

State of California

M E M O R A N D U M

TO: PERSONNEL MANAGEMENT LIAISONS **DATE:** April 26, 2004
REFERENCE CODE: 2004-013

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Officers
Personnel Transactions Supervisors

FROM: Department of Personnel Administration
Policy and Operations Division

SUBJECT: Military Leave

CONTACT: Clarice Pace, Analyst
(916) 324-9381
FAX: (916) 327-1886
Email: ClaricePace@dpa.ca.gov

With the passage of the Servicemembers Civil Relief Act of 2003 (SCRA), the Military Leave Work Sheet (Attachment I) and the Qualified Military Service Loan Repayment Agreement (Attachment II) previously included in PML 2003-050 have been updated.

Anytime an employee is called to active military service for more than 30 calendar days, the attached Military Leave Work Sheet must be completed. The revised Military Leave Work Sheet has been updated to emphasize the requirement for the Qualified Military Service Loan Repayment Agreement to be completed by the employee when the employee separates with an outstanding Savings Plus Program loan.

The revised Qualified Military Service Loan Repayment Agreement now includes language in relation to the interest rate applied to the outstanding loan and whether or not the employee elects to have the interest rate reduced.

Payroll processing questions and documentation should be addressed to Pam Keegan with the State Controller's Office at (916) 323-2539. For policy interpretation questions related to military leave, your headquarters' personnel office should contact Clarice Pace with the Department of Personnel Administration at the number above. For

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military leave in relation to Savings Plus, your headquarters' personnel office should contact Sandra Lobatos at (916) 445-9805.

Bob Painter, Chief
Policy and Operations Division

Attachments

MILITARY LEAVE WORK SHEET

This work sheet is to be completed by both the employee and his/her Personnel Office prior to reporting for military service. Items 1 through 8 are to be completed by the employee. Items 9 and 10 are to be completed by both the employee and the Personnel Office. Items 11 through 15 are to be completed by the Personnel Office only when the employee is eligible to receive the difference between his/her military pay and allowances, and his/her State pay. The Savings Plus Qualified Military Service Loan Repayment Agreement must be completed if the employee has an outstanding Savings Plus loan. The employee should be apprised of and complete any additional documentation as a result of necessary discretionary deduction changes. A copy of the employee's Military Orders (or official military correspondence) MUST be attached.

1. NAME: _____
2. SOCIAL SECURITY NUMBER: _____
3. CIVIL SERVICE CLASS TITLE: _____
4. MILITARY RANK: _____
5. DATE MILITARY LEAVE BEGINS: _____; ENDS: _____
(ORDERS ATTACHED)
6. IF YOU HAVE DIRECT DEPOSIT, DO YOU WISH TO CONTINUE? _____ YES _____ NO
(If no, submit Form 699 to cancel.)
7. I ELECT PAYMENT OF LEAVE CREDITS (other than sick leave): _____ YES _____ NO
(If yes, please explain.)

8. FORWARD MY WARRANT TO:

9. MAINTAIN THE FOLLOWING STATE PAYROLL DEDUCTIONS:
These deductions will be maintained automatically when you are eligible to receive the difference between military pay and State pay, even if your military pay is more than your State pay.

If ineligible for "difference" pay, you may elect to maintain your health, dental, or vision plans through direct pay at your cost.

I ELECT TO MAINTAIN MY BENEFITS THROUGH DIRECT PAY: _____ YES _____ NO

Employee

Check those deduction(s) below you wish maintained.

Personnel Office

Complete all deduction organization codes and amounts as requested by the employee or his/her designee.

<u>DEDUCTION</u>	<u>DEDUCTION ORGANIZATION CODE</u>	<u>DEDUCTION AMOUNT</u>
_____ Health Benefits	_____	_____
_____ Dental	_____	_____
_____ Vision	_____	_____

10. DISCRETIONARY STATE PAYROLL DEDUCTIONS:

Employee

Check those deductions below you wish maintained, providing there are sufficient funds. If there are insufficient funds, it is the employee's responsibility to make the appropriate arrangements. Otherwise the deductions will not be made while on leave status. You may also want to contact the companies you have a credit obligation with and ask for a copy of the company's policy for the Soldiers and Sailors Relief Act.

