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STATE CONTROLLER'S OFFICE  
PERSONNEL AND PAYROLL SERVICES DIVISION  
P.O. BOX 942850  
SACRAMENTO, CA 94250-5878

DATE: December 15, 2022

PAYROLL LETTER #22-015  
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Jil Barraza, Chief  
Personnel and Payroll Services Division

**RE: REVISED: RETROACTIVE RETIREMENT CONTRIBUTION RATE CHANGE FOR REPRESENTED (R18)  
STATE SAFETY, TIER 1 BARGAINING UNIT 18 EMPLOYEES**

Per Government Code sections 20683.77 and 20683.78, effective July 1, 2021, Represented (R18) State Safety, Tier 1 retirement members in Bargaining Unit 18 received a change to their employee retirement contribution rate for fiscal year 2021-2022. The new rates were announced in CalPERS [Circular Letter 200-061-21](#) dated October 13, 2021 and are as follows:

Represented (R18) Bargaining Unit 18 State Safety, Tier 1 employees:

Effective 7/1/2021, the employee retirement contribution rate changed from 11.00% to 11.50%.

The State Controller's Office (SCO) processed a retroactive Employment History (EH) mass update on December 14, 2021 to implement the retirement rate changes effective July 1, 2021 for eligible employees.

Please refer to [Personnel Letter #21-021](#) dated December 15, 2021 for additional information.

As a result, the retroactive 505 transaction, effective July 1, 2021, created an under-funded retirement contribution for the affected population from July 2021 through December 2021. CalHR and Bargaining Unit 18 have approved the SCO to establish the accounts receivables (5K A/R's) in September/October 2022 as onetime deductions for these under-funded retirement contribution amounts and the collection of the A/Rs are outlined below:

July 2021 retirement adjustments will be collected from November 2022 pay period.  
August 2021 retirement adjustments will be collected from December 2022 pay period.  
September 2021 retirement adjustments will be collected from January 2023 pay period.  
October 2021 retirement adjustments will be collected from February 2023 pay period.  
November 2021 retirement adjustments will be collected from March 2023 pay period.  
December 2021 retirement adjustments will be collected from April 2023 pay period.

Please note: Pay periods retroactive to July 2021 that have payroll adjustments (transfers, redeposits, A/Rs or disability transactions) and any fallouts from the mass processing will need to be reviewed by the Personnel and Payroll Operations Bureau (PPOB) staff and processed manually. These 5K A/Rs will be established as Agency Collection on a flow basis by December 2022. Agencies will need to follow the Accounts Receivable process in the Payroll Procedures Manual ([PPM: Section I 004](#)).

The SCO will issue a Corrected Form W-2 due to changes to the employee's original Form W-2 data resulting from the retroactive retirement contribution rate change. Payroll Operations will forward the forms to Agency Personnel Offices accompanied by a form letter explaining the reasons for the issuance of a Corrected Form W-2. Personnel offices will forward the Corrected Form W-2 to individual employees (please refer to [PPM: Section I 706](#)).

Please direct your questions concerning information shown on Form W-2C to the SCO, Statewide Customer Contact Center at (916) 372-7200. Follow the prompts to reach the W-2 Unit for assistance.

Please direct all inquiries concerning federal and state tax returns to the IRS or FTB offices. For additional information, please refer to [PPM: Section I 708](#).

For additional questions regarding this letter, please use the following contact information:

- Affordable Care Act (ACA) Email [acasupport@sco.ca.gov](mailto:acasupport@sco.ca.gov)
- [Cal Employee Connect \(CEC\) - Help and Feedback](#)
- California Leave Accounting System (CLAS) Email [Clas@sco.ca.gov](mailto:Clas@sco.ca.gov)
- ConnectHR Email [connecthrhelp@sco.ca.gov](mailto:connecthrhelp@sco.ca.gov)
- CS Escalation Email (HR Supervisors and Managers) [PPSDOps@sco.ca.gov](mailto:PPSDOps@sco.ca.gov)
- Decentralized Security & ViewDirect Access - (916) 619-7234 or [DSA@sco.ca.gov](mailto:DSA@sco.ca.gov)
- HR Suggestions Email (All HR Staff) [PPSDHRSuggestions@sco.ca.gov](mailto:PPSDHRSuggestions@sco.ca.gov)
- Management Information Retrieval System (MIRS) Email [PPSDmirs@sco.ca.gov](mailto:PPSDmirs@sco.ca.gov)
- [Statewide Customer Contact Center](#) (916) 372-7200

**SCO Key Initiatives:**

- [Cal Employee Connect Project](#)
- [California State Payroll System Project](#)

JEB:PM:BPA