OVERPAYMENT/RECOVERY OF STATE CONTRIBUTION **H 715**
(Revised 01/02)

If a carrier receives a premium which is not due and was paid by payroll deduction, the overpayment must be reported to Payroll Operations. They will process correction documents to reflect proper payment of deductions and process a refund for an employee and recover the state share amount.

Payroll Operations may process a refund for an employee under this plan without first notifying the carrier, as duplicate refunds should not occur if the carriers comply with instructions.

If an overpayment in state contributions has been paid due to an erroneous enrollment, a form STD. 692 must be processed to correct the error. The effective date of action should be the same as the original document. Payroll Operations will reverse the incorrect deduction(s) so that the state contribution is recovered from the carrier. If the adjustment cannot be made in this manner, because the individual is no longer employed by the state, a credit issue warrant or an account receivable must be processed.

REPORT OF STATE CONTRIBUTION TRANSFER **H 716**
(Revised 01/02)

The transfer of state share will be made at the same time and by the same transfer document Revolving Fund Transfer Notices, Form SM 62, which transfers the gross wages from the appropriation to the Payroll Revolving Fund. In some instances, Form SM 62, which involves transfer of funds, will reflect state share.

COMPLETION OF FORM STD. 692
(Revised 11/03)

The following items must be completed on STD. 692:

Section A
1. Type of action
2. Social security number
3. Name
4. Address
5. Check if Permanent Intermittent employee

Section B Complete only if new or change.
1. Name of dental plan
2. Provider/facility number
3. Enrollees

Section C Complete only if change of plans or cancel.
1. Prior dental plan name

Section D
1. Check one box.
2. Employee signature/date signed

Section E Complete only if 2nd or 3rd boxes are X'd in Section D.
1. Employer deduction code
2. Dental organization code
3. Employee deduction amount
4. Party code (if domestic partner, refer to H 693 for party codes)
5. State share amount
6. Pay period (must be month before effective date)
7. Employee designation
8. Bargaining unit
9. Total premium amount
10. Prior employer deduction code (complete on changes and cancels)
11. Prior dental organization code and prior party code (complete on changes and cancels)
12. Permitting event date
13. Permitting event code
14. Effective date
15. Agency code
16. Unit code
17. Agency name
19. Authorized agency signature
20. Telephone number
21. Date received in employing office

REFERENCES
(Revised 01/02)

GC 1156(a), 22751 - 22856
CCP 330

INTRODUCTION
(Revised 01/02)

The Health Benefit Insurance applies to employees of all agencies/campuses in the USPS and to all group insurers for whom payroll deductions are made under Meyers-Geddes State Employees Medical and Hospital Care Act.

Health Benefits Division (HBD), Public Employee's Retirement System (PERS), will approve a deduction company which is interested in participating in the health benefits payroll deduction program. After HBD approves the company for participation, PPSD is notified and will assign a code to identify the approved deduction plan. Deduction codes are listed in Section B 016.

Employees will automatically have their health deductions pre-taxed via the Premium Only Plan (POP). Refer to PPM Section 766. The exceptions to this program are employees who voluntarily dis-enroll via a Request for Dis-enrollment Form or a form STD. 674 submitted through their Personnel Office. Dis-enrollment may be done within the first 60 days of health benefit eligibility or during the Benefit Open Enrollment period of each year.

AUTHORIZATION FOR HEALTH BENEFIT DEDUCTIONS H 721

(Revised 01/13)

Only forms authorized by HBD may be used to establish, change, or cancel an insurance deduction. Health Benefits Plan Enrollment, Form HBD 12, is used to establish, change, or cancel a health benefit deduction.

Agencies will either key the HBD-12 into the CalPERS ACES system or send the original HBD-12 to HBD for review and approval. The health deduction information will be forwarded by HBD to Payroll Operations electronically or via a paper copy of the approved form as the basis for the addition, change or deletion of a health insurance deduction.

An employee may authorize payroll deduction for only one basic plan or Medicare supplement plan.

If the gross of the payment was sufficient, but the net was insufficient to withhold the health deduction, follow the instructions in H 010 to submit a STD. 674AR.

If the gross is insufficient, the employee must make direct payment to the deduction company.

Although special provisions have been made for open enrollment periods, current change and new enrollments will be made under regulations of PERS which provides:

"The effective date of any other enrollment or change of enrollment for an employee whose Health Benefits Plan Enrollment Form is received by his employing office during the month, shall be the first day of the following month."

Under this regulation, if the employment office receives the authorization form any time during the month and transmits the completed form properly, the payroll deduction will be made from the next regular salary payment issued to the employee.

RETROACTIVITY H 722

(Revised 12/12)

Retroactivity is restricted to a period of three years, except mandatory events that are restricted to a period of seven months, including the pay period in which the adjustment can be made.

Questions involving deductions retroactive to an earlier date should be directed to CalPERS. When eligibility or validity of retroactive processing is established, CalPERS will so indicate on the forms sent to Payroll Operations.

The timing of retroactive adjustments for health is based on the date the HBD-12 is keyed to ACES. Refer to the Civil Services benefits Cut-off Calendar on the SCO website for the dates - http://www.sco.ca.gov/ppsd_bencal.html. The automated retroactive adjustment program will adjust health for prior pay periods.

Health retroactive adjustments are established as agency collection account receivables, payment type K. The detail of the account receivable (AR) may be viewed on the deduction screen of the payment history system (HIST). Retroactive adjustments may be required for a variety of reasons including but not limited to the following:

- A new/change/delete health deduction with a retroactive effective date
- The employee has separated from state service
- The employee has permanent intermittent status and is not paid on a regular basis
- The employee is currently on IDL and the retroactive adjustment is pre-tax

Once the AR is established as agency collection, a change in the method of collection (PPM I 026) to either payroll deduction or the use of leave time (leave offset, civil service only) may be requested by completing the STD. 674 AR.

EFFECT OF PAYROLL/PERSONNEL TRANSACTIONS **H 723**
(Revised 01/02)

Employees must make direct payments, including the state share, to deduction companies while on leave if they wish coverage to continue. The employee's Health Benefit Officer will provide information.

Deductions will be taken from separation pay of employees unless the separation is for death or if retirement is effective the tenth day of the month or prior.

REFUND OF PREMIUM OVERPAYMENTS/RECOVERY OF STATE CONTRIBUTIONS **H 724**
(Revised 01/02)

If a carrier receives a premium which is not due and which was paid by payroll deduction, the overpayment must be reported to Payroll Operations, who will process correction documents to reflect proper payment of the deduction and will process a transaction for refund to the employee and to recover the state share amount.

Payroll Operations may process a refund to an employee under this plan without first notifying the carrier. Duplicate refunds should not occur if the carriers comply with instructions.

If an overpayment in state contribution has been paid due to an erroneous enrollment, an HBD-12 must be processed to correct this error. The effective date of action should be the same as the original document. If the date received in the employing office is not the same as that of the original document, a memo of explanation must be attached to the form. In either case, Payroll Operations will reverse the incorrect deduction(s) so that the state contribution is recovered from the carrier. If the adjustment can not be made in this manner because the individual is no longer employed by the state, a credit issue warrant or an account receivable must be processed.

REPORT OF STATE CONTRIBUTION TRANSFER **H 725**
(Revised 06/97)

The transfer of state share and the percentage required for the Administrative Cost/Contingency Reserve Fund will be made at the same time and by the same transfer document (Form SM 62) which transfers the gross wages from the appropriation to the Payroll Revolving Fund. Following is the percentage required for the Administration Cost/Contingency Reserve Fund. In some instances, Form SM 62, which involves transfers of funds, will reflect the state contributions.

Effective Date	Pay Period Coverage Begins	Admin. Cost	Contingency Reserve Portion	Total % Rate
07/88	**08/88**	**0.5**	**0.0**	**0.5**

MEDICARE PART B REIMBURSEMENT **H 726**
(Revised 06/97)

Some employees who have Medicare coverage are entitled to a refund on the state share of the monthly premium.

These refunds are submitted by agency/campus to Division of Audits by claim schedule and payments are issued by Division of Disbursements.

Although this process is not included in the payroll procedures, SCO prepares a list of employees who are eligible for the refund based on payroll activity for the month. This list is produced for the agency as information only to complete the claim schedule.

SUBJECT: VISION INSURANCE H 730

REFERENCES
(Revised 01/02)

GC 19849.10 - 19849.12, 1151a

INTRODUCTION
(Revised 01/02)

The Vision Insurance Deduction Plan is available to all agencies/campuses in the USPS and to all group insurers for whom payroll deductions are made by SCO.

