



subject to Social Security tax even if they participate in a pension program through their respective union hall. Exceptions that preclude the withholding of Social Security tax are not applicable to individuals hired in these classifications. The wages paid to trade rate workers must be subject to FICA, not just the Medicare-only portion of FICA.

To be in compliance with the Social Security Act (as amended in July 1991), campuses must correct retirement account code PIMS Item 505 for individuals appointed in a CSU casual employment classification to subject wage payments to FICA tax. The State Controller's Office (SCO) advises that the statute of limitations period for social security tax, (e.g., that period beyond which earnings may not ordinarily be corrected) includes the current plus three (3) prior calendar years. As a result, database corrections will be required for appointments that resulted in wage payments issuing under a casual employment classification during calendar year 2003 and forward. Campuses will not be required to correct PIMS Item 505 in appointments that resulted in wage payments issuing prior to tax year 2003.

### **General Information**

- √ Affected Employees: Retirement account code corrections are applicable to all employees appointed in a casual employment classification where wage payments were issued in tax year 2003 and forward going. This could include employees who were paid wages with an issue date of January 1, 2003, for the December 2002 pay period. This requirement encompasses employees currently on an active, on leave or separated payroll status. CIRS Report Code "**W85**" will be available to the campuses by January 3, 2006 to assist in identifying affected employees. This report can be accessed using the Express (F1) Compendium function.
- √ Employment History Database Corrections for PIMS Transaction 505: Retirement account code "NO" (PIMS Item 505) is available for CSU use. Code "NO" denotes the withholding of FICA tax exclusive of CalPERS retirement. Corrections to Transaction 505 (Retirement System Member Status, 505C) should indicate "TL/Ben 2005-25" in Employment History Remarks PIMS Item 215. Refer to Attachment C for detailed keying information.
- √ Coordination of Retroactive Social Security Payments with the SCO: Both the employee and the CSU contributes 6.2% of salary (up to an annual maximum) into Social Security and 1.45% of salary into Medicare. When an employment history record is updated to subject an employee to Social Security with a retroactive effective date, the SCO's Payroll Operations will establish agency collection accounts receivable for the Social Security amounts that the employee owes for the respective tax year. Agency collection accounts receivable will not be established for adjustments outside of the statute of limitations period. Campuses will be notified of the accounts receivable by the SCO accordingly. Medicare tax previously withheld from an employee's wages during this

**TECHNICAL LETTER**  
**HR/Benefits 2005-25**  
**Page 3 of 3**

timeframe will not be affected by this update. Refer to the SCO's payroll procedures manual (PPM) Section H250 for additional information.

The following attachments are provided:

Attachment A	Trade Rate Guidelines and Payroll Processing Instructions (NOTE: Supersedes Attachment A of HR 2000-18)
Attachment B	CSU Casual Employment Classifications
Attachment C	Processing Instructions for FICA Withholding Corrections

Payroll administrative inquiries may be directed to Human Resources Administration at (562) 951-4411. Campus processing inquiries should be directed to the respective campus' SCO CSU Audits Liaison. This technical letter is also available on Human Resources Administration's Web page at:  
<http://www.calstate.edu/HRAdm/memos.shtml>. Thank you.

CR/dth

**TECHNICAL LETTER**  
**HR/Benefits 2005-27**  
**ATTACHMENT A**

**TRADE RATE GUIDELINES and PAYROLL PROCESSING INSTRUCTIONS**

Appointment Processing:

1. Trade Rate workers are appointed via “A52” appointment transaction for the duration of each assignment. A separate personnel/payroll transaction (PPT) is required for each appointment and separation. The following data elements must be keyed as indicated below for all trade rate appointments:
  - Salary Per (Item 310) = “H”
  - Anniversary date (Item 330) = “NONE”
  - Probationary Period Code (Item 430) = “N” (none)
  - Timebase (Item 405) = “INT” (intermittent)
  - Retirement System Account Code (Item 505) = “NO” (nonmembers covered by FICA tax)
2. Trade rate workers may have up to four concurrent salary rates. To indicate multiple salary rates, a positive entry is required in Multiple Hourly Rate (Item 955/A,B,C,D), PPT Line G item. An entry is required in all four items, even if entry is 00.00.
3. To change from one to four multiple hourly rates, process an “MHR” transaction and enter all rates that are still valid.
4. Payment is by positive attendance via PIP transaction. Payments are semi-monthly (see Payroll Procedures Manual [PPM] Section B009, Salary Type 6 is Hourly Rate-Trade Rate).
5. Overtime is processed as Overtime Pay – Special Earnings ID “OTR”. Refer to PPM Section G028 (cont. 1) for instructions.
6. Upon separation, process an S31 transaction. Refer to Item 955 for workers with multiple hourly rates. If a worker has more than one rate of pay indicated in Time to Be Paid Item 606, it is no longer necessary to enter “NON” for inactive salary rates upon separation (the system will no longer allow an alpha entry with “NON”).

