
STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
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PAYROLL LETTER # 01-021
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: RALPH ZENTNER, Acting Chief
Personnel/Payroll Operations Bureau
State Controller's OfficeRE: **OUT-OF-CLASS ASSIGNMENT PAY**

PLEASE SHARE THIS INFORMATION WITH THOSE WHO PROCESS OUT-OF-CLASS PAY. THEIR KNOWLEDGE OF THIS INFORMATION IS CRITICAL.

Payroll Procedures Manual (PPM) Sections G 825-G 835 (Out-of-Class Assignment Pay) contain inaccurate instructions. Please cease using the sections immediately.

The PPM sections are currently being revised. Until the revisions are issued, please use the following resources and payroll processing information in administering out-of-class assignment pay:

- California Civil Service Pay Scales, Section 14, Pay Differentials related to out-of-class pay. Please ensure you reference the recent revisions issued in DPA Pay Letter 01-23.
- California Civil Service Pay Scales, Section 6, Salary Relationships, for explanations and examples of the DPA Rules cited in the criteria of certain out-of-class assignment pay differentials.
- Guide to Classification and Pay Policies and Procedures, Section 375 (Out-of-Class Assignments).
- For those with Internet access:
 - the P.I.E. (Personal Information Exchange) system's calculator to compute class movement salaries (accessed through the Search Database page); or
 - the SPB Transfer Determination Calculator located at the SPB web site
- Classification and Pay Workshop #826 offered by the Department of Personnel Administration (DPA). The class includes training on the Out-of-Class Assignment program. Contact the State Training Center at (916) 445-5121.

Out-of-class pay requests are submitted via the Payroll Input Process (PIP) system using the form STD. 671 or Form 672. Exceptions to the PIP system process are attached and require the submission of form STD. 674.

The current Earnings IDs for the out-of-class pay are 8G, 8G1, 8G2 and SI:

- Earnings ID 8G and 8G2 are for out-of-class pay where the rate is defined as a percentage of the employee's salary rate. Use Earnings ID 8G for employees paid at a monthly or daily salary rate and Earnings ID 8G2 for employees paid at an hourly salary rate.
- Earnings ID 8G1 is for out-of-class pay based on a one step differential and only to be used to issue out-of-class pay to R10, R13, and R16 employees for pay periods prior to 07/99.

- Earnings ID SI is for out-of-class pay where the rate is defined as the difference between the employee's salary rate and the salary rate of the class in which the employee is performing the out-of-class assignment.

The form STD. 671 or Form 672 completion/key entry requirements for each of the above Earnings IDs except 8G1 are as follows:

- For Earnings ID 8G and 8G2 (Percentage Based Differential):
- Complete/key enter the applicable Earnings ID and the Time To Be Paid fields only. Complete/key enter the Alternate Fund Code field, if applicable.
- For Earnings ID SI (Salary Difference Differential):
- Complete/key enter the Earnings ID and Computed Gross field only.
- Complete/key enter the Alternate Fund Code field, if applicable.
- We apologize for any problems caused by the inaccurate PPM sections. However, immediate implementation of the above will prevent future problems. If you have any questions regarding the documentation or the PIP system process for out-of-class pay, please contact Debbie Soto at (916) 324-5309. For all other questions regarding out-of-class pay, please contact Sara Hull, DPA, at (916) 324-9416.

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Submission of form STD. 674 is required for out-of-class pay in the following exception situations:

- To include locked-in premium pay or shift differential amounts in the original out-of-class pay under Earnings ID 8G or 8G2 (Percentage Based Differential).

Note: The rate for Earnings IDs 8G and 8G2 is system generated using the employee's based on salary rate. Locked-in premium pay and/or shift differential amounts are not automatically included. Thus, form STD. 674 must be submitted to add premium pay/shift differential amounts in the out-of-class pay. (See PPM Section G, Attachment D-1, for form STD. 674 completion example.)

- To adjust out-of-class payments under Earnings ID 8G or 8G2. An exception to submitting the form STD. 674 is an adjustment to Earnings ID SI payments. These can be processed via the above PIP system process by entering the adjustment gross due in the Computed Gross field of the form STD. 671 or Form 672.
- To issue original out-of-class pay for pay periods prior to 12 months of payment history. (See PPM Section G, Attachments D-1 through D-4 for form STD. 674 completion examples.)
- To issue original out-of-class payments under Earnings ID 8G1. (See PPM Section G, Attachment D-3 for form STD. 674 completion example.)
- When an employee has a mid-month agency/reporting unit/serial number change, and employee is entitled to the out-of-class pay in both positions (process pay for one position via the above PIP system process and submit a form STD. 674 to request pay in the other position).
- To transfer funds from Earnings ID 8G/8G2 to Earnings ID SI or visa versa. (See PPM Section G, Attachments D-5 and D-6 for form STD. 674 completion examples.)
- To adjust overtime payments to include out-of-class pay. (See PPM Section G, Attachment D-7 for form STD. 674 completion example.)
- To issue out-of-class pay due to a grievance claim. Submit one form STD. 674 for each out-of-class assignment pay period. (See PPM Section G, Attachment D-8 for form STD. 674 completion example.)
- To apply a new garnishment deduction to an out-of-class pay.
- To issue out-of-class pay to a statutory employee.
- To issue out-of-class pay to an employee on disability for a partial month.