The Program Administrators, DPA and the Chancellor's Office will approve the deduction company interested in participating in the vision insurance payroll deduction program. Once approval is given, PPSD is notified and will assign an organization code to identify the approved deduction plan.

Deduction codes 475 (civil service) and 450 (CSU) are assigned for vision insurance deductions. For organization code numbers assigned to the vision insurance deductions, see Section B 032 and 033.

VISION INSURANCE ENROLLMENT AUTHORIZATION **H 731**
(Revised 03/02)

CIVIL SERVICE ONLY

Vision Insurance Enrollment Authorization, form STD. 700 (available on DGS web site or from DGS Stores), is the only form that Payroll Operations will accept to establish, change, or cancel a vision insurance deduction.

Most vision insurance enrollment has been automated by Payroll Operations, with one exception. Permanent Intermittent employees (PIE) must first meet certain qualifications as set forth in the "Benefits Administrative Manual". Once a PIE gains or loses eligibility, a form STD. 700 is required to set up or cancel his/her vision insurance deduction. Agencies/campuses will send the original form STD. 700 to Payroll Operations for review and approval. After the form has passed the audit stage, it is processed through the payroll system..

CSU ONLY

Vision Insurance enrollment has been automated by the Chancellor's Office. The vision deduction information will be forwarded to Payroll Operations to set up or cancel deductions as necessary. Vision insurance is effective the first of the month following an appointment to an eligible position and is canceled effective the first of the second month following loss of eligibility. If the personnel action is not keyed on a timely basis, retroactive vision adjustments will be created by the Chancellor's Office and forwarded to Payroll Operations for processing in the payroll system.

An employee may authorize only one payroll deduction for vision insurance plan.

If an employee elects to dis-enroll from their vision insurance plan, a form STD. 700 cancellation or a form indicating "I do not wish to enroll" in Section D must be submitted to Payroll Operations. Dis-enrollment from a vision insurance plan may be done at any time with a "Standard" effective date. If a properly completed form STD. 700 is received in the State Controller's Office by the 10th of the month, the effective date of disenrollment is the first of the month following. Note: Cobden employees are not allowed to dis-enroll from vision insurance coverage.

EFFECTIVE DATE **H 732**
(Revised 01/02)

DPA and the Chancellor's Office establish rules and regulations for enrollment activities. The effective date of any enrollment, change, or deletion for an employee whose form STD. 700 is received by his/her employing office during the month, is the first day of the following month, providing the form is received by Payroll Operations by the tenth of the current month. If not, the enrollment activity is effective the first of the following month.

RETROACTIVITY **H733**
(Revised 01/02)

CIVIL SERVICE ONLY

Request for retroactive deductions not in accordance with the procedures in the Benefits Administrative Manual must be submitted with form STD. 700 to DPA. Upon approval, DPA will forward the form STD. 700, with an authorized seal, to SCO for processing.

EFFECT OF PAYROLL/PERSONNEL TRANSACTIONS **H 734**
(Revised 01/02)

Employees must make direct payments to deduction companies while on leave if they wish to continue coverage. The employee's Health Benefits Officer will provide information.

Deductions will be taken from separation pay unless the separation is for death.

When an employee transfers from one agency to another and has previously authorized a payroll deduction, the deduction will continue to be automatically applied providing the employee still meets eligibility requirements. However, if any employee transfers from a civil service position to a CSU position, the payroll deduction will be canceled.

REFUND OF PREMIUM OVERPAYMENTS AND RECOVERY OF STATE CONTRIBUTION **H 735**
(Revised 01/02)

If a carrier receives a premium which is not due and was paid by payroll deduction, the overpayment must be reported to SCO. They will process documents to correct the employee's deduction record as well as process a transaction to recover the overpayment.

REPORT OF CONTRIBUTION TRANSFER **H 736**
(Revised 01/02)

The transfer of the state share will be made at the same time and by the same transfer document Payroll Revolving Fund Transfer Notice, SM 62, which transfers the gross wages from the appropriation to the Payroll Revolving Fund.

In some instances, Form SM 62 which involves transfers of funds will reflect state contributions.

COMPLET\ION OF FORM STD. 700 **H 737**
(Revised 01/02)

The following items must be completed on form STD. 700:

Section A
1. Type of action
2. Social security number
5. Name
6. Address

Section B Complete only if new.
1. Name of vision plan

Section C Complete only if cancel.
1. Name of vision plan

Section D
1. Check one box
   Complete only if voluntary cancel.
2. Employee signature/date signed

Section E Complete items 2. through 16. only if 2nd or 3rd boxes are X'd in Section D.
2. Vision plan organization code
4. Employee deduction amount
5. State share amount
6. Effective date
7. Employee designation
8. Bargaining Unit
9. Total premium amount
10. Permitting event date
11. Permitting event code
12. Agency code
13. Unit code
14. Agency name
16. Check if Permanent Intermittent employee
17. Authorized agency signature
18. Telephone number

19. Date received in employing office

SUBJECT: CSU – LONG TERM DISABILITY H 740

REFERENCES
(Revised 03/89

GC	19849.10-19849.12, 1151a, 1153
Education Code	89506

INTRODUCTION
(Revised 03/89)

The CSU Long Term Disability (LTD) benefit plan is available to all campuses in the USPS and to all group insurers for whom payroll deductions are made by SCO for specific groups of managers and supervisors.

The Program Administrator (Chancellor's Office) will approve the deduction company interested in participating in the CSU-LTD Payroll Deduction Program. Once the administrator approves the company for participation, PPSD is notified and will assign an organization code to identify the approved deduction plan.

Deduction code 250 is assigned for CSU-LTD benefit deductions. For organization code numbers assigned to the LTD benefit deductions, see Section B 031.

LONG TERM DISABILITY ENROLLMENT AUTHORIZATION **H 741**
(Revised 03/02)

CSU - Long Term Disability Enrollment Authorization form (contact CSU Chancellor's Office), is the only form that Payroll Operations will accept to establish, change, or cancel a LTD benefit deduction.

Campuses will send the original CSU-LTD form to Payroll Operations for review and approval. After the form has passed the audit stage, it is processed through the payroll system.

An employee may authorize only one payroll deduction for a CSU-LTD benefit plan.

If an employee elects not to enroll in the CSU-LTD benefit plan, the CSU-LTD form is retained in the campus file. NO COPIES are fowarded to Payroll Operations for non-elects.

EFFECTIVE DATE **H 742**
(Revised 03/89)

The effective date of coverage is the first day of the month in which the deduction is applied.

RETROACTIVITY **H 743**
(Revised 03/89)

Retroactive enrollment forms will be processed in accordance with the procedures set forth by the Chancellor's Office.

EFFECT OF PAYROLL/PERSONNEL TRANSACTIONS **H 744**
(Revised 09/92)

There will be no direct payment of premiums for the CSU-LTD plan for employees on leave of absence.

Deductions will be taken from separation pay unless the separation is for death.

When an employee transfers from one campus to another and has previously authorized a payroll deduction, the deduction will continue to be automatically applied providing the employee still meets eligibility requirements. However, if an employee transfers from a CSU position to a civil service position, the payroll deduction will be canceled.

REFUND OF PREMIUM OVERPAYMENTS AND RECOVERY OF STATE CONTRIBUTION **H 745**
(Revised 09/92)

If a carrier receives a premium which is not due and was paid by payroll deduction, the overpayment must be reported to SCO. They will process documents to correct the employee's deduction record as well as process a transaction to recover the overpayment.

REPORT OF STATE CONTRIBUTION TRANSFER **H 746**
(Revised 09/92)

The transfer of the state share will be made at the same time and by the same transfer document Payroll Revolving Fund Transfer Notice, SM 62, which transfers the gross wages from the appropriation to the Payroll Revolving Fund.

In some instances, Form SM 62 that involves transfers of funds will reflect state contributions.