Personnel Office

Complete all deduction organization codes and amounts as requested by the employee or his/her designee.

<u>DEDUCTION</u>	<u>DEDUCTION ORGANIZATION CODE</u>	<u>DEDUCTION AMOUNT</u>
_____ *Savings Plus (401[k] or 457)	_____	_____
_____ FlexElect	_____	_____
_____ United Way	_____	_____
_____ Long-Term Disability Insurance	_____	_____
_____ Parking	_____	_____
_____ Union Dues	_____	_____
_____ Union-Offered Insurance	_____	_____
_____ Credit Union Deductions	_____	_____
_____ Spousal/Child Support	_____	_____
_____ Other - (List)	_____	_____

NOTE: The employee is responsible for contacting the appropriate source for any changes to their discretionary deductions. *To make repayment arrangements for a Savings Plus loan(s), the employee must complete the Qualified Military Service Loan Repayment Agreement (Attachment II).

11. MILITARY GROSS PAY INCLUDING ALLOWANCES:

BASE PAY

ALLOWANCES

BAQ

Hazardous Duty

Flight Pay

Foreign Duty

Diving Pay

Clothing Allowance

Foreign Language Proficiency

Medical/Dental Officers

Active Duty Reserve Medical Officers

Other

Other

Other

TOTAL GROSS MILITARY PAY:

12. CURRENT STATE GROSS SALARY:

13. PAY DIFFERENCE AMOUNT:

(State gross salary minus Military gross pay.)

14. ESTIMATED MANDATORY DEDUCTIONS (Has nothing to do with personal income tax filing requirements.):

Estimated Federal Taxes (27%)

Estimated State Taxes (6%)

Estimated Social Security (6.2%)

Estimated Medicare (1.45%)

TOTAL MANDATORY DEDUCTIONS:

15. ADJUSTED NET STATE SALARY:

I understand the provisions afforded me under the Military Leave Program. I further understand that it is my responsibility to document/estimate my military pay and allowances for purposes of determining my adjusted net State pay; and that I am responsible for returning to the State of California any overpayments made to me due to this estimate.

NOTE: An employee receiving compensation pursuant to Sections 12302 and 12304 of Title 10 of the United States Code who does not reinstate to State service following active duty, shall have the compensation treated as a loan payable with interest at the rate earned on the pooled Money Investment Account.

SIGNATURE

DATE

COPIES FOR:

- Employee
- Department
- State Controller's Office

**STATE OF CALIFORNIA SAVINGS PLUS PROGRAM
QUALIFIED MILITARY SERVICE LOAN REPAYMENT AGREEMENT**

SECTION I: PARTICIPANT INFORMATION

Last Name, First Name, MI	Social Security Number (SSN)
Date of Military Service	Daytime Telephone Number ()

Privacy Statement: The Information Practices Act of 1977 (*Civil Code* Section 1798.17) and the federal Privacy Act (Public Law 93-579) require that this notice be provided when collecting personal information from individuals. Information requested on this form is used by the Savings Plus Program for purposes of identification and account processing. You must furnish all the information requested on this form. Failure to provide the information may result in the action requested not being processed.


SECTION II: PAYROLL INFORMATION

Payroll Warrant/Check Issued By:	<input type="checkbox"/> State Controller's Office	<input type="checkbox"/> Senate Rules Committee
<input type="checkbox"/> CDFR/Marketing Council	<input type="checkbox"/> Assembly Rules Committee	<input type="checkbox"/> California Exposition
<input type="checkbox"/> Joint Legislative Budget Committee	<input type="checkbox"/> District Agricultural Assoc. (Fairs)	

