EXTERNAL PAYROLL AND FINANCE UPDATES
DBUG MEETING: MARCH 22, 2019

UPDATES:

Things Learned from Recent CalSTRS Audits:

1. Half-Day Substitute Rate of Pay:

The full-time pay rate used when calculating an employee's half-day substitute pay, can only be a pay rate on the LEA's board approved salary schedule. Common practice has been to double the half-day pay rate that is on the board approved salary schedule, and using this as the pay rate to calculate and compensate the employee the half-day. This is incorrect because this new pay rate is not on the board approved salary schedule.

2. Additional Compensation Not Reporting Correctly to CalSTRS:

Using addons to compensate employees additional pay requires a solid understanding of creditable **service** and creditable **compensation**. The **service** provided may be creditable for both 2% @ 60 and 2% @ 62 members, but because of how the employees are being paid, the **compensation** may not be creditable for both. It is recommended to review the set-up of addons to safeguard the addon used aligns with the LEA's contract agreements and MOUs, paying close attention to retirement reporting.

It is the LEA's responsibility to ensure employees' compensation, retirement and payroll taxes are reported accurately. Our team at SCOE is here to assist. As such, we encourage using the snap shot feature each time an employee's compensation is changed. Review the snap shot to verify the pay is correct, retirement is reporting correctly and appropriate payroll taxes are being deducted. If unsure whether the pay is correct, please reach out to our team and "ask".

Social Security Alert About Telephone Impersonation Scheme:

Please read the attached New Release from Social Security regarding telephone schemes.

Erin Graves, Director External Payroll and Finance

Press Release

Wednesday, March 20, 2019
For Immediate Release

Mark Hinkle, Acting Press Officer
press.office@ssa.gov

News Release

SOCIAL SECURITY

Social Security and OIG Launch Public Service Announcement Campaign

Agency Alerts Public about Telephone Impersonation Scheme

The Social Security Administration (SSA) and its Office of the Inspector General (OIG) launched a joint Public Service Announcement (PSA) campaign addressing a nationwide telephone impersonation scheme. Social Security and the OIG continue to receive reports from across the country about fraudulent phone calls from people falsely claiming to be Social Security employees. Calls can even "spoof" Social Security's national customer service number as the incoming number on the caller ID. The new PSAs will air on TV and radio stations across the country to alert the public to remain vigilant against potential fraud.

"We urge you to always be cautious and to avoid providing sensitive information such as your Social Security number or bank account information to unknown people over the phone or Internet," said Nancy A. Berryhill, Acting Commissioner of Social Security. "If you receive a call and are not expecting one, you must be extra careful – you can always get the caller's information, hang up, and contact the official phone number of the business or agency the caller claims to represent. Do not reveal personal data to a stranger who calls you."

Social Security employees do occasionally contact people--generally those who have ongoing business with the agency--by telephone for business purposes. However, Social Security employees **will never** threaten a person or promise a Social Security benefit approval, or increase, in exchange for information. In those cases, the call is fraudulent and people should not engage with the caller. If a person receives these calls, he or she should report the information to the OIG Fraud Hotline at **1-800-269-0271** or online at https://oig.ssa.gov/report.

"These calls appear to be happening across the country, so we appreciate SSA's partnership in this national public outreach effort," said Gail S. Ennis, the Inspector General for the Social Security Administration. "Our message to the public is simply this: If you or someone you know receives a questionable call claiming to be from SSA or the OIG, just hang up."

The FISCAL REPORT an informational update

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Short-Term Employment: Classified Staff

Managing the statutory timelines for short-term employment is a critical function in a human resources department. It is important to audit the assignments of short-term and temporary classified staff to ensure legal compliance and avoid potentially costly employment errors.

Local educational agencies (LEAs) are authorized to employ classified staff in short-term assignments each fiscal year. Per Education Code Section (E.C.) 45103 (K-12 school agencies) and E.C. 88003 (community colleges), the governing board of an LEA shall specify the service to be performed by the employee, and the end date of the service, *prior* to the assignment commencing. The end date of the assignment can also be shortened or extended by the governing board, but it shall not exceed 75% of the school year.

The need for short-term assignments are based upon acute needs that are short in duration and not for ongoing services. According to E.C. 45103 and 88003, "A short-term employee is employed to perform a service for the school/community college district, upon the completion of which, the service required or similar services will not be extended or needed on a continuing basis." A defining factor in identifying a short-term position is that the position is vacant and not occupied by an employee. Substitute employees are also defined in E.C. 45103 and 88003 as a person employed to replace a classified employee temporarily absent from duty.

E.C. 45103 and 88003 provide the definition of 75% of the school year as 195 working days, including holidays, sick leave, vacation, and other leaves of absence, irrespective of the number of hours worked per day. This means that you will need to determine the number of school/college holidays, as well as how many vacation and sick leave days the person would be entitled to, if they were a member of the classified service, and then those days will be counted as part of the 195 days. Generally, follow the "rule of 165"—if the employee is going to work more than 165 days once you add in vacation, sick leave, and any school/college holidays, they are edging close to 75%.

It is a recommended practice that classified short-term assignments are monitored on a monthly basis. Human resources staff should ensure Board approval has been obtained prior to an assignment commencing. Completed work calendars, with a running total of days worked, should be updated monthly. Finally, if the short-term assignment is occurring on a yearly basis, then it is necessary to evaluate the services to determine the need for a permanent position. (Note: the provisions of E.C. 45103 and 88003 do not apply to merit system districts; however, they can be sound practices to apply.)

—Danyel Conolley and Sheila G. Vickers

posted 03/11/2019