



# 2023 LUMP SUM SEPARATION FAQ

## **Q1. When does a separating employee need to submit the Savings Plus Lump Sum Separation Pay Contribution Election Form (Election Form) to their Human Resources (HR) Office?**

**A.** Per California Labor Code (CLC), 201 (b) and (c); and CLC 202 (b) and (c), separating employees must sign, date, and submit the Savings Plus Lump Sum Separation Pay Contribution [Election Form](#) (Election Form) to their HR office at least five workdays (Monday through Friday, excluding Saturdays, Sundays and legal holidays) prior to their separation effective date. (Note: No changes will be accepted after the five-day threshold has passed.)

## **Q2. Where can I find information on how to process a lump sum separation?**

**A.** The [PPSD Lump Sum Separation Toolkit](#) has information and tools available to assist departments with separating employees. Review the updated [Separation Checklist for Personnel Specialists](#) and [A Guide for Avoiding Common Errors: Lump Sum Documentation and Processing](#).

## **Q3. I have an employee who would like to defer all, or a portion of, their lump sum pay into the next tax year. What does the separation date need to be?**

**A.** For those employees deferring their lump sum pay/Savings Plus contributions into the next tax year, agencies must indicate on the PAR a separation effective date in November or December only. The employee's CalPERS retirement date must be on or after November 2, 2023. Employees with a CalPERS retirement date before November 2, 2023, do not qualify to defer into the 2024 tax year. (Note: The official retirement date is one day after the separation effective date.)

## **Q4. Will SCO notify me when my lump sum separation PAR package is received?**

**A.** You will receive a confirmation email upon submitting the PAR package using ConnectHR. If you do not receive an email confirming submission of the PAR package, contact ConnectHR at [connecthrhelp@sco.ca.gov](mailto:connecthrhelp@sco.ca.gov).

## **Q5. I submitted a lump sum separation PAR to SCO and I need to make a correction. What do I need to do?**

**A.** 1. If the lump sum separation PAR has not been keyed by SCO (see Q7 below to help determine if the PAR has been keyed):

The following PAR items can be changed over the phone: PAR Items 215, 603, 606, 607, 620, 625, 630, 635, 636, 710, 888, 962 and line Item 10. To correct one of these items over the phone, contact the Statewide Customer Contact Center ([SCCC](#)) at (916) 372-7200, **select #2 for Civil Service, and then #2 for Civil Service Audits.**

2. If the PAR has not been keyed by SCO, and the PAR item to be changed is not listed above: Contact the [SCCC](#) and **select #2 for Civil Service, and then #2 for Civil Service Audits**, so

the PAR can be cancelled and a new PAR may be submitted.

3. If the lump sum separation has been processed:

Contact the [SCCC](#) and **select #2 for Civil Service, then #4 for Payroll, and then #1 for General Payroll Questions.**

**Q6. Whom do I contact for assistance with PAR documentation?**

**A.** If you still need assistance after consulting with your supervisor or senior/trainer, and you have examined the lump sum toolkit, you may contact the [SCCC](#) at (916) 372-7200 and **select #2 for Civil Service, and then #2 for Civil Service Audits.**

**Q7. What do I do if I receive a CS Audits Ding Notice?**

**A.** CS Audits Ding Notices are sent to departmental HR offices to inform them that (1) a PAR has been cancelled, or (2) there is an error(s) in the PAR that must be corrected within 48 hours or the PAR will be cancelled. Be sure to follow the instructions in the Ding Notice to help ensure timely and accurate processing of the PAR.

**Q8. How do I check the status of a lump sum PAR package that I submitted to SCO?**

**A.** To check the status of a lump sum PAR package, follow these steps:

1. Check Employment History (PIMS) to determine if the separation transaction (e.g., S70, S01) has been keyed. If the transaction has been keyed, then...
2. Check Pay History (POIS) to determine if the separation pay has issued.
3. If the separation pay has not issued, review the Weekly Processing Dates to determine the dates currently being worked by SCO:
  - a. In the [Weekly Processing Dates](#) document, under **Statewide Civil Service Payroll (General) Program** go to Personnel Action Request (PAR) – Std. 680.
  - b. Then, if the date that your PAR package was uploaded in ConnectHR is more recent than the date shown under Oldest Date, the separation has not yet been processed. In general, please check your pay daily using PIMS, POIS, and/or TAXI to verify what has issued.
  - c. If the date that your PAR package was uploaded in ConnectHR is older than the date shown under Oldest Date, then contact the [SCCC](#) at (916) 372-7200 and **select #2 for Civil Service, #4 for Civil Service Payroll, and then #1 for General Payroll Questions.**

**Q9. My employee's separation transaction is an S05. Are they eligible to transfer their lump sum pay into Savings Plus?**

**A.** No. Per the [Exempt Salary Schedule](#), lump sum payments for any accrued leave credits are not eligible to transfer to a Savings Plus account, unless an individual has a bona fide separation from employment (S05 transactions are not considered a bona fide separation).

