

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
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DATE: May 11, 2011

PERSONNEL LETTER #11-015
(CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

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

RE: PERSONAL LEAVE PROGRAM 2010 - BARGAINING UNITS 1, 3, 4, 11, 14, 15, 17, 20, AND 21, AND EXCLUDED, EXEMPT, AND STATUTORY EMPLOYEES

As a result of agreements reached between the Department of Personnel Administration (DPA) and bargaining units 1, 3, 4, 11, 14, 15, 17, 20, and 21, as well as Excluded, Exempt, and Statutory employees, the Personal Leave Program (PLP) 2010 has been established effective the November 2010 pay period. The PLP requires that an employee's base salary be reduced by 4.62% in exchange for the equivalent of one day of personal leave credit. Statutory employees will not accrue personal leave credit. See DPA's Personnel Management Liaison (PML) Memorandum 2011-013, PML 2011-014, and DPA Pay Letter 10-25 for specific details.

The PLP pay reduction will be achieved through the use of a pay differential established on each eligible employee's employment history (EH) record. The PLP pay differential is identified by earnings ID (EID): 8PLP. The EID 8PLP is a negative percentage based pay differential that reduces the base salary rate. The resulting PLP reduction amount will not display with a negative sign on the EH record or turnaround Personnel Action Requests (PARs). Percentage based EIDs are rounded to the nearest cent, therefore the resulting PLP pay reduction amount may contain cents. This means the employee's PLP reduced pay rate may also contain cents.

The State Controller's Office (SCO) processed an employment history (EH) mass update to implement the PLP reduction for eligible employees on November 9, 2010. A 350 transaction was processed to add the PLP EID effective November 2, 2010 for monthly and semi-monthly paid employees, and effective October 24, 2010 for biweekly paid employees.

Regular pay (payment type 0) payments will reflect the PLP reduction for both positive and negative pay employees. Overtime, as well as percentage based and step rate pay differentials/premium pays, are calculated on the unreduced base pay amount.

Attached are employment history and payroll processing instructions for the PLP pay reduction for eligible employees.

Please direct questions on the Personal Leave Program as follows:

<u>SUBJECT AREA</u>	<u>CONTACT</u>	<u>TELEPHONE NUMBER</u>
Program Administration (e.g., rules, regulations, benefits/pay impacts)	Personnel Services Branch DPA	(916) 323-3343
General Payroll Procedures	Payroll Operations Telephone Liaison	(916) 323-3081
Disability Payroll Procedures	Disability Telephone Liaison	(916) 322-3619
Employment History Procedures	Personnel Operations Telephone Liaison	(916) 322-6500

LC:RB:PMAB

Attachment

PERSONAL LEAVE PROGRAM

GENERAL INFORMATION

The Personal Leave Program (PLP) pay reduction is to be documented on each eligible employee's employment history (EH) record. Earnings ID 8PLP is to be posted to the EH record on the date PLP is effective for the employee. Effective dates and the transactions used to post the implementation of PLP are as follows:

<u>Employee CBID</u>	<u>Pay Frequency</u>	<u>Effective Date</u>	<u>EH Transaction</u>
Rank and file employees in BU 1, 3, 4, 11, 14, 15, 17, 20, and 21, and Excluded, Exempt, and Statutory Employees	Monthly/Semi-monthly	11/02/2010	350
S12	Biweekly	10/24/2010	350

The following classifications are not subject to the PLP per DPA Pay Letter 10-25:

<u>Class Code</u>	<u>Class Title</u>
0032	Agricultural Technician III (Seasonal)
0033	Agricultural Technician II (Seasonal)
0034	Agricultural Technician I (Seasonal)
0051	Processing Fruit and Vegetable Inspector III (Seasonal)
0052	Processing Fruit and Vegetable Inspector II (Seasonal)
0054	Processing Fruit and Vegetable Inspector I (Seasonal)
0790	Fish and Wildlife Seasonal Aid
0835	Fish and Wildlife Scientific Aid
1023	Archeological Aid –Seasonal
1120	Seasonal Clerk
1242	Office Occupations Trainee
1931	Scientific Aid
3012	Student Engineering Aid
3082	Substitute Academic Teacher (Correctional Facility)
4871	Student Assistant -Engineering and Architectural Sciences
7872	Animal Technician I
8140	Pre-Registered Nurse
8170	Pre-Registered Nurse, Departments of Mental Health and Development
8434	Self-Help Sponsor (Part Time)
9992	Maintenance and Service Occupational Trainee
9993	Mechanical and Technical Occupational Trainee

