

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

DATE: February 16, 2007

PERSONNEL LETTER #07-004
Civil Service Only

TO: All Agencies in the Uniform State Payroll System

FROM: Don Scheppmann, Chief
Personnel/Payroll Services Division

RE: **ADDITIONAL INFORMATION AND INSTRUCTIONS FOR THE LABOR MARKET
ADJUSTMENT EFFECTIVE 01/01/07**

The Department of Personnel Administration (DPA) approved a Labor Market Adjustment for specified classifications effective January 1, 2007. The adjustment includes various salary increases and new anniversary dates varying by collective bargaining unit and class code. Please refer to DPA Pay Letter 07-01 for more information.

The State Controller's Office (SCO) processed an Employment History (EH) mass update on Thursday, January 18, 2007 to post a SAL transaction effective 01/01/07. This update included a majority of the employees entitled to the Labor Market Adjustment, however, not all eligible employees could be processed within the automated update.

SCO will manually review and update the EH records of employees who could not be included in the mass update process. In addition, employees eligible for only an anniversary date change must be processed manually. Due to the high volume of records to verify, we anticipate completion in early March 2007.

If departments must key a transaction effective 01/01/07 or after for an employee who is at the old MAX prior to SCO updating the employee's EH record, a SAL transaction to increase the salary to the new max rate or a 330 transaction to change the anniversary date must be keyed first (if not, the EH online system will give the error message 330-10: ANNIVERSARY DATE MUST NOT EQUAL MAX). To determine the appropriate transaction to be keyed refer to DPA Pay Letter 07-01.

Note: Departments are responsible for processing Labor Market Adjustments for intermittent employees. If an intermittent employee has been at MAX for less than 12 months the anniversary date should be changed to none.

Should you have any questions regarding this information please contact the Personnel Liaison Unit at (916) 322-6500.

DS:JB:PMAB