COMPLETION OF FORM 747 **H 747**
(Revised 09/92)

Complete the following items on the CSU-LTD Form:

Section A	Type of action; one box must be checked.
	Social security number
	Name
	Date of birth
	Marital status
	Sex
	Mailing address
Section B	Name of LTD plan (complete only for new or change)
Section C	Name of LTD plan (complete only for change or cancellation)
Section D	Check one box (This section cannot be altered in any manner.)
	Employee signature
	Date signed
Section E	Complete if box B or C is X'd in Section D
	Employer deduction code – 250
	LTD organization code
	Employee deduction amount
	State share amount
	Total premium amount
	Employee CBID
	Effective date of action
	Permitting event date
	Permitting event code
	Agency code
	Unit code
	Check if PI employee

Agency name
Remarks, if applicable
Authorized signature/telephone number
Date received in employing office

SUBJECT: FLEXIBLE BENEFITS **H 750**

REFERENCES
(Revised 12/92)

G. C. 1156
IRS Section 125
FlexElect Procedures Manual
FlexElect Brochure

INTRODUCTION

(Revised 12/92)

Flexible Benefits is an alternative benefit plan for certain eligible employees which offers tax advantages and dollar savings to those who elect to participate. There are 5 flexible benefits programs:

- Civil Service FlexElect
- CSU Flexible Benefits
- Assembly Rules Flex
- Senate Flex
- Civil Service Premium Only Plan (POP)

CIVIL SERICE FLEXELECT ELIGILIBITY **H 751**
(Revised 12/92)

Employees eligible to enroll in FlexElect are:

- State employees designated rank and file, managerial, supervisory, confidential, exempt E97, E98, and E99, Constitutional Officers, Judicial Council, and Supreme, Appellate, and Superior Court Judges.
- All of the above eligible employees must work full time or, if part-time, work half-time or more.
- All of the above civil service employees must have permanent status or if limited term or TAU appointees, have a right of return to a permanent position.
- Intermittent (PI) employees may enroll, but have limited eligibility. Refer to annual FlexElect Brochure for specific eligibility and benefit criteria.
- Employees must be paid through the Uniform State Payroll System (USPS).
- Unit 6 employees may use any of the options within Flex <u>except</u> the cash option in lieu of their dental insurance. This requirement is per the union's trust account restriction.

Newly eligible employees may enroll in FlexElect during the Plan Year with the effective date being on a current basis; retroactive enrollments are not permissible. Newly eligible employees must enroll within 60 days of becoming eligible. Newly eligible employees are:

- New employees hired after the open enrollment period whose designation and time base are one of the above.
- Employees whose time base changes to one of the above.
- Employees who were on an approved leave of absence during open enrollment.
- Employees who experience a family status change as defined under the "Family Status Change" portion of this section. In addition, if the employee's family status change results in a concurrent approved leave of absence (i.e. birth of baby and maternity leave), employee may enroll upon return to work within the specified time period.

(Revised 02/13)

The Civil Service Flex plan offers the following benefit choices:

- A reimbursement account process to pay unreimbursed health care expenses from pre-tax earnings.
- A reimbursement account process to pay dependent care expenses from pre-tax earnings.
- Cash options for employees who do not enroll in a medical and/or dental plan.

Health Care Reimbursement Account

Each year during the FlexElect enrollment period, participants designate how much money to deposit in their Health Care Reimbursement Accounts. On a monthly basis participants may contribute a minimum of $10 per month up to $208.33 per month ($2,500 per year). Note: Monthly maximum amounts may be larger than $208.33 if the employee is allowed to enter the program during the plan year, but the annual amount may never exceed $2,500.

Deductions into Reimbursement Accounts begin with the December pay period pay warrants. Participants can begin to claim health expense reimbursements whenever services are provided for the plan year (January 1 through December 31).

Claims may be submitted for any medical expenses, as defined in the Internal Revenue Code Section 125, which are not covered by any medical, dental, or vision insurance plan. Dependents whose medical costs are reimbursable are also defined in IRS Code Section 125.

Once employees allocate contributions to their Health Care Reimbursement Accounts for the year, they may change (increase, decrease, start, or stop) allocations only if they have an allowable family status change. The "change in family status" limitation is imposed by the Internal Revenue Service, and there are no exceptions.

IRS regulations also stipulate that employees must use the full amount of money in their Health Care Reimbursement Accounts for expenses incurred during the Plan year, or forfeit what remains. Requests for reimbursement must be submitted no later than June 30 of the year after the year in which funds are allocated to Health Care Reimbursement Accounts for expenses incurred during the plan year.

Dependent Care Reimbursement Account

Each year during the FlexElect enrollment period, each participant designates a monthly deduction amount from his/her paycheck to be placed in a Dependent Care Reimbursement Account. Participants may contribute a minimum of $20 per month up to $416.66 per month. The annual maximum is $5,000 ($2,500 for married individuals filing separate tax returns).

Employees enrolling in FlexElect during the plan year as a result of a family status change may exceed the monthly amount of $416.66 but the annual sum of the monthly amounts may not exceed $5,000. For example, the employee enrolls in FlexElect in June because of a family status change. The employee is eligible to contribute $833.32 per month for the remaining six months of the plan year.

Participants may submit claims only for dependent care services incurred from the effective date of the Flex Enrollment Form through December 31 of the Flex Plan Year.

IRS regulations also stipulate that employees must use the full amount of money in their Dependent Care Reimbursement Accounts for expenses incurred during the Plan year, or forfeit what remains. Requests for reimbursement must be submitted no later than June 30 of the year after the year in which funds are allocated to Dependent Care Reimbursement Accounts for expenses incurred during the Plan Year.

In order to qualify for reimbursement, participants must have a qualifying dependent. The dependent must (i) be the participant's child under the age of 15 or any other child (in the participant's custody) for whom the participant is entitled to claim an income tax exemption under the Internal Revenue code, or (ii) a spouse or dependent (according to the IRS Code) who is physically or mentally incapable of caring for himself, such as a parent who is an invalid.

For each qualifying dependent, participants may claim (i) expenses for household services (such as maid service) and (ii) expenses for the care of the qualifying dependent, such as baby sitting expenses and day care expenses, etc. This includes in-home care, licensed family day care homes, and day care centers that comply with all applicable State and local laws.

Cash Option

Employees may opt not to enroll in any medical or dental plan provided they show proof of other group medical coverage. If employees decide to opt for no medical or dental coverage (or both), a portion of the benefit dollars from the State share contributions which would have been paid to the carrier(s) is paid to participants as additional cash in their monthly paychecks.

Cash Option Amounts

Year	Health	Dental	Total
1989	**90.00**	**10.00**	**100.00**
1990	**105.00**	**11.00**	**116.00**
1991	**128.00**	**12.00**	**140.00**
To Current			

Under FlexElect, Cash Option payments are included with regular paychecks and are subject to the payroll (federal, state, Social Security, Medicare and State Disability Insurance) taxes. This additional cash income is reported on W-2 Forms in the same calendar year the cash is received; however, the money is NOT considered compensation for retirement purposes. Note: If employee is placed on IDL, the Flex cash will be issued separately within 7 work days after IDL pay has issued.

FAMILY STATUS CHANGES H 753

(Revised 01/02)

Once elected, all FlexElect enrollment choices are in effect for the plan year - January 1 through December 31. Participants may not change or cancel FlexElect benefit elections in the middle of a coverage period, except for allowable family status changes as defined by IRS regulations.

If an allowable status change occurs, participants may complete a new enrollment form and make the necessary changes. Refer to the FlexElect Procedures Manual Permitting Event Chart for allowable changes.

ENROLLMENT PROCESS H 754

(Revised 02/13)

FlexElect is a voluntary program. Each year that an employee wants to participate in a Health Care or Dependent Care Reimbursement Account he/she must enroll during the annual FlexElect Open Enrollment period by completing a FlexElect Enrollment Authorization form STD. 701R. FlexElect Cash Option is a continuous program, once an employee has enrolled in the program annual enrollment forms are no longer needed. If an employee wishes to establish, cancel or change the amount of their Cash Option he/she must do so during the annual FlexElect Open Enrollment period by completing a FlexElect Enrollment Authorization form STD. 701C or for CoBen employees a Consolidated Benefits Cash Enrollment Election form STD. 702.

In addition to completing the FlexElect Enrollment Authorization or Consolidated Benefits Cash Enrollment Election forms, if participants select/change any of the following, they must also complete a Standard CalPERS Health (HBD-12) and/or a Standard Dental (STD. 692) Benefits Enrollment Form which becomes effective January 1 after the Open Enrollment period.

- Establish medical or dental coverage
- Change current medical or dental coverage
- Cancel current medical or dental plan
- Change the eligibility of a covered dependent or want to add an eligible dependent.

FlexElect coverage runs from January 1 to December 31 effective with the December through November pay periods. The FlexElect Open Enrollment period is generally held from September 1st to October 15th each year. To verify open enrollment dates and deadlines for all documents to be signed and submitted to Personnel Offices and SCO, please refer to DPA's BAM or annual open enrollment PMLs.

