

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

DATE: August 20, 2010

PERSONNEL LETTER #10-017
(CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

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

RE: 2010 FURLOUGH PROGRAM

This letter supersedes Personnel Letters #10-015 and #10-016.

At the direction of the Governor (Executive Order S-12-10 dated July 28, 2010), the Department of Personnel Administration has instituted a new furlough program whereby affected employees are required to take a minimum of three unpaid furlough days each month. The furlough will be administered as an adjustment to the salary rate. A pay differential will be added to the employment history (EH) records to reduce the base pay rate by an average percentage amount equivalent to the three furlough days. See the Department of Personnel Administration (DPA) Pay Letter 10-16 for specific details.

On Thursday, August 19, 2010, an EH mass update was processed to add the furlough pay reduction for the employees subject to the furlough program.

EH MASS UPDATE INFORMATION

The applicable furlough pay differential earnings identifier (EID) was posted to the EH records effective August 1, 2010. See the DPA Pay Differential 385 – Temporary Furlough Program specification, the DPA Exempt Pay Differential Furlough Hours Program specification or the DPA Statutory Exempt Pay Differential Furlough Program specification for the furlough pay differential EID. The EH 350 transaction will be used to add the furlough pay differential EID to the affected employee EH records. Turnaround Personnel Action Requests (PARs) will be issued from the mass update process and released on a flow basis.

The furlough pay differential EIDs are negative percentage based EIDs that reduce the base pay rate. However, the resulting furlough pay differential amount will not display with a negative sign on the EH record or turnaround PARs. Further, percentage based EID's are rounded to the nearest cent hence, the resulting furlough program pay reduction amount can contain cents. Further details and processing instructions will be provided in a subsequent Personnel Letter. A California Leave Accounting Letter will also be published providing furlough leave accounting procedures.

As a result of the actions previously taken for employees paid on a semi-monthly or biweekly basis, the 350 transaction effective 08/01/2010 will create an overpayment situation for semi-monthly and biweekly paid employees. It is the intention of the State Controller's Office (SCO) to establish agency collection accounts receivables (AR's) for these overpayments. A Personnel Letter will be released with more information on the AR's.

PPSD SPECIAL PROCESSING

Employees whose EH record reflects an out of sequence situation (i.e., record contains an 08/01/2010 effective date 350 transaction or a transaction with an effective date after 08/01/2010) were not included in the above automated EH mass update. PPSD is now in the process of manually updating the records and turnaround PARs will be issued as the records are updated. Due to the timing and volume of out of sequence records, it is unlikely that all records will be updated in time to reflect the furlough pay reduction in the August 2010 master payrolls. We anticipate completing the manual update effort by early next week. Corrective action may be required on those records updated after master payroll.

SPECIAL PROCESSING

If an employee had three locked-in established EIDs, one of the established EID will be removed as part of the mass update process so that the furlough pay differential EID can be added. ViewDirect report PDF9083, Employees with Locked-In Earnings IDs Removed, will contain a list of the employees, the established earnings ID that was deleted and the rate. ViewDirect report PDF9083 will be available on Wednesday, August 25, 2010. Beginning with the August 2010 pay period, the listed employees will need to have the deleted EIDs paid on a positive basis via the Payroll Input Process (PIP) System (see the Payroll Procedures Manual Sections G 100 and K for PIP System processing information).

Retired annuitants were excluded from the EH mass update. Departments will need to process a 350 transaction effective August 1, 2010 for all retired annuitants subject to the furlough program. See DPA Personnel Management Liaison Letter (PML) 2010-015 for further details.

Dock transactions should be processed in accordance with the procedures outlined for the prior furlough program (i.e., remove the furlough pay reduction from the EH record, add the furlough time to the dock time on the dock transaction and reapply the furlough pay reduction to EH effective the beginning of the following month). Employees with a dock transaction processed for the August 2010 pay period may be underpaid or overpaid depending upon the manner in which the dock transaction and EH furlough pay reduction update were processed. Departments will need to review the payroll record of employees with a dock transaction processed and take the appropriate corrective actions.

As a reminder, any mid-month appointment, leave of absence or separation action needs to be processed using the instructions issued for the previous furlough program. Also, disability related actions require special processing as identified for the earlier furlough program.

CONTACTS

Questions regarding the furlough program and EH/payroll processing information can be directed as follows:

<u>SUBJECT AREA</u>	<u>CONTACT</u>	<u>TELEPHONE NUMBER</u>
Furlough Program (e.g., rules, regulations benefits/pay impacts)	DPA	(916) 323-3343
Employment History Mass Update	Jeanna Gonzalez	(916) 327-3923
Employment History PAR Procedures	Personnel Operations Liaison Unit	(916) 322-6500

<u>SUBJECT AREA</u>	<u>CONTACT</u>	<u>TELEPHONE NUMBER</u>
General Payroll	Payroll Liaison Unit	(916) 323-3081
Disability Payroll Procedures	Disability Telephone Liaison	(916) 322-3619

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