All CBID E designated classes

In exchange for the pay reduction, each employee will receive PLP leave credits based on his/her time base or time worked. The PLP leave hours shall be credited to the employee on the first day of the month for each monthly pay period the employee is on PLP. Full-time employees will receive 8 hours of PLP leave credits. However, when a full-time or fractional time base employee receives partial month pay (i.e., starts or returns to employment after the first of the pay period, or is on dock, separates, or is placed on a leave prior to the end of the pay period), departments will need to convert his/her time worked to hours and use the intermittent/hourly chart below to determine the number of PLP hours to credit. Part-time or fractional time base employees who work the full pay period and intermittent time base employees will receive PLP leave credits based on their time base or actual hours worked per the following charts:

<u>Part-time/Fractional</u>		<u>Intermittent/Hourly</u>	
<u>Time Base</u>	<u>PLP Credits</u>	<u>Hours Worked During Pay Period</u>	<u>PLP 2010 Credit</u>
1/10	1	0 to 10.9	0
1/8	1	11 to 30.9	1
1/5	2	31 to 50.9	2
1/4	2	51 to 70.9	3
3/10	3	71 to 90.9	4
3/8	3	91 to 110.9	5
2/5	4	111 to 130.9	6
1/2	4	131 to 150.9	7
3/5	5	151 or over	8
5/8	5		
7/10	6		
3/4	6		
4/5	7		
7/8	7		
9/10	8		

LEAVE ACCOUNTING

A Leave Accounting Letter containing PLP procedures for departments participating in the California Leave Accounting System (CLAS) will be forthcoming. Non-participating departments must manually update their employees' leave balances with the PLP credits and usages.

EMPLOYMENT HISTORY

Each department is responsible for maintaining correct PLP eligibility on their employees' EH records. If an employee moves to a CBID not eligible for PLP, departments are responsible for deleting the PLP EID on the appointment transaction. If an employee moves from a non-eligible CBID to an eligible CBID or is newly appointed to an eligible CBID, departments are responsible for entering the PLP EID on the appointment transaction. See Personnel Action Manual (PAM) instructions for documenting established earnings (Item 351, page 2.48.1) on EH transactions.

I. PLP Pay Differential

To continue to reflect the actual appointment or base salary rate for employees subject to PLP, a negative PLP pay differential EID was established. The PLP EID reduces the employees' base salary rate (or actual salary rate for intermittent time base employees) to achieve the PLP reduction pay rate.

The PLP EID is defined as a 4.62% reduction, which reflects the equivalent of 8 hours in a 21.667 day pay period (average # of work days in a 21 and 22 day pay periods). Since percentage based EIDs are rounded to the nearest cent, employees who normally have a pay rate defined in whole dollars will have a new PLP pay rate in dollars and cents.

The PLP pay reduction amount is system generated and computed by multiplying the PLP EID percentage rate by the base salary rate (or actual salary rate for intermittent time base employees) and rounding the amount to the nearest dollar/cent. To arrive at the PLP reduced base salary, subtract the PLP reduction amount from the base salary.

Example

$\$4583.00$ (base pay) \times 4.62% (PLP EID percentage) = $\$211.73$ (PLP amount)
 $\$4583.00$ (base pay) - $\$211.73$ (PLP amount) = $\$4371.27$ (PLP reduced base pay rate)

II. Established Earnings

There are three fields available on EH where established earnings can be entered. If all three fields are completed and the PLP EID must be added, delete one of the existing EIDs and add the PLP EID. The deleted pay differential will need to be keyed via the Payroll Input Process (PIP) system until the PLP is discontinued. See Payroll Procedures Manual (PPM) Sections G 100 and K for PIP processing information.

III. Retired Annuitants

Retired annuitants appointed pursuant to Government Code Sections 19144, 21154, 21223, 21224, 21225 or 21227 are not subject to the PLP reduction.

PPSD did not include any retired annuitants in the EH mass update process to add the PLP EID to employee records. Each department is responsible for manually adding the PLP EID to the EH record of any retired annuitant employee subject to the PLP reduction.

IV. Dock

Employees on dock during a pay period are still subject to the PLP reduction. A 350 transaction to delete the PLP EID should not be processed. The employees will earn PLP on a pro-rated basis, per the Intermittent/Hourly accrual chart. PLP accruals should be adjusted accordingly based on the hours worked during the pay period.

V. Military Leave

Employees on military leave pursuant to Government Code Section 19775.18 are not subject to the PLP reduction. Process a 350 transaction to delete the PLP EID effective the date the employee begins active duty. Note: Deletion of the PLP EID may be prior to the effective date of the EH military leave transaction if the employee is receiving regular pay for his/her first 30 days of military leave or elects to use leave credits.

Employees on military leave as of November 2, 2010 were not included in the EH mass update process to add the PLP EID. Each department is responsible for manually deleting the PLP EID for employees who began active duty on or after November 2, 2010. If an employee returns from military leave during the PLP period, each department is responsible for adding the PLP EID on the A03 reinstatement transaction.