FlexElect benefit options cannot be changed or rescinded after December 31, unless the participant has a change in family status or has an exception approved by DPA.

ADMINISTRATIVE CHARGE **H 755**
(Revised 01/02)

An administrative fee will be determined each year by the Director of the Department of Personnel Administration. This administrative fee is deducted from each participant's after-tax salary each month.

A monthly departmental administrative fee will appear on employees' earnings statements. The deduction code is 356-002. There is no employee deduction amount; only a state (departmental) share amount.

RETROACTIVITY **H 756**
(Revised 01/02)

Retroactivity is restricted to a period of 3 years, including the pay period in which the adjustment is made. However, reimbursement accounts (health and dependent care) are closed 6 months after the end of each plan year. Accordingly, adjustments to health and dependent care deductions are not made after the 6 month period following the close of each plan year.

INSUFFICIENT NET **H 757**
(Revised 02/13)

If the gross of the payment was sufficient, but the net was insufficient to withhold the FlexElect deduction, follow the instructions in H 010 to submit a STD. 674AR.

If the gross is insufficient, the employee must make direct payment to the deduction company.

DISABILITY **H 758**
(Revised 01/02)

Flexible benefits are withheld from Non-Industrial Disability (NDI) payments unless the employee has a permitting event which allows him/her to cancel the deductions.

Flexible benefits are withheld from Temporary Disability (TD) supplementation payments.

When an employee with flexible health/dental benefits is placed on Industrial Disability Leave (IDL), the employee's flexible benefits are canceled and the employee is placed into traditional health and/or dental plans. Once the employee returns to active status, the employee's Flex deductions are reestablished if a valid Flex enrollment exists.

If the employee is placed on IDL mid-month and has earned sufficient net pay for the Flex deductions to be taken, the employee's Flex deductions will not be converted to traditional benefits until the following month.

For employees with the cash option, a separate warrant will be issued within 7 workdays after IDL pay has issued. Once the employee returns to active status, the cash option will be applied to regular pay if a valid Flex enrollment exists.

REFUND OF PREMIUM OVER-PAYMENTS/RECOVERY OF STATE CONTRIBUTIONS **H 759**
(Revised 01/02)

If a carrier receives a premium which is not due and which was paid by payroll deduction, Payroll Operations will process correction documents to refund that premium to the participant and recover the state share amount. The participant's wage and tax records will be adjusted and will reflect the refunded premium as taxable income.

If the state contribution was paid due to an erroneous enrollment, the participant's flex records will be canceled and the correct deductions will be established with effective dates identical to the original deductions.

WAGE AND TAX FORM W-2 **H 760**
(Revised 01/02)

The impact of flexible benefits on W-2 Forms is the following:

- Cash Option amounts are <u>included</u> in the "Wages, tips, other compensation" box #1 (gross earnings).
- Medical reimbursement accounts and pre-tax health and dental benefits reduce gross earnings.
- Dependent care reimbursement accounts also reduce gross earnings and are separately reported in box #10.

EFFECTS OF PAYROLL/PERSONNEL TRANSACTIONS **H**
(Revised 01/02)

Since FlexElect elections are irrevocable during the plan year (unless the employee has an allowable permitting event) promotions, demotions, transfers, etc., do not affect employee's plan year elections, even if the employee's new position would make him/her ineligible for FlexElect.

The exception to this includes employees moving from eligible positions to permanent intermittent positions. Employees becoming permanent intermittent employees must have their FlexElect elections canceled immediatel

However, employees who are on leave of absence will not have FlexElect deductions withheld. If a participant is o a leave of absence during the plan year, direct payments can be made to the health or dental carriers (including state share) to continue coverage.

REPORT OF STATE CONTRIBUTION TRANSFER **H**
(Revised 01/02)

All state shares paid under flexible benefit plans (health insurance, dental insurance, cash options) are charged to the object of expenditure code for flexible benefits. These charges are included on the Form SM 62 which transfers the gross wages from the appropriation to the payroll revolving fund.

Health benefit plans under flex also have an associated administrative charge. These charges are included with th regular health benefits administrative charges on the Form SM 62.

CALIFORNIA STATE UNIVERSITY (CSU) FLEXIBLE BENEFITS **H**
(Revised 01/02)

The CSU Flexible Benefits Plan contains the following components:

- Health Care Reimbursement Account
- Dependent Care Reimbursement Account
- Tax Advantage Premium Plan (TAPP) (i.e., Pre-Tax Medical Plan)
- Cash Option

All eligible CSU employees will automatically have their medical premiums pre-taxed. For employees who do not want to participate in TAPP, refer to the CSU Technical Letter Benefits 92-03 for disenrollment procedures.

ASSEMBLY FLEX PLAN **H 764**
(Revised 01/02)

The Assembly Flex Plan contains the following options:

- Health Cash Option
- Health Care Reimbursement Account
- Dependent Care Reimbursement Account
- Life Insurance
- Pre-Paid Legal (non-pre-tax)

Assembly members who do not elect Health Care, Dependent Care, Life Insurance, Legal Plan, or Long-Term Care options automatically receive pre-tax treatment of their medical out-of-pocket premiums.

Additionally, Legal Assistance Insurance Premium amounts are not deducted from a participant's gross wages before taxes, Social Security and Medicare withholding is determined.

SENATE FLEX PLAN **H 765**
(Revised 01/02)

The Senate Flex Plan contains the following options:

- Health Care Reimbursement Account
- Dependent Care Reimbursement Account
- Cancer Insurance

Senate members who do not elect Dependent Care, or Life Insurance options automatically receive pre-tax treatment of their medical out-of-pocket premiums.

PREMIUM ONLY PLAN (POP) **H 766**
(Revised 01/02)

The Civil Service POP program contains the following components:

- Pre-Tax Medical Plan
- Pre-Tax Dental Plan

Civil service employees will automatically have their health and/or dental premiums pre-taxed. The POP deductions will appear as Flex deductions on employee earning statements. Unlike FlexElect, there is no employee paid administrative fee.

For employees who do not want to participate in POP, refer to DPA's Personnel Management Liaison (PML) Letter #91-64 for dis-enrollment procedures.

SUBJECT: CIVIL SERVICE LONG-TERM DISABILITY H 770

REFERENCES
(Revised 08/05)

GC 19849.10 - 19849.12, 1151a

INTRODUCTION
(Revised 08/05)

The Civil Service Long-Term Disability (LTD) benefit plan is available to specific groups of unrepresented employees.

The Civil Service LTD Program is administered by Department of Personnel Administration (DPA). Department personnel offices will notify eligible employees of availability of the LTD program and provide them with the LTD pamphlet and a 60 day enrollment period (See PPM Section Z, Attachment H-8). Employees have 60 days from the date of eligibility to enroll in the LTD program.

Deduction Code 075 is assigned for Civil Service LTD benefit deductions. For organization codes, refer to LTD form SI 7533D - 643146 and PPM Section B 026.

LONG-TERM DISABILITY ENROLLMENT AUTHORIZATION H 771
(Revised 08/05)

Civil Service LTD enrollment Form SI 7533D - 643146 is the only form Payroll Operations will accept to establish or change an LTD benefit deduction (Contact Department of Personnel Administration). LTD deductions can be canceled via the LTD form or administrative cancellation letter. Refer to PPM Section H 014 for administrative cancellation instructions.

The forms must be ordered through Standard Insurance, (888) 641-7193. Departments must send the original and carrier copy to Payroll Operations for review and approval. After the form passes the audit stage, it is processed through the payroll system. Form SI 7533D - 643146 must be signed by a representative whose authorized signature is on file with PPSD.

An employee may authorize only one payroll deduction for the LTD program.

Employees may submit forms for the following reasons:

- Cancel deduction
- Decrease coverage
- Add cost of living adjustment

ELIGIBILITY H 772
(Revised 08/05)

Unrepresented employees who have a permanent position that is half time or greater and whose

CBID is C01-C21, M01-M21, S01-S21, E58, E59, E68, E78, E79, E88, E89, E97, E98, E99

Employees on limited term appointments who otherwise meet this eligibility criteria may enroll in LTD only if they have a mandatory right of return to a position and status that also meet this criteria with no prior break in service. (Permanent Intermittent and limited term appointments other than stated above are not eligible.

Following are examples of criteria that may affect an employee's eligibility for participation in the LTD program.