**Q10. Does the "five-workday" rule for submitting the Election Form apply to S71 and S95 transactions?**

**A.** Yes. The five-workday rule (for an employee submitting their Election Form) applies to all

permanent separations. Regardless of the type of separation, the Election Form must be submitted at least five workdays (Monday through Friday, excluding Saturdays, Sundays and legal holidays) prior to the separation effective date. The Election Form must be signed, dated, and submitted prior to the employee disability retiring (S71) or the employee passing (S95), or the lump sum time to be paid out will be issued as cash. (See [CalHR Manual 1802](#)).

**Q11. I have a question about the lump sum payment(s) and Savings Plus contribution amount(s) that issued for my employee. Whom do I contact?**

**A.** Contact the [SCCC](#) at (916) 372-7200 and select #2 for Civil Service, #4 for Civil Service Payroll, and then #1 for General Payroll Questions.

**Q12. Do I have to cancel direct deposit for a separating employee?**

**A.** It is recommended that agencies cancel direct deposit for all separating employees the same day that the lump sum separation PAR package is uploaded through ConnectHR.

**Q13. How can I determine if the employee's request in the Election Form doesn't exceed the amount available to the employee per their leave accruals?**

**A.** The [Lump Sum Worksheet and Lump Sum Pre-tax Calculator](#) are needed to determine an employee's total lump sum pre-tax amount at separation. The Lump Sum Worksheet assists with determining total accrued leave balances. The Lump Sum Pre-Tax Calculator assists with using those accrued leave balances to determine the total pre-tax amount available to the employee.

**Q14. My employee wants to contribute as much as possible into their Savings Plus account, but they are not sure of the amount needed. What amount should they enter in Section II on the Election Form?**

**A.** The employee can enter the maximum contribution allowed, and it must be in numeric format (see page one of the Election Form), and SCO will apply the contribution amount available to the lump sum payments. (Note: The contribution must be entered as a dollar amount.)

**Q15. Will garnishments be applied to lump sum payments?**

**A.** [Section H 309](#) of the Payroll Procedures Manual (PPM) lists garnishment types that apply to lump sum payments, and those garnishments will reduce the amount available to contribute into a Savings Plus account.

**Q16. Will taxes come out of the lump sum payments with a Savings Plus contribution?**

**A.** Lump sum payments with a pre-tax contribution may be subject to Social Security and Medicare tax withholdings, as indicated by the employee's retirement account code in PIMS. Refer to the lump sum pre-tax calculator for assistance with contribution amounts subject to Social Security and Medicare. Any remaining amount not being contributed may also be subject to federal and state taxes.

- Lump sum payments with a post-tax contribution (Roth) will be subject to all applicable taxes.

**Q17. How can I verify what the employee has already contributed into their 401(k)/457(b) Savings Plus account(s)?**

**A.** Savings Plus contribution totals for the tax year can be verified using TAXI (also called Year to Date). In TAXI, select “F4” followed by “F8” (which will display the 2nd page of TAXI) to view year to date totals for pre-tax and post-tax 401(k) and 457(b).

**Q18. The lump sum payment(s) with the contribution amount(s) issued. When will the contribution(s) post to the employee’s Savings Plus account(s)?**

**A.** SCO submits two deduction files to Savings Plus each month: mid-month and end-of-month. The posting of funds will be based on (1) the issue date of the lump sum payments with the contribution amounts, and (2) when the deduction file with the contributions is sent to Savings Plus. If you have a question regarding this, please contact the [SCCC](#) at (916) 372-7200 and **select #2 for Civil Service, #4 for Civil Service Payroll, and then #1 for General Payroll Questions.**

**Q19. Where can I find information on contribution options/limits for Savings Plus plans?**

**A.** This information is located on the [Savings Plus](#) website.

**Q20. Can an employee participate in more than one Savings Plus plan (e.g., Traditional 401(k) and 401(k) Roth)?**

**A.** Yes, however, the combined total of both 401(k) plans cannot exceed the [age-based/annual limit](#). (Employee age must be 50 or older to qualify for age based + annual contribution limits.)

**Q21. My employee has approval from Savings Plus to make Catch-Up contributions into their 457(b) plan(s). What do they need to do?**

**A.** The employee must submit the Traditional Catch-Up Approval Letter (received from Savings Plus) to their HR office with their completed Election Form at least five workdays prior to their separation effective date. The Catch-Up amount(s) must be included in the 457(b) amount(s) entered in Section II on the Election Form. The HR office must then submit the Traditional Catch-Up Approval Letter to SCO with the coversheet, PAR, and the completed Election Form (which together are called a PAR package) for processing.

Note: SCO will not determine what the employee is electing to contribute into their 457(b) plan simply based on the submission of the Traditional Catch-Up Approval Letter. The dollar amount(s) that the employee elects to contribute as Catch-Up contributions must be included in the amounts that they enter in Section II on the Election Form.