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April 25, 1986

MEMORANDUM 1986-16

TO: Heads of Departments and Agencies

ATTENTION: Payroll and Personnel Offices

FROM: Hideo Murakami, Comptroller

SUBJECT: Temporary Disability Insurance Payments Processed Via the Payroll Change Schedule

In Department of Personnel Services' memo of October 2, 1985, you were informed that DAGS Central Payroll staff would be attending an orientation session on Temporary Disability Insurance and that after this session instructions would be provided regarding the processing of TDI benefit payments via the payroll change schedule. Listed below are instructions and requirements which must be followed to insure proper processing.

1. Responsibility for computing units and rates under DPS's policy is primarily a personnel responsibility of employing departments. Central Payroll will not verify these computations.

2. Calculations pertaining to the dollar amount to be paid via the payroll change schedule must be shown on the payroll change schedule. These will be the only calculations Central Payroll will verify.

3. Form DPS (TDI)-1 "Claim for Temporary Disability Benefits" (or the alternate TDI-45 form) must be signed by the Department Head/ Designee and attached to the payroll change schedule. This signed form will serve as the departmental authorization to pay.

4. TDI benefits are subject to FICA and to Federal and State withholding taxes, but are not subject to Regular and Post Retirement deductions. In order to process TDI payments for both contributory and non-contributory employees, pay type code "Z" has been established. Pay type code "Z" will identify all TDI payments and will automatically not deduct retirement contributions. This new code will be effective with the May 15, 1986 pay period. All TDI payments must be included on the Regular/Hourly payroll change scheudle.

5. Interpretations of the State's TDI plan for State employees are to be made by departmental personnel offices or the DPS Labor Relations Division.

If there are any questions regarding the TDI payment via the payroll change scheudle, please contact the Central Payroll staff.

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Comptroller