Example 1

If an employee who is currently enrolled in LTD moves from a qualifying unrepresented position (permanent half time or greater) to a rank and file limited term position and has right of return to an unrepresented position, then the employee may continue in the program through payroll deductions. However, if the employee is not enrolled in LTD while in the unrepresented position, then he/she may not enroll while in the rank and file limited term position.

Example 2

If an employee moves from a rank and file position to a limited term unrepresented position, he/she is not eligible to participate in the program. The employee must have a prior qualifying unrepresented position (permanent half time or greater) with right of return privileges to enroll in the LTD program.

Example 3

If an unrepresented employee in an eligible position (permanent half time or greater) is enrolled in the LTD program and moves to a reduced non-qualifying time base position (intermittent or less than half time) he/she is no longer eligible to participate in the LTD program through payroll deduction or direct payment process.

Example 4

If an employee in a non-qualifying position (time based is intermittent or less that half time) moves to a qualifying time base (permanent half time or greater), then he/she is newly eligible and may enroll in the LTD program and may participate through payroll deductions.

EFFECTIVE DATE **H 773**
(Revised 06/97)

Forms must be received in Payroll Operations by the 10th of each month to be processed for the current pay period. Forms received after the established cut-off date will be effective the following pay period. No retroactive additions, cancellations or changes in amounts may be requested by agencies. Premiums are paid a month in advance.

EFFECT OF PAYROLL/PERSONNEL TRANSACTIONS **H 774**
(Revised 06/97)

If an employee becomes ineligible or is in a non-pay status situation and wants to continue in the LTD program by paying his/her premiums directly to the company, he/she must contact DPA, Benefits Division.

COMPLETION OF LTD FORM SI 7533D - 643146 **H 775**
(Revised 08/05)

The following items MUST be completed:
Employee - Section A

1. Type of Action - One box (a,b,c) must be X'd
2. Social Security number
3. Name
4. Date of birth
5. Mailing address
6. Title/Occupation
7. Gender

Employee - Section B

1. Check box to select LTD benefit level and to authorize payroll deduction of Premium. Choose **one** type of coverage **only**.

   Please note: Employees who do not contribute to OASDI/Social Security should enroll in the Peace Officer/Fire Safety Plan regardless of their classification.

2. Complete premium Computation to determine monthly LTD premium rate.

   Employee determines monthly base salary (not to exceed the maximum of $9,230 for the 65% benefit level or $10,910 for the 55% benefit level and not including overtime compensation, premium pay, etc.), identifies the age factor appropriate from the grid of rates on the enrollment form, and adds the administrative fee.

Employee – Section C

1. Read Statement of authorization for enrollment/cancellation and payroll deduction;
2. Sign form;
3. Enter date form was signed; and
4. Give form to Departmental Personnel Officer for further processing.

Employee – Section D

1. Deduction code 075 (already entered on form);
2. Organization Code – enter 111, 112, 119 or 120. Only one can be entered and must agree with Section B1;
3. Verify premium computation is accurate;
4. Enter Deduction Amount – Must agree with B1. Leave blank for cancellation;
5. Agency Name;
6. Effective date – If form is received after the established cut-off date, the effective date will be changed to the first of the following month;
7. CBID;
8. Agency code;
9. Reporting Unit;
10. Remarks – For newly eligible employees, the first date of eligibility and the end of the 60-day period must be shown;
11. Authorized Agency Signature;
12. Agency Telephone Number
13. Date received in employing Office

ELIGIBILITY PROGRAM **H 776**

(Revised 08/05)

Each month, Payroll Operations receives a program identifying employees with an LTD deduction that may not be eligible.

A form PR475 will be sent to employee's Personnel Office advising them of the employees that appear to be ineligible for LTD. If the Personnel Office determines employee is eligible, Payroll Operations, Miscellaneous Deductions Unit must be notified by the 15th of the month. If notification is not received by the Miscellaneous Deductions Unit by the 15th, the deduction will be canceled and deductions refunded by Standard Insurance.

SUBJECT: CONSOLIDATED BENEFITS H 780

REFERENCES
(New 01/00)

G. C.	1156
IRS SECTIONS,	125 and 129
CONSOLIDATED BENEFIT BROUCHERS,	
PML,	98-045
PAYROLL LETTER	98-042

OVERVIEW
(New 01/00)

Consolidated Benefits (CoBen) was implemented as part of the State's FlexElect Program. CoBen changes the way the State contributes towards health, dental and vision premiums and allows employees to receive additional taxable cash each month based on their cost-effective benefit plan choices. Under CoBen, the State will provide a benefit allowance, rather than providing specific contribution amounts for health, dental and vision premiums. This benefit allowance will be used to pay for the premium cost of the health, dental and vision benefits. Depending on the total cost of the benefit plans, CoBen may allow employees to receive additional taxable income each month, or offset out-of-pocket premium costs.

As with the State's current FlexElect Program, employees who have health and/or dental coverage through another source will be allowed to receive cash in lieu of both health and dental coverage or for health coverage only. Under CoBen, vision benefits are mandatory. All employees will continue to be enrolled in the State's Vision Plan. Employees who have previously declined vision coverage will be automatically enrolled.

DEDUCTION/ORGANIZATION CODES AND EARNINGS STATEMENT ABBREVIATIONS H 781

(New 01/00)

Deduction/Organization Code 354-010 is assigned to the Benefit Allowance. The Earnings Statement Abbreviation is *BENEFITAMT.

Code 354-015 identifies the Benefit Allowance While On IDL. The Earnings Statement Abbreviation is IDL-BENAMT.

Code 354-020 is assigned to the Consolidated Benefits Cash Option or Consolidated Benefits Cash Excess. The Earnings Statement Abbreviation is COBEN CASH.

CIVIL SERVICE COBEN ELIGIBILITY H 782

(New 01/00)

For Rank and File employees, eligibility for Consolidated Benefits is based on the Memorandum of Understanding (MOU) between the unions and the State. Most Excluded employees; managerial, supervisory, confidential and those employees exempt from collective bargaining are mandated by the State to enroll in CoBen. The following chart lists the employee groups eligible for CoBen and the pay period and effective date of eligibility:

BARGAINING UNIT	PAY PERIOD	EFFECTIVE DATE
BU 16	**07/1998**	**07/31/1998**
BU 08	**12/1998**	**01/01/1999**
BU 19	**12/1998**	**01/01/1999**
***EXCLUDED**	**12/1998**	**01/01/1999**
BU 18	**04/1999**	**05/01/1999**

* The Judicial Council, Senate and Assembly members and statutory judges do not participate in the CoBen option.

CIVIL SERVICE COBEN PLAN **H 783**
(Revised 01/08)

CoBen is part of the current FlexElect plan. Therefore, employees enrolled in CoBen continue to be eligible for the FlexElect plan options. For a description of the FlexElect plan options refer to PPM Section H 752. In addition to the current FlexElect plan options, CoBen offers the following:

- The State will provide a benefit allowance.
- Depending on the total cost of the benefit plans chosen CoBen may allow employees to receive additional monthly taxable income.
- CoBen cash options for employees who do not enroll in a health or health and dental plan. Unlike the FlexElect plan, CoBen participants are not eligible to receive cash in lieu of State-sponsored dental benefits only.

Health or Dental Plans
Employees may select any health or dental plan or may opt not enroll in any health or health and dental plans provided they show proof of other medical coverage. (See "CoBen Cash Option".) Employees who select health or dental plans under CoBen will have out-of-pocket premiums deducted from their gross pay before federal, state, Social Security and Medicare taxes are determined.

Vision Plan
Under CoBen, vision benefits are mandatory. Out-of-pocket vision premiums will be deducted from the employee's gross pay before any federal, state, Social Security and Medicare taxes are determined. All employees will continue to be enrolled in the State's Vision Plan. Employees who have previously declined vision coverage will be automatically enrolled.

Benefit Allowance
The State will provide a benefit allowance to pay for the premium cost of the health, dental and vision benefits. This is to be done whether all the medical deductions are taken in one payment or are taken over several payments. The State Controller's Office payroll system monitors the benefit allowance amount to ensure it does not exceed the medical deduction premiums being withheld from a payment. For example, if an employee has a $505 benefit allowance and the pay only had vision and dental deductions of $100 applied, a benefit allowance of $100 would be applied to the payment. If that same employee also had a $500 health deduction that was not applied because of insufficient net, the $405 remaining benefit allowance would not be applied unless a subsequent payment applied the $500 health benefit deduction.

