

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
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DATE: November 23, 2010

PERSONNEL LETTER #10-030
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Lisa Crowe, Chief
Personnel/Payroll Services DivisionRE: **NEW RETIREMENT ACCOUNT CODES FOR EXCLUDED EMPLOYEES AFFILIATED WITH BARGAINING UNITS 5 AND 8**

The Department of Personnel Administration (DPA) announced in Personnel Management Liaison Memo 2010-026 dated October 21, 2010 that excluded employees affiliated with bargaining units 5 and 8 are subject to retirement contribution increases and new retirement benefit formulas for new hires. Based on previous direction from DPA, excluded employees affiliated with unit 5 had their retirement contribution rate changed effective July 1, 2010 (see Personnel Letter #10-025 dated October 15, 2010). For excluded employees affiliated with unit 8, their retirement rate increase is effective November 2, 2010. The on-line IDLS and Paycheck calculators have been updated to reflect the new retirement contribution rates.

RETIREMENT RATE CHANGES

Retirement rates for excluded employees affiliated with unit 8 were increased to 10%. The retirement rate changes were accomplished via an employment history (EH) mass update of 505 transactions with an effective date of November 2, 2010. The exclusion amount was also changed for excluded POFF members from \$513 to \$238 per month. The chart below reflects the new account codes, rate changes and exclusion amounts from the employment history mass update process.

Retirement Category	Old Account Code	New Account Code	New Rate	Exclusion Amount	Benefit Formula	Final Compensation
POFF	5L	3A	10%	\$238	3% @ 50	1 year
	5M	3B	10%	\$238	3% @ 50	1 year
Misc	45	2C	10%	\$513	2% @ 55	1 year

Excluded Patrol Members First Employed On or After October 31, 2010 in Bargaining Unit 5

Excluded employees first employed by the State on or after October 31, 2010 in unit 5 patrol retirement positions are subject to higher employee retirement contributions and new retirement benefit formulas based on their highest average salary during a 36-month consecutive period. New retirement account codes (see below) are required for CalPERS to specifically identify employees subject to the new retirement formulas. Employees should be placed in one of the retirement account codes listed below. The California Highway Patrol is responsible for entering the appropriate retirement account code on respective appointment transactions.

Retirement Category	Account Code	Rate	Exclusion Amount	Benefit Formula	Final Comp
Patrol	6T (Subject to Medicare)	8%	\$863	3% @ 55	3 years
	6U (Not Subject to Medicare)	8%	\$863	3% @ 55	3 years

Excluded Employees First Employed On or After October 31, 2010 in Bargaining Unit 8

Excluded employees first employed by the State on or after October 31, 2010 in unit 8 POFF or miscellaneous retirement positions are subject to higher employee retirement contributions and new retirement benefit formulas based on their highest average salary during a 36-month consecutive period. New retirement account codes are required for CalPERS to specifically identify employees subject to the new retirement formulas. Excluded unit 8 employees in POFF positions should be placed into one of the POFF account codes listed below. Excluded unit 8 employees in miscellaneous positions should be placed in the ARP account code AB listed below. Once employees complete 24 months of ARP participation, SCO will convert the employees to the respective CalPERS account code 4W listed below. Also, account code 4W should be used if any newly hired unit 8 miscellaneous retirement employees have prior non-State CalPERS service (i.e., County of Sacramento). To determine ARP eligibility and the correct ARP account code for newly hired employees, use DPA's ARP Eligibility Worksheet located at www.dpa.ca.gov under the HR Staff tab. The Department of Forestry and Fire Protection is responsible for entering the appropriate retirement account code on respective appointment transactions.

Retirement Category	Account Code	Rate	Exclusion Amount	Benefit Formula	Final Comp
POFF	3E (Not Subject to Medicare)	10%	\$238	3% @ 55	3 years
	3F (Subject to Medicare)	10%	\$238	3% @ 55	3 years
ARP-Misc	AB (Subject to SS/Medicare)	10%	\$513	2% @ 60	3 years
Misc	4W (Subject to SS/Medicare)	10%	\$513	2% @ 60	3 years

The automated EH mass update occurred on November 9, 2010 to post the 505 transactions for excluded employees affiliated with unit 8. Turnaround PARs (TAD) were issued from the update process and released on a flow basis.

Employees who were not processed in the automated mass update were manually processed by PPSD. Employees excluded from the mass update include those with an EH record reflecting an out-of-sequence status (i.e., the effective date on the most current transaction was after 11/2/2010). TAD PARs are issued once the employment history record is updated.

CONTACTS

For PAR documentation assistance, contact SCO's Personnel Liaison Unit at (916) 322-6500. For questions regarding CalPERS eligibility and benefits, contact CalPERS at (888) 225-7377. For retirement policy and legislation information, contact Desi Rodrigues, DPA, at (916) 324-9400.

Revisions to the Payroll Procedures Manual and Personnel Action Manual are forthcoming.

LC:PMAB:DW