STATE OF CALIFORNIA   JOHN CHIANG
                                                     California State Controller

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

DATE: February 20, 2009   LEAVE ACCOUNTING LETTER #09-003
                                        (Civil Service Only)

TO: All Agencies in the California Leave Accounting System (CLAS)

FROM: Don Scheppmann, Chief
         Personnel and Payroll Services Division

RE: FURLOUGH PROGRAM

Per the Department of Personnel Administration's (DPA) Personnel Management Liaisons (PML) Memo #2009-007, dated February 3, 2009, a new Furlough Program began with the February 2009 leave period and continues through the June 2010 leave period. The benefit Furlough Hours (FH) has been created to track the furlough time for employees on the CLAS. The new benefit will appear on the employee's Statement of Earnings and Deductions or Direct Deposit Advices as of April 1, 2009.

- Furlough Hour attributes:

    Full Benefit Name: Furlough Hours
    Abbreviated Name: Furlough
    Benefit ID: FH
    Benefit Category: Earned Benefit
    Rate of Measure: Hours
    Credit Available: Same Leave Period
    Valid Transactions: Use – 01, Earn – 05, Begin Balance - 24

The State Controller's Office (SCO) will be posting Furlough Hours - Earn (FH 05) transactions based on an employee's payment history. The mass update will be processed after the Monthly Master Payroll Cutoff date (see the monthly Decentralized Calendar for the specific date). This mass update will:

- Include full-time and part-time (negative pay) employees in Roll Codes 1 and 2,
- Include Roll Code 1 employees who are issued a standard pay warrant and Roll Code 2 employees who are issued warrants for the entire first and second half semi-monthly pay periods,
- Include payments which contain one of the Furlough Hours Pay Differential Earnings IDs (8FR1 – 8FR2),
- Post Furlough Hours - Earn (FH 05) transactions to the current leave period, beginning with the February 2009 leave period,
- Post 16 Furlough Hours to full time employees and post the appropriate number of Furlough Hours for part-time employees based on an employee's fractional time base per PML #2009- 010, or
- Post 13.56 Furlough Hours to full time teachers employed by CDCR in Alternate Range 7.

Roll Code 1 and 2 employees who are not paid a full pay period will not be included in the mass update since the Earnings ID will not be on their payments. This includes employees whose appointments are effective after the first day of the pay period, employees who separate or are placed on leave prior to the end of the pay period, and employees who are on disability and are supplementing with leave benefits (see SCO Personnel Letter #09-006 for further details). For these employees, departments will need to:

- Use the B50 – Leave Benefit Transaction Entry screen to post the Furlough Hours - Earn (FH 05) transaction for the equivalent of one or two days based on the employee's time base and the number of days the warrant was reduced due to the Furlough Program,
- Post a Furlough Hours - Use (FH 01) transaction based on the employee's timesheet, and
- Continue to post dock (that is unrelated to the Furlough Program) to the Dock benefit by keying the Dock – Use (DK 01) transaction.

Because the furlough hours may be used during the same month they are assigned, it would cause a delay on the part of the departments if the SCO were to include positive pay employees in the mass update process. For these employees, departments will need to:

Determine the Furlough Hours Amount

- Roll Code 3 and 4 employees: Refer to the DPA PML #2009-10 in order to determine the amount of the Earn (FH 05) transaction based on the intermittent hours paid. The amount should be the same as the Furlough Hours - Use amount, which should already be recorded on the employee's timesheet, provided the employee did not work on the designated furlough day.
- Roll Code 8 employees: Post 8 or 16 Furlough Hours depending on whether 1 or 2 furlough days were taken.

Key via the Payroll Input Process (PIP)

- At the same time the Regular Hours are recorded on the Time and Attendance Report (Form 672) for the previous pay period, record the Furlough Hours - Earn (FH05) and/or Use (FH 01) Earnings IDs on the 672; then key the data via the PIP system using the Time and Attendance screen.
- The CLAS error messages (MSG) should be checked the following day, and if the FH05 or FH01 Earnings IDs rejected, the B50 - Leave Benefit (LB) Transaction Entry screen in the CLAS may be used to key the Furlough Hours Earn/Use transactions.

Retired Annuitants & Multiple Positions Employees

- Retired annuitants and employees with multiple positions (i.e., part-time and intermittent) cannot be tracked on CLAS and must be tracked manually.

Since State Service is not affected by the Furlough Program, it will be necessary for departments to update the employment history records to document a pay period as qualifying when an employee's pay period appears to be non-qualifying due to the unpaid furlough day(s). For example, if an employee has 9 unpaid days during a pay period and has 2 days of unpaid furlough time for a total of 11 unpaid days, it is necessary to document the pay period as qualifying by entering a "Q" in Item 715. Therefore, when a PAR is keyed which contains a 'Q' in Item 715, state service will not be updated during the automated Monthly Accrual Cycle and the department will need to:

- Post a State Service Credit (CR) or Fractional Month (FM) transaction, based on whether the employee is full-time or part-time, using the S50 - State Service Transaction Entry screen,
- Post Accrue (10) or Bonus (28) transactions to accrued benefits (i.e., Annual Leave or Vacation and Sick Leave, Personal Holiday, etc.) using the B50 – LB Transaction Entry screen, and
- Purge the "9126 – Cannot Determine QEP" error message from the CLAS error messages (MSG) screen after it generates during the Monthly Accrual Cycle.

Retroactive corrections to an employee's pay may require the voiding and reposting of State Service and/or Furlough Hours transactions. This would apply:

- When the amount of furlough time that is assigned/used has changed, or
- When the Monthly Accrual Cycle and/or Furlough Hours mass update process has already completed and the employee's leave period has changed from non-qualifying to qualifying or vice versa.

Voiding a PAR transaction that contains an "N" in Item 715 will automatically void the NQLP transaction in the CLAS, however, other updates will need to be performed manually. Refer to the Employment History Item 715 section of the CLAS Civil Service Workbook for more information.

For additional information regarding the Furlough Program, please see DPA PMLs #2009-007 and #2009-010 and SCO Personnel Letter #09-006. If you have any questions regarding this letter, please contact the Leave Accounting Liaison at (916) 327-0756.

DS:TW:CLAS