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California Public Employees' Retirement System
P.O. Box 942715
Sacramento, CA 94229-2715
(888) CalPERS (or 888-225-7377)
TTY: (877) 249-7442
www.calpers.ca.gov

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Circular Letter

October 3, 2014

**TO: ALL STATE AND CALIFORNIA STATE UNIVERSITY HEALTH
BENEFITS OFFICERS AND ASSISTANT HEALTH BENEFITS
OFFICERS**

SUBJECT: DEDUCTION COMPARE AND VALIDATION PROCESS

Deduction Compare and Validation Process

Introduction Beginning in October 2014, CalPERS will implement a monthly process which will compare and validate incoming deduction information from the State Controller's Office (SCO).

**Employee
Impact**

Appointment Status is "On Leave"

Employees on a leave of absence, with an active health enrollment, who have not received a health deduction for the current month and the previous two months, will be administratively placed on Direct Pay. The effective date will be the first of the month, after the last health deduction occurred. This functionality excludes employees who are on Family Medical Leave and Maternity/Paternity Leave.

The employee will receive a notice indicating there has been a change to their health enrollment.

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Deduction Compare and Validation Process, Cont.

**Employee
Impact (cont.)**

Appointment Status is “Not On Leave”

Employees who are **not** on a leave of absence, with an active health enrollment, who have not received a health deduction for the current month and the previous two months, will be administratively cancelled. The effective date will be the first of the month, after the last health deduction occurred.

The employee will receive a notice indicating that a health coverage cancellation was processed, as they are no longer on pay status.

**Employee
Assistance**

If the employee does not want to be placed on Direct pay, you may process a cancellation of health coverage, or if the employee would like to continue health coverage, you may process a direct pay enrollment. For detailed instructions refer to Step 3 of Circular Letter 600-050-14, Off Pay Status: Health Enrollment Procedures.

Questions

If you have any questions, please contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Sue Kane, Acting Division Chief
Customer Account Services Division