If an employee has only one rate of pay, enter time worked for the pay period (if a worker separates at the end of the month, only show the time worked for the 2<sup>nd</sup> half). Enter alpha code in the Days column and the time in the Hours column. If no time was worked, enter “NON” in the hours column only – do not enter an alpha code.

If a worker was paid at more than one rate, enter the alpha code and hours for each rate in Item 606. If the employee has four rates of pay but was only paid at two rates, enter the alpha codes and corresponding hours for the active salary rates.

**TECHNICAL LETTER**  
**HR/Benefits 2005-27**  
**ATTACHMENT B**

**“Trade Rate” – Casual Employment Classifications**

<b><u>CLASS CODE</u></b>	<b><u>CLASSIFICATION TITLE:</u></b>
6213	SKILLED LABORER, CASUAL EMPLOYMENT
6225	SUPERVISING LABORER, CASUAL EMPLOYMENT
6226	LABORER, BUILDING TRADES, CASUAL EMPLOYMENT
6463	SUPERVISING TILE LAYER, CASUAL EMPLOYMENT
6464	TILE LAYER, CASUAL EMPLOYMENT
6468	SUPERVISING FLOOR COVERING INSTALLER, CASUAL EMPLOYMENT
6469	FLOOR COVERING INSTALLER, CASUAL EMPLOYMENT
6478	SUPERVISING CARPENTER, CASUAL EMPLOYMENT
6479	CARPENTER, CASUAL EMPLOYMENT
6480	CARPENTER APPRENTICE, CASUAL EMPLOYMENT
6481	SUPERVISING ROOFER, CASUAL EMPLOYMENT
6482	ROOFER, CASUAL EMPLOYMENT
6500	ASBESTOS WORKER, CASUAL EMPLOYMENT
6523	PAINTER APPRENTICE, CASUAL EMPLOYMENT
6528	SUPERVISING PAINTER, CASUAL EMPLOYMENT
6529	PAINTER, CASUAL EMPLOYMENT
6531	SUPERVISING ELECTRICIAN, CASUAL EMPLOYMENT
6535	ELECTRICIAN, CASUAL EMPLOYMENT
6537	ELECTRICIAN APPRENTICE, CASUAL EMPLOYMENT
6551	SUPERVISING PLUMBER, CASUAL EMPLOYMENT
6552	PLUMBER, CASUAL EMPLOYMENT
6553	PLUMBER APPRENTICE, CASUAL EMPLOYMENT
6554	SUPERVISING STEAMFITTER, CASUAL EMPLOYMENT
6555	STEAMFITTER, CASUAL EMPLOYMENT
6558	SUPVNG IRRIGATION&LAWN SPRINKLER PIPEFITTER, CASUAL EMPLOYMENT
6559	IRRIGATION AND LAWN SPRINKLER PIPEFITTER, CASUAL EMPLOYMENT
6577	BLACKSMITH, CASUAL EMPLOYMENT
6581	SUPERVISING SHEET METAL WORKER, CASUAL EMPLOYMENT
6582	SHEET METAL WORKER, CASUAL EMPLOYMENT
6611	SUPERVISING PLASTERER, CASUAL EMPLOYMENT
6612	PLASTERER, CASUAL EMPLOYMENT
6617	SUPERVISING MASON, CASUAL EMPLOYMENT
6618	MASON, CASUAL EMPLOYMENT
6622	SUPERVISING HOD CARRIER, CASUAL EMPLOYMENT
6623	HOD CARRIER, CASUAL EMPLOYMENT
6632	SUPERVISING CEMENT FINISHER, CASUAL EMPLOYMENT
6633	CEMENT FINISHER, CASUAL EMPLOYMENT

**TECHNICAL LETTER  
HR/Benefits 2005-27  
ATTACHMENT C**

<b>Processing Instructions for FICA Withholding Corrections</b>
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<b>EMPLOYMENT HISTORY (EH)/PAYROLL IMPACT:</b>	
Processing Responsibility:	Campuses
Processing Date(s):	January 3, 2006 to February 17, 2006
Effective Date:	Will vary based upon transactions that resulted in wage payments issuing in tax year 2003 to current. (Note: this could include retroactive salary payments effective in 2002 that issued in tax year 2003 and/or appointments effective in December 2002 that resulted in wage payments issuing in tax year 2003.)
PIMS Transaction:	505
EH Remarks (Item 215)	HR/Benefits 2005-27
Affected Classifications:	Refer to Attachment B
Additional Information:	<ul style="list-style-type: none"> <li>• Contact CSU Audits for processing instructions</li> </ul>

<b>COMMON MANAGEMENT SYSTEMS (CMS) INSTRUCTIONS:</b>	
Pay Scales Impact:	n/a
GSI/SSI Load Impact:	n/a
Action/Reason:	Must map to 505 Transaction in PIMS.