The amount of the benefit allowance depends on the employee's Collective Bargaining Identifier (CBID) and his/her health benefit party rate code. If the employee is not enrolled in health benefits, the dental party rate code determines the benefit allowance amount. The following charts list the benefit allowance amounts and the effective date:

Benefit Allowance Represented Employees (CBID R08)

Effective Pay Period	Benefit Allowance For Party 1	Rate 2	Code 3
12/98	**$200**	**$384**	**$505**

07/99	$209	$388	$510
11/99	$234	$433	$570
12/99	$214	$411	$542
12/00	$222	$427	$563
12/01	$230	$443	$584

Benefit Allowance Represented Employees (CBIDs R16, 18, 19)

	Benefit Allowance For		
Effective Pay Period	Party 1	Rate 2	Code 3
07/98*	$201	$365	$477
12/98	$200	$384	$505
07/99	$209	$388	$510
10/99	$229	$424	$558
11/99	$214	$397	$522
12/99	$214	$411	$542
12/00	$222	$427	$563
12/01	$230	$443	$584

*CBID R16 only

Benefit Allowance Excluded Employees

	Benefit Allowance For		
Effective Pay Period	Party 1	Rate 2	Code 3
12/98	$201	$394	$518
07/99	$210	$400	$523
09/99	$225	$424	$562
10/99	$215	$408	$536
12/99	$215	$422	$556
12/00	$223	$438	$577
12/01	$231	$454	$598

The benefit allowance amounts for excluded employees have been increased to offset the cost of the enhanced indemnity dental premiums.

CoBen Cash

There are two possibilities to receive CoBen Cash. If the premium cost of the health, dental and vision coverage selected is less than the total benefit allowance, the employee will receive the excess as CoBen cash in their monthly pay warrants. Or, if the employee has coverage through another source and elects to receive cash in lieu of health or health and dental coverage.

COBEN HEALTH/DENTAL OPT OUT AMOUNTS

- $130 - employee declines the State-sponsored health plan
- $155 - employee declines the State sponsored health and dental plan

Employees are not eligible to receive CoBen Opt Out cash if they decline dental coverage only.

CoBen Cash payments are included with regular pay warrants and are subject to the federal, state, Social Security, Medicare and State Disability Insurance taxes. This additional cash income is

reported on the Form W-2 in the same calendar year the cash is received. However, the money is not considered compensation for retirement purposes.

NOTE: If employee is placed on IDL, the CoBen Cash will be issued separately in the next daily cycle after the IDL pay has issued.

COBEN OPT OUT INDICATORS
Opt Out Indicator values and their meaning:

VALUE	MEANING
Space	No Opt Out Indicator
H	Opt Out of Health
B	Opt Out of Health and Dental

Opt Out Indicators are displayed on the Payment History Inquiry, Miscellaneous Deductions screen under "deduction/organization code 349-001 in the HEALTH-OPT-OUT-IND field.

Health Care/Dependent Care Reimbursement Accounts

Employees enrolled in CoBen are eligible for the FlexElect reimbursement accounts. For a description of this benefit option refer to PPM Section H 752.

ENROLLMENT PROCESS **H 784**
(Revised 01/02)

As contracts are ratified, specific bargaining units will be automatically converted to CoBen based on their current health, dental, vision and, if appropriate, FlexElect enrollment elections. Because vision benefits are mandatory under the CoBen plan, employees who have previously declined vision coverage will be automatically enrolled. After the initial conversion, the State Controller's Office will monitor employee changes in collective bargaining status on a monthly basis. Eligibility for CoBen is effective on a prospective basis based on the employee's CBID. For CoBen to be effective in the current month, Personnel Action Requests (PARs) changing employees' bargaining units must be processed by the 15th of the month. PARs processed after the 15th of the month may not be effective until the following month. Departmental action will not be required. This policy does not affect eligibility dates for benefit permitting events.

DOCUMENT PROCESSING **H 785**
(Revised 01/02)

After the initial conversion into CoBen, when employees have allowable permitting events that change their health and/or dental coverage, all health documents (health [HBD-12]) should be sent to HBD or keyed into the CalPERS ACES system. All other forms (dental [form STD. 692] and/or Consolidated Benefits (CoBen) Cash Enrollment Election [form STD. 702]) should be sent as a package, stapled together, to the State Controller’s Office.

ADMINISTRATIVE CHARGE **H 786**
(Revised 01/02)

A monthly administrative fee, deduction/organization code 349-001, is deducted from each participant's after-tax salary if the employee has a FlexElect Medical and/or Dependent Care Account. Otherwise, the deduction amount will reflect zero. This deduction will appear on the Payment History Inquiry, Miscellaneous Deductions screen and on the employee's earnings statement.

A flat fee is assessed for all employees who have one or more of the health related benefits. The monthly per capita fee is charge to the employer via payroll deduction/organization code 356-002. There is no employee deduction amount, only a state (departmental) share amount. The monthly departmental administrative fee will appear on the Payment History Inquiry, Miscellaneous Deductions screen. This fee will not appear on the employee's earnings statement. The administrative fee charge, in the accounting system Clearance System, is listed under the Object of Expenditure code 103134.

RETROACTIVITY **H 787**
(Revised 01/02)

The CoBen retroactive policies are the same as the current health, dental and vision retroactive policies. Retroactivity for health and dental deductions is restricted to a period of three years, determined by the pay period in which the document is received by the State Controller's Office. The vision program is an automated process; there should not be a need for retroactive processing.

INSUFFICIENT NET **H 788**
(Revised 02/13)

If the gross of the payment was sufficient, but the net was insufficient to withhold the CoBen deduction, follow the instructions in H 010 to submit a STD. 674AR.

If the gross is insufficient, the employee must make direct payment to the deduction company.

DISABILITY **H 789**
(Revised 01/02)

CoBen deductions are withheld from Non-Industrial Disability (NDI) payments unless the employee has a permitting event which allows him/her to cancel the deductions.

CoBen deductions are withheld from Temporary Disability (TD) supplementation payments.

When an employee with CoBen health, dental or vision benefits is placed in Industrial Disability Leave (IDL), the employee's CoBen health, dental and vision deductions are replaced with the traditional deduction codes. The employee's benefit allowance deduction code is replaced with the IDL Benefit Allowance code. Once the employee returns to active status, the employee's CoBen deductions are reestablished.

The entry date of the PAR placing the employee to or from IDL determines when the CoBen deductions will be converted to traditional deductions and vice versa. Therefore, if the PAR placing the employee on IDL is keyed on or prior to the 15th of the month and the employee has earned sufficient net pay for the CoBen deductions to be taken, the employee's CoBen deductions will be converted to traditional benefits for the current month. If the PAR placing the employee on IDL is keyed after the 15th of the month the traditional benefit deductions may not be effective until the following month.

For employees with the CoBen cash option, a separate warrant will be issued in the next daily cycle after IDL pay has issued. Once the employee returns to active status, the CoBen cash option will be applied to regular pay if a valid CoBen enrollment exists.

REFUND OF PREMIUM OVERPAYMENTS AND RECOVERY OF STATE CONTRIBUTIONS **H 790**
(New 01/00)

If a carrier receives a premium which is not due and which was paid by payroll deduction, Payroll Operations will process correction documents to refund that premium to the participant and recover the premium and if applicable the benefit allowance amount. The participant's wage and tax records will be adjusted and will reflect the refunded premium as taxable income.

If the benefit allowance amount was paid due to erroneous enrollment, the participant's CoBen records will be canceled and the correct deductions will be established with the appropriate effective dates.

WAGE AND TAX FORM W-2 **H 791**
(New 01/00)

The impact of CoBen benefits on W-2 Forms is the following:

- Cash Option and Cash Excess amounts are included in the "Wages. tips, other compensation" box #1 (gross earnings).
- Benefit Allowance amount is included in the "Wages, tips, other compensation" box #1 (gross earnings).

EFFECT OF PAYROLL/PERSONNEL TRANSACTIONS **H 792**
(New 01/00)

Because eligibility for CoBen is effective on a prospective basis and is based on the employee's Collective Bargaining Identifier Code (CBID), the Controller's Office will monitor changes in the employee's collective bargaining status. For CoBen to be effective current month, Personnel Action Requests (PAR) moving employees into or out of an eligible bargaining unit must be processed by the 15th of the month. PARs processed by the 15th of the month will result in the employee's deductions being converted to the appropriate benefit plans for the current month. Deductions for PARs processed after the 15th of the month may not be effective until the following month.

Employees who are on a leave of absence must make direct payments to the medical carriers (health, dental and/or vision) if they wish to continue coverage.

