

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

DATE: October 24, 2022

PAYROLL LETTER #22-021
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Jil Barraza, Chief
Personnel and Payroll Services Division

RE: IMPROVING AFFORDABILITY AND ACCESS TO HEALTH CARE BENEFIT– BARGAINING UNITS R01, R03, R04, R11, R14, R15, R17, R20, R21, AND ASSOCIATED EXCLUDED EMPLOYEES

This letter is to notify Agencies of the intent of the “Improving Affordability and Access to Healthcare” provision in the [Memorandum of Understanding](#) (MOU) with the Service Employees International Union – Local 1000 (SEIU), and Side Letter [#20-020](#), dated June 19, 2020.

Under this provision, the state agreed to provide 24 monthly payments in the amount of \$260 during the period of July 1, 2020, to June 30, 2022, to SEIU-represented employees (including related excluded employees) who were eligible for health benefits, including those who were not enrolled in a health plan administered by the California Public Employees’ Retirement System. During this same period, SEIU-represented employees were not eligible to participate in the Flex-Elect and CoBen Cash Option programs. The Department of Human Resources (CalHR) issued Pay Differential [#440](#) outlining the eligibility criteria for the monthly payment.

CalHR has determined that some SEIU-represented and related excluded employees who enrolled in the Flex-Elect or CoBen Cash Option program effective July 1, 2022, did not receive their last monthly \$260 cash payment for June 2022. Instead, they received the applicable Flex-Elect or CoBen Cash Option payment.

To ensure the state meets the terms of the agreement with SEIU, CalHR requested the State Controller's Office (SCO) issue payment for the gross difference between the Flex-Elect or CoBen Cash received by employees and the \$260 monthly cash benefit. SCO identified the employees that were excluded from the automated payment process. These employees had the following deduction codes and dollar amounts:

Deduction code 354-020 with \$155.00 or \$130.00

Deduction code 354-001 with \$140.00, \$128.00 or \$12.00

SCO will issue a payment for the gross difference between the Flex-Elect or CoBen Cash received and the \$260 monthly cash benefit for the June 2022 pay period. These payments will be processed and issued in October 2022 using the same earnings identifier “GHCP”.

AGENCY ACTION REQUIRED - PROCESSING INSTRUCTIONS

PAYROLL PROCESSING

Agencies remain responsible for identifying eligible active, separated and employees in the following categories not captured in SCO's mass payment process:

<u>Tenure</u>	<u>Time base</u>
Permanent	Intermittent (PI) – 480 or more paid hours/Control Period (or 960 paid hours in two consecutive Control Periods to qualify to continue coverage)
Permanent	Part-Time - less than half-time (if more than one position combined is half-time or more)
Limited-Term (more than 6 months)	Part-Time - less than half-time (if more than one position combined is half-time or more)
Temporary (more than 6 months)	Part-Time - less than half-time (if more than one position combined is half-time or more)

Agencies should process this payment or gross difference via the Payroll Input Process (PIP) System using Earnings ID "GHCP". If unable to key payment via PIP Agency must upload a STD. 674 payment request to the ConnectHR, 'Disability Unit Earnings Not Locked on the PAR' drop-down for processing. Agencies remain responsible for identifying any other eligible active employee that was not captured in SCO's mass payment process.

PAYROLL ADJUSTMENTS

GHCP \$260 Payment Employee NOT on LOA/Military:

- If an employee received the \$260 payment and wasn't eligible for the payment, the agency must upload a STD. 674 A/R form to the ConnectHR, 'Premium Pay' dropdown for processing. Please follow the A/R process in [Sections I](#) in the PPM.

Overtime - Disability Leave of Absence (LOA) Only:

- The \$260 payment amount must be included in an employee's regular rate of pay for overtime purposes.
- If overtime payments issued in the June 2022 pay period included both Flex-Elect/CoBen Cash and the \$260 payment in the overtime rate, then the Agency must establish an Accounts Receivable (A/R) for the Flex-Elect/CoBen Cash portion.

- The Agency must upload a STD. 674 A/R form to ConnectHR, 'Disability Unit Earnings Not Locked on the PAR' dropdown for processing. Please follow the A/R process in [Sections I](#) in the PPM.
- If overtime payments issued in the June 2022 pay period that did NOT include the full \$260 payment, Agencies must upload a Std. 674 to ConnectHR, Disability-Std. 674 (EID not locked on PAR) to issue additional overtime pay.

Overtime - Including NON-Disability LOA and Military Leave:

- The \$260 payment amount must be included in an employee's regular rate of pay for overtime purposes.
- If overtime payments were already made for the June 2022 pay period that included both the Flex-Elect or CoBen cash and \$260 payment in the overtime rate, then the Agency must establish an A/R for the flex-cash portion.
- Agencies must upload a STD. 674 A/R form to the ConnectHR, Premium Pay dropdown for processing the A/Rs related to overtime payments. Please follow the A/R process in [Sections I](#) in the PPM.

Flex-Elect/CoBen cash:

- If an employee received both the Flex-Elect/CoBen-cash and the \$260 payment, then the Agency must establish an A/R for the Flex-Elect or CoBen cash health option. Agencies must upload a STD. 674 A/R form to the ConnectHR, 'Benefits - Std. 674 A/R Benefits Accounts Receivable' dropdown for processing. Please follow the A/R process in [Sections I](#) in the PPM. Add the language "Establish AR for Flex Cash related to Pay Letter #22-021" in the "Remarks" section.
- If an employee received both the Flex-Elect/CoBen cash health option and the \$260 payment, and the Agency already established an A/R for the \$260 payment, the Agency must reverse this A/R and establish a new A/R for the Flex-Elect or CoBen cash health option.
- Agencies must upload all Flex-Elect/CoBen STD.674 A/R forms to the ConnectHR, 'Benefits - Std. 674 A/R Benefits Accounts Receivable' dropdown for processing. Please follow the A/R process in [Sections I](#) in the PPM. Add the language "Establish AR for Flex Cash related to Pay Letter #22-021" in the "Remarks" section.

Any questions regarding the Flex-Elect or CoBen Cash Option can be sent to flexelect@calhr.ca.gov.

Please direct questions concerning the Improving Affordability and Access to Health Care payments as follows:

Contacts:

- Affordable Care Act (ACA) Email acasupport@sco.ca.gov
- Cal Employee Connect Email connecthelp@sco.ca.gov
- Cal Employee Connect Feedback Email connectfeedback@sco.ca.gov
- California Leave Accounting System (CLAS) Email Clas@sco.ca.gov
- ConnectHR Email (All HR Staff) connecthrhelp@sco.ca.gov
- ConnectHR Feedback Email (All HR Staff)

- CS Escalation Email (HR Supervisors and Managers) PPSDOps@sco.ca.gov
- HR Suggestions Email (All HR Staff) PPSDHRSuggestions@sco.ca.gov
- Management Information Retrieval System (MIRS) Email ppsdmir@sco.ca.gov
- [Statewide Customer Contact Center](#) (916) 372-7200

SCO Key Initiatives:

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

JEB:AFB:BSE