SECTION III: LOAN REPAYMENT ELECTION


<input type="checkbox"/> Continue to Repay <ul style="list-style-type: none"> <input type="checkbox"/> With my existing interest rate that exceeds 6% (complete Sections IV and V below). <input type="checkbox"/> With an interest rate reduction to 6%; will return to original rate upon reemployment. You will have 180 days from your release from military service to submit a copy of your orders and request that the interest rate above the 6% be forgiven (complete Section IV below). <input type="checkbox"/> Suspend Loan Repayment (Check a box in both "a" and "b.") <ul style="list-style-type: none"> a. Interest Rate Determination - I elect to (check one box): <ul style="list-style-type: none"> <input type="checkbox"/> Continue to accumulate interest rate at my current rate that is below 6% (complete Section IV below). <input type="checkbox"/> Continue to accumulate interest rate at my current rate that exceeds 6% (complete Sections IV and V below). <input type="checkbox"/> Change interest rate to 6%; interest above the 6% will be forgiven. You will have 180 days from your release from military service to submit a copy of your orders and request that the interest rate above the 6% will be forgiven (complete Section IV below). b. Upon Reemployment - I elect to (check one box and complete Section IV below): <ul style="list-style-type: none"> <input type="checkbox"/> Reamortize the loan; final payment date remains the same; monthly amount may increase. <input type="checkbox"/> Reamortize the loan; extend loan term by the duration of leave; monthly amount may increase.
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SECTION IV: PARTICIPANT CERTIFICATION

I request the loan repayment schedule as indicated above to be made in accordance with the Plan Document, <i>Internal Revenue Code</i> , and my election. I understand it is my responsibility to ensure conformance with all requirements of this provision. I understand that the State of California has the authority to approve or reject this request. I hereby certify under penalty of perjury that the information on this form is true and accurate to the best of my knowledge.	
 <hr/> Signature	<hr/> Date

SECTION V: PARTICIPANT WAIVER

IMPORTANT: Only complete this section if you will continue with the existing interest rate that exceeds 6%.

I understand that I am entitled under the Servicemembers Civil Relief Act of 2003 (SCRA) to an interest rate limitation of 6% per year during the period of my military service on my loan obligations(s) incurred by me before my military service. I hereby waive the rights and protections provided by the SCRA by herein electing to retain the interest rate being charged by the Savings Plus Program for the period of my military service pursuant to the terms of the loan documents and checks(s) issued to me.	
 <hr/> Signature	<hr/> Date

SPP-03-0204

INFORMATION

A participant called to duty in the United States military service is eligible to modify their existing loan repayment schedule. Allow up to 45 days for your request to be processed. Savings Plus will notify you whether or not your request was approved. If approved, Savings Plus will initiate the change.

INSTRUCTIONS

SECTION I – PARTICIPANT INFORMATION – Complete all information requested.

SECTION II – PAYROLL INFORMATION – Check which payroll office issues your payroll warrant/check.

SECTION III – LOAN REPAYMENT ELECTION – Check which method you want to utilize to repay your loan(s). Reemployment election may be changed 45 days prior to employment. (Check a box in both “a” and “b.”)

SECTION IV – PARTICIPANT CERTIFICATION – Read carefully, sign, and date the form. To expedite processing, FAX to (916) 327-1885 and mail original to the address below.

SECTION V – PARTICIPANT WAIVER – If applicable, read carefully, sign, and date the form. To expedite processing, FAX to (916) 327-1885 and mail original to the address below.

RETURN FORM TO:

Savings Plus Program
Military Service Coordinator
1800 15th Street
Sacramento, CA 95814-6614

CONTACT INFORMATION

Voice Response System: (866) 566-4777, 24 hours a day, 7 days a week.
Customer Service: (866) 566-4777, 8:30 a.m. - 4:00 p.m. (PT), Monday - Friday.
To speak with a customer service representative, press *0.
Office: 8:00 a.m. - 5:00 p.m. (PT), Monday – Friday.
TDD: (916) 327-4266
Fax: (916) 327-1885
Web site: www.sppforu.com

Determination - Office Use Only


Savings Plus Processor (MUST be completed & signed by the processor)

Participant elects to:

- Continue to Repay
 - With existing interest rate (Section V signed & dated).
 - Interest rate reduction to 6%.

OR

- Suspend Loan Repayment
 - a. Interest Rate Determination
 - Continue to accumulate interest rate at current rate (Section V signed & dated) **OR**
 - Change interest rate to 6%; **AND**
 - b. Upon Reemployment
 - Reamortize the loan; final payment date remains the same; monthly amount may increase.
 - Reamortize the loan; extend loan term by the duration of leave; monthly amount may increase.

 _____
Signature

Date