REPORT OF STATE CONTRIBUTION TRANSFER **H 793**
(New 01/00)

Because medical premiums for employees enrolled in CoBen are all employee paid, state share costs are affiliated with the Benefit Allowance amount. This cost is charged to the flexible benefits object of expenditure code. CoBen deductions also have an associated administrative fee. This fee is included with the Benefit Allowance amount on the Form SM 62.

SUBJECT: GROUP LEGAL SERVICES PLAN

H 800
INTRODUCTION

(Revised 02/05)

The Group Legal Services Plan is a voluntary, employee-paid legal plan benefit which provides employees and their family members with paid-in-full coverage for a variety of legal matters. This plan is available to specific groups of civil service represented and unrepresented employees and is administered by the Department of Personnel Administration (DPA).

Department personnel offices will notify eligible employees of the availability of the program and provide them with the enrollment form. Employees have 60 days from the date of eligibility to enroll in the program, or they may enroll during the annual open enrollment period in March. The carrier is responsible for providing enrolled employees with claim forms, certificates, listings of attorneys, etc.

Deduction code 075 is assigned for the Group Legal Services Plan. For the organization

code, refer to form 215-SOC-0203 (available from ARAG North America Inc (ARAG) 1-800-247-4184) and PPM Section. http://members.araggroup.com/california

ENROLLMENT AUTHORIZATION **H 801**
(Revised 02/05)

The Group Legal Services Plan enrollment form 215-SCO-0203 is the only form Payroll Operations will accept to establish or change the deduction. The deductions can be canceled via the form or administrative cancellation letter. Refer to PPM Section H 014 for administrative cancellation instructions.

The forms must be ordered through ARAG at (800) 247-4184. Departments must send the original and carrier copy to Payroll Operations for review and approval. After the form passes the audit stage, it is processed through the payroll system. Form DS488 must be signed by a representative whose authorized signature is on file with PPSD.

Employees may submit forms for the following reasons:

- Initial enrollment
- Cancel deduction
- Change coverage

ELIGIBILITY **H 802**
(Revised 02/05)

Employees who have a permanent position that is half time or greater and whose CBID is C01-21, M01-21, S01-21, E88, E89, E97, E98, E99, R01 - R06, R09 - R11, R14 - R16, R18 - R21 are eligible to enroll.

Employees on limited term appointments, T&D or TAU assignments who otherwise meet this criteria may enroll only if they have a mandatory right of return to a position and status that also meets the criteria.

Permanent-Intermittent (PI) employees who are credited with a minimum of 480 paid hours each six month qualifying control period ending June 30th or December 31st.

ELIGIBILITY OF DEPENDENTS **H 803**
(Revised 02/05)

Eligible dependents are defined as the eligible employee's legal spouse and any unmarried dependent children under the age of 23. Children include natural, adopted or step-children. An unmarried child, 23 years or over is also eligible if he/she is incapable of self-support because of physical disability or mental incapacity and he/she is chiefly dependent on the eligible employee for support and maintenance.

Family members who are not eligible include parents, grandparents, unmarried family partners, children under age 23 who marry and subsequently divorce, children over age 23, unless disabled as defined above and other relatives or persons not identified as eligible.
Enrolled members who fail to initiate the voluntary deletion within the permitting event date will not be reimbursed for the overpayment of premium nor will the carrier provide coverage for family members who not longer meet the eligibility requirement for dependents.

***** Effective January 1, 2005, Members with registered domestic partners will be allowed to enroll them as eligible dependents (Assembly Bill 205).

CONTINUATION OF COVERAGE UPON LOSS OF ELIGIBILITY **H 804**
(Revised 02/05)

Retirement
Employee cannot convert the Group Legal Services Plan into an individual policy.

Disability
Premium will be deducted from NDI/IDL as long as the employee is on disability.

Employee must contact ARAG 30 days in advance of the leave to make arrangements for direct payment. If the leave period is one year or less, the employee must pay the full premium amount in advance. If it is more than one year, the employee may arrange to make payments in installments. Should there be an overpayment of the premium, the carrier shall refund the difference.

If the employee chooses not to make direct payments, the coverage will terminate until the employee returns to work. Upon return to active pay status, the deduction will start automatically and the effective date and waiting period will start anew.

Retirement/Termination/Separation
Effective 2004, employees who are retiring or separating from State service can enroll in the Ultimate Legal Plan to continue receiving legal benefits. Payment is made directly to the carriers. Interested employees have 60 days from termination to enroll. Information is available at:
http://members.araggroup.com/ultimate or call 1-800-247-4184.

Death
Coverage terminates.

CANCELLATION OF COVERAGE **H 805**
(New 09/93)

Employees may cancel their coverage at any time. They are not required to remain in the plan for a minimum period of time. However, in order to receive certain services, the employee must have been enrolled in the plan for at least six months. If an employee cancels and subsequently re-enrolls at a later date (open enrollment), he/she will have to serve another waiting period.

EFFECTIVE DATE **H 806**
(New 09/93)

Forms must be received in Payroll Operations by the 10th of each month to be processed for the current pay period. Forms received after the established cut-off date will be effective the following pay period. No retroactive additions, cancellations or changes in amounts may be requested.

Employees must be advised that legal coverage is effective the first of the month following the pay period in which the earnings statement on the payroll warrant shows a premium deduction. For example, coverage is effective April 1st when the payroll warrant for the March pay period reflects a premium deduction. There is no retroactive date of enrollment.

Employees who enroll in the plan do not have to wait until the next open enrollment to change their level of coverage.

Examples of qualifying events which may change level of coverage are, an employee who selects individual coverage and subsequently marries during the plan year can change coverage from individual to family coverage; and conversely, a single parent whose enrolled dependent child marries or an employee who divorces may change family coverage to individual. The employee must submit an enrollment form within 60 days of the qualifying event (e.g., divorce, legal separation, marriage, child losing eligibility due to age or marriage). The change becomes effective the first day of the month following the pay period in which the earnings statement on the payroll warrant reflects the premium change.

COMPLETION OF FORM 215-SOC-0203 **H 807**
(Revised 02/05)

Section A (Completed by employee)

1. Type of Action - One box must be X'd
2. Social Security Number
3. Date of Birth
4. Name
5. Mailing Address
6. Daytime telephone number

Section B (Completed by employee)

1. Check box to authorize payroll deduction.
2. Type of Coverage - Box a or b must be X'd, EXCEPT for cancellations leave blank.
   List name(s) and date(s) of birth of dependents, if selecting family coverage.
3. Cancel Coverage – Check 2a and note the reason in box 2b.
4. Employee signature and date

Section C (3-13) - to be completed by agency personnel

1. Personnel verifies that employee is eligible based on time base/including the qualified control periods for PIs.
2. Circle deduction amount. (C-3).
3. Personnel completes all blank items in Section C (4-13).
4. In Section C-9, “Remarks”, the personnel must enter type of eligibility period beginning and ending dates and in Section C-10 the permitting event date.

Personnel Office completes all blank items and verifies that employee is eligible based on CBID.

Remarks - Enter the eligibility period beginning and ending dates. The exception is of cancellations or open enrollment forms. (All documents processed during open enrollment are considered as such and remarks are not required.)

SUBJECT: FAMIILY AND MEDICAL LEAVE ACT **H 825**

REFERENCES
(Revised 01/08)

CSU HR-05 Supplement #1
DPA PML 93-48
DPA PML06 - 042

INTRODUCTION
(Revised 01/08)

The Family and Medical Leave Act (FMLA) requires employers to provide eligible employees up to twelve weeks of leave per year for a qualifying family/medical reason. Also, FMLA requires employers to continue medical benefit coverage (health, dental and vision) at the same level while the employee is on unpaid leave.

Effective July 1, 2006, the State will continue health, dental, and vision benefits for up to 26 weeks while an employee is receiving SDI benefits. Employees do not have to meet the criteria for FMLA to receive the benefit coverage.

SUBMISSION OF FORM STD. 674 **H 826**
(Revised 01/08)

A Payroll Adjustment Notice, form STD. 674 must be submitted to request continuation of medical deductions and benefit allowance, if applicable, while an employee is on unpaid FMLA or SDI leave if the employee will not have benefits withheld from regular or disability pay for the pay period. A PAR S50 transaction with a Reason For Leave Code of 34, 35 or 36 must be processed before the form STD. 674 can be submitted to SCO. A separate form STD. 674 is no longer required for each pay period involved. Please note this is ONLY for FMLA and SDI requests on form STD. 674s.
Please note employees are not eligible for FlexElect Cash Option or Consolidated Benefit (CoBen) Cash Option or CoBen Cash Excess while participating in the FMLA. If all requested medical deductions are fully state paid (no employee contribution) or fully offset by the benefit allowance the State Controller's Office will process a payment type 'P' transaction to adjust deductions. Where an employee deduction exists for one or more of the desired non-CoBen medical deductions, or the benefit allowance does not fully offset the CoBen medical deductions, the State Controller's Office will establish an agency collection account receivable to recover the employee share.

