

STATE CONTROLLER'S OFFICE  
PERSONNEL AND PAYROLL SERVICES DIVISION  
P.O. BOX 942850  
SACRAMENTO, CA 94250-5878

DATE: September 4, 2014

PERSONNEL LETTER #14-013  
(CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

FROM: Lisa Crowe, Chief  
Personnel and Payroll Services Division (PPSD)

**RE: JULY 1, 2014 BARGAINING UNIT 9 AND 10 EXCLUDED EMPLOYEE SALARY INCREASE**

The California Department of Human Resources (CalHR) has approved a special salary adjustment (SAL) for excluded employees in eligible class codes/ranges effective July 1, 2014. Please refer to CalHR's Pay Letter #14-17 for additional information, including eligible class codes/ranges and salary increase rates.

The new salary rates will be reflected in the employees' September 2014 master payroll. Adjustments will also issue for the 07/2014 and 08/2014 pay periods. See below for additional information on the adjustment payments.

#### EH MASS UPDATE PROCESSING

The State Controller's Office (SCO) will process an Employment History (EH) mass update on September 4, 2014 to post a SAL transaction effective July 1, 2014 for eligible employees. The SAL transaction reflects the special salary adjustment within the employee's base salary rate.

PPSD will manually update the EH records not included in the mass update, with the exception of those listed in the following section.

Turnaround (TAD) Personnel Action Requests (PARs) will be issued and released on a flow basis.

#### SPECIAL EH DOCUMENTATION/PROCESSING INSTRUCTIONS

##### **Disability/Military Leave**

Employees on Disability or Military leave at the time of the mass update will need to be identified and updated by departments.

##### **Lump Sum**

Employees who separated from state service without fault prior to the effective date of the salary increase with lump sum pay extending beyond 07/01/2014, and who were eligible for the SAL at the time of the separation, should have their lump sum adjusted to reflect the salary increase. Departments will need to identify and manually process the SAL transactions for separated employees, as applicable.

## **Out-of Sequence**

Once the SAL transaction is posted to an employee's EH record, any new out-of-sequence transaction must have the old salary rate entered, if allowable on the transaction. If not entered, the salary rate information per the SAL transaction will be reflected on the new transaction and could cause an overpayment. See the Personnel Action Manual (PAM) Section 9 for further processing information.

If correcting a 07/01/2014 effective date transaction that was processed prior to the SAL being posted, please send to PPSD for processing. Per CalHR rule 599.689, Merit Salary Adjustment (MSA) transactions with a 07/01/2014 effective date must be posted prior to the SAL, if applicable.

## **PAYROLL ADJUSTMENTS**

Adjustments for regular pay payments and overtime payments (i.e., non- Fair Labor Standards Act (FLSA) overtime pay) that have already been issued will be automatically made after the employees' EH records are updated for the salary change.

Departments will need to request adjustments for the following payments that have issued for the 07/2014 and 08/2014 pay periods via the Payroll Input Process (PIP) system on form STD. 671. See the Payroll Procedures Manual (PPM) Section K for PIP system instructions.

- FLSA Overtime Pay (Payment Type 1, Payment Type Suffix F) – see PPM Section G 024 for further information.
- Out-of-Class Pay (Earnings ID SI only) – see PPM Section G 831 for further information.
- Awards/Bonus/Special Pay (Payment Types A, G, 9, and S (except Holiday Pay)) if the pay rate is based on the employee's based on salary and the employee is receiving a SAL. Determine the difference in gross due and key the difference in the gross field on the PIP system's miscellaneous detail screen.

Departments will need to submit Form STD. 674/674D to request adjustments for the following payments that may have issued without the salary increase for the 07/2014 and 08/2014 pay periods:

- Regular pay with dock applied for employees with a mid-month change.
- Regular pay for employees on an alternate work schedule or working shift and time paid does not equal time possible for the pay period.
- Industrial Disability Leave (IDL).
- Temporary Disability (TD).
- Nonindustrial Disability Leave (NDI) if benefits began after the 06/2012 pay period.
- NDI Annual Leave supplementation.

## **RETROACTIVITY CHARGES**

The transactions resulting from the SAL update are considered to be non-controllable personnel and payroll transactions. The EH transactions and payroll adjustments resulting from the EH mass update or initiated by PPSD will be reflected on the Monthly Retroactivity Report, but should be removed. The EH transactions and payroll transactions that are key entered by the department will also appear on the department's report. The department should return the report identifying the items associated with the July 1, 2014 special salary adjustment, along with the appropriate explanation.

Please direct questions on the Special Salary Adjustment as follows:

<u>SUBJECT</u>	<u>AREA CONTACT</u>	<u>TELEPHONE NUMBER</u>
Program Administration (e.g., rules, regulations, benefits/pay impacts)	Personnel Services Branch CalHR	(916) 323-3343
General Payroll Procedures Disability Payroll Procedures Employment History Procedures	Customer Contact Center SCO	(916) 372-7200

LC:RC:PMAB