COMPLETION OF FORM STD. 674 **H 827**
(Revised 01/08)

Form STD. 674 must be completed as follows:
1) TO STATE CONTROLLER - "X" box PPSD/Payroll Services;
   PPSD UNIT DESTINATION - "X" box Benefit Deductions
2) Social Security Number
3) Employee name
4) Position number
5) Leave blank
- Remarks
- "Requesting continuation of medical benefits for employee on family leave during MM/YY pay period for FMLA", Or “Requesting continuation of medical benefits for employee on SDI during MM/YY pay period”.
  1) Health benefits deduction/organization code and party code or "no health benefits".
  2) Dental benefits deduction/organization code and party code or "no dental benefits".
  3) Vision deduction/organization code or "no vision benefits".
  4) For employees enrolled in the CoBen plan, enter the benefit allowance deduction/organization code.

7) Form completed by/Phone number
   Agency Name
   Authorization Signature and date

SUBJECT: TEMPORARY DISBILITY WITHOUT SUPPLEMENTATION **H 830**
REFERENCES
(New 01/02)

INTRODUCTION
(New 01/02)

Per a DPA policy change effective June 13, 2000, employees who are receiving temporary disability (TD) benefits directly from the State Compensation Insurance Fund and have notified their department that they do not wish to use their leave credits to supplement their TD benefits will be entitled to continuation of health, dental and vision coverage.

SUBMISSION OF FORM STD. 674 **H 831**
(New 01/02)

A Payroll Adjustment Notice, form STD. 674 must be submitted to request continuation of medical deductions and benefit allowance, if applicable, while an employee is receiving TD benefits not supplemented by their leave credits and will not have benefits withheld from any other pay the pay period. A separate form STD. 674 is no longer required for each pay period involved. Pay periods should be combined on one form whenever possible. Please note this change is ONLY for requests of medical deductions, not for requesting any kind of disability pay. Employees are not eligible for FlexElect Cash Option or Consolidated Benefit (CoBen) Cash Option or CoBen Cash Excess while receiving TD benefits not supplemented by their leave credits. If all requested medical deductions are fully offset by the benefit allowance, or the state share for non-CoBen medical deductions, the State Controller's Office will process a payment type 'P' transaction to adjust deductions. Where an employee deduction exists for one or more of the desired non-CoBen medical deductions, or the benefit allowance does not fully offset the CoBen medical deductions, the state Controller's Office will establish an agency collection account receivable to recover the employee share.

COMPLETION OF FORM STD. 674 **H 832**
(New 01/02)

Form STD. 674 must be completed as follows:

1) TO STATE CONTROLLER - "X" box PPSD/Payroll Services;
   PPSD UNIT DESTINATION - "X" box Benefit Deductions
2) Social Security Number
3) Employee name
4) Position number
5) Leave blank
- Remarks
- "Requesting continuation of medical benefits for employees on Temporary Disability, as required by LC132a and Gov. Code 19863."
    1) Health benefits deduction/organization code and party code or "no health benefits".
    2) Dental benefits deduction/organization code and party code or "no dental benefits".
    3) Vision deduction/organization code or "no vision benefits".
    4) For employees enrolled in the CoBen plan, enter the benefit allowance deduction/organization code.

7) Form completed by/Phone number
   Agency Name
   Authorization Signature and date

SUBJECT: ADDITIONAL RETIREMENT CONTRIBUTION PLAN **H 850**

INTRODUCTION
(New 03/95)

The Additional Retirement Contribution Plan is a voluntary program and is not connected in any way with the State's mandatory retirement plan. Contributions are governed by Government Code Sections 20633 through 20635.

Contributions are not tax deferred; however, the interest earned on the employee's account is tax deferred. Contributions cannot be refunded unless the employee retires or separates from State service.

Contributors are assessed a monthly administrative fee of $2.00 which is deducted annually by PERS. Contributors are assessed an additional charge of $.0025 times the account balance at the end of each calendar year.

ELIGIBILITY **H 851**
(New 03/95)

All members of the Public Employee's Retirement System (PERS) are eligible to make additional retirement contributions.

DOCUMENT SUBMISSION **H 852**
(New 03/95)

Additional Retirement Contributions are made/changed/deleted using the PERS MEM-234 document. Agencies report employee Additional Retirement Contribution requests to PERS, which submits PERS MEM-234 documents to SCO no later than the 15th of each month in order for deductions to be withheld from that month's master payroll warrant.

SUBJECT: PARKING REIMBURSEMENT ACCOUNT (CS) H 860

REFERENCES
(New 07/02)

GC 1151(d)
IRS Code Section 132(f)
Department of Personnel Administration Personnel Management
Liaison (PML) Memorandum 2001-067

INTRODUCTION

(New 07/02)

The Pre-tax Parking Reimbursement Account offers tax advantages and dollar savings to those who are eligible to participate. On a monthly basis participants may deposit an amount not to exceed the Federal Exclusion Amount (see PPM I 161.1 for the Federal Exclusion Rates) in their Parking Reimbursement Accounts. Participants may start, change or delete their deductions at any time. This is not an annual program, therefore, deductions will continue until the agency submits a cancellation or the employee separates from State service.
Claims (DPA - 682 form PRE-TAX PARKING/THIRD-PARTY ADMINISTRATOR/ REIMBURSABLE ACCOUNT CLAIM - is available on line by accessing the DPA Website, http://www.dpa.ca.gov) and copies of receipts may be submitted to the Third Party Administrator for reimbursement after the deduction has been withheld.

Deduction/organization code 361-001 is assigned for the parking reimbursement account.

ELIGIBILITY **H 861**
(New 07/02)

Civil Service employees designated rank and file, managerial, supervisory, confidential and exempt are eligible to participate in the plan. Constitutional Officers, Judicial Council and Supreme, Appellate and Superior Court Judges and CSU employees are not eligible.

ENROLLMENT PROCESS **H 862**
(New 07/02)

The Parking Reimbursement Account is a voluntary program designed for Civil Service employees whose parking vendor does not participate in the State's Voluntary Miscellaneous Payroll Deduction Program. If employees do not have vehicle-parking expenditures or already pay for parking via payroll deduction, they should not enroll in this plan.

Complete and submit a Pre-Tax Parking/Third-Party Administrator/Reimbursable Account Enrollment form, (DPA 682 form, available on line by accessing the DPA Website, http://www.dpa.ca.gov) to the State Controller's Office, Miscellaneous Deductions Unit. The DPA 682 cutoff date is the 10th of the month. If the cutoff date falls on a Saturday, Sunday or holiday, cutoff is extended to the following workday.

RETROACTIVITY **H 863**
(New 07/02)

Enrollment, changes in enrollment, or cancellations are processed on a prospective basis. However, should an employee request a retroactive effective date change, a DPA 682 form must be completed. Enter the retroactive effective date in item 7, attach a brief memo pleading the retroactive effective date, and forward the documentation to DPA for review. Approved documents will be forwarded to the Controller's Office for processing.

INSUFFICIENT NET **H 864**
(New 07/02)

If a participant has insufficient net earnings from which to withhold the parking reimbursement account deduction, the deduction is not withheld.

DISABILITY **H 865**
(New 07/02)

The parking reimbursement account deduction is withheld from Non-Industrial Disability (NDI) payments provided there is sufficient NDI gross.

The parking reimbursement account deduction is not withheld from Industrial Disability Leave payments.

WAGED AND TAX FORM W-2 **H 866**
(New 07/02)

Parking reimbursement account deductions reduce taxable gross earnings.

EFFECTS OF PAYROLL/PERSONNEL TRANSACTIONS **H 867**
(New 07/02)

When an employee transfers from one agency to another and has previously authorized a payroll deduction, the deduction will continue to be applied automatically unless a cancellation has been received.

The deduction will not be taken from separation pay unless the separation occurs at the close of the last workday of the pay period. When an employee separates from a position (by leave of absence or permanently) prior to the end of the pay period, the final payment to the employee will not include parking reimbursement deductions.