VI. Involuntary Leave

Employees on involuntary leave are not subject to the PLP reduction. However, employees on involuntary leave and using leave credits at the time of the EH mass update were included in the update. Departments must void the 350 transaction processed as part of the mass update to remove the PLP EID from the record. If an employee is placed on an involuntary leave during the PLP period and is using leave credits, process a 350 transaction to delete the PLP EID effective the date the employee began the involuntary leave. If a disability retirement is denied, reinstate the PLP EID at the time the employee is returned to pay status.

VII. Disability Leave

Disability pay and disability supplementation pay are not subject to the PLP reduction. However, any regular pay for actual time worked during a disability period is subject to the PLP reduction. PPSD did not include any employee who was on a disability leave via a S49, S50, or 565 injury code 1 or 2 or 5 transaction as of November 2, 2010, in the EH mass update process.

Each department is responsible for manually adding/deleting the PLP EID as follows:

- A. For employees approved for disability leave and taken off payroll (S49, S50, or 565 injury code 1 or 2 or 5 transaction), process a 350 transaction to delete the PLP EID from their EH records effective the same date/hours as the S49, S50, or 565 transaction. The 350 transaction should be keyed before the S49, S50, or 565 transaction and must be keyed before master payroll cutoff if the employee is due pay for the current month. (Note: The effective date/hours field on the S49 or S50 for SDI should be completed with BOB or the appropriate hours).
- B. For employees retroactively approved for disability who previously received regular pay while their disability was pending, process a 350 transaction effective the beginning of the current pay period to delete the PLP EID.
- C. For employees retroactively approved for disability who did not receive regular pay while their disability was pending, process a 350 transaction to delete the PLP EID effective the same date/hours as the S49, S50, or 565 transaction. The 350 transaction should be keyed before the S49, S50, or 565 transaction. If the effective date of the disability approval is prior to the PLP period, void the 350 transaction. (Note: The effective date/hours field on the S49 or S50 for SDI should be completed with BOB or the appropriate hours).

- D. For employees who are working while on SDI (S50), the PLP EID should remain on their EH record. If the employee does not currently have the PLP EID posted, a 350 transaction should be keyed before the S50 to add the PLP EID. Payment should be requested per the instructions on Payroll Letter #06-005. (Note: Time worked while on SDI should be paid at the reduced PLP rate).

The PLP EID should remain on EH records of employees placed on disability leave, but not taken off payroll (i.e., SPC transaction). For employees returning from disability leave/off pay status, process a 350 transaction to re-establish the PLP EID as long as their return date falls within the PLP period. Failure to include the PLP EID on these employees' EH records could cause overpayments.

See below for disability payroll processing instructions.

VIII. Additional Positions

Employees are subject to the PLP reduction up to a maximum equivalent of a full-time position (i.e., employees shall not earn more than 8 hours of PLP in any pay period). Therefore, if an employee is appointed to more than one position, the department designated as the employee's primary employer will need to coordinate with the other employing department(s) to ensure the PLP is administered appropriately according to the following instructions:

- If an employee has other position(s) in addition to a full-time position, the PLP pay reduction shall apply to the full-time position only.
- If an employee has multiple part-time or intermittent time base positions that together total more than one full-time position, the PLP pay reduction shall apply to all positions that total the equivalent of one or more full-time position. If the PLP reduction occurs for more than one full-time position, the primary department will be responsible for coordinating with the other department(s) to request adjustment(s) for any excess PLP reduction(s) taken. See below for payroll processing information and instructions.

Departments must monitor personnel actions (time base changes, new additional positions, and separations from one of the additional positions) and take the appropriate actions.

IX. Separating Employees

Separating employees do not earn any additional PLP credits beyond the effective date of their separation. PLP has no cash value and must be used prior to separation. In addition, lump sum pay is not subject to the PLP reduction.

To pay lump sum time at the correct rate, Item 962 must be entered on the separation PAR. Item 962 identifies an alternate salary rate to pay all or part of separation pay. Separation pay includes lump sum vacation, overtime, holidays, etc. Sick leave can also be paid out as lump sum in cases of disability retirement.

Departments should use the employee's EH base salary rate or actual salary rate for an intermittent time base employee for Item 962's total salary rate for employees who do not have any other special pay (plus salary, shift differential, pay differentials or premium pays) to be included in the lump sum rate. For employees who do have other special pay, include all additional special pay to derive Item 962's total salary rate.

Please note: If the total lump sum vacation time in Item 620 is to be paid at the Item 962 rate, then the time in Item 962 (code 2) must equal the time in Item 620. If lump sum vacation time in Item 620 and lump sum overtime in Item 625 are both to be paid at the Item 962 rate, then the time in Item 962 (code 2) must only equal the time in Item 620. If the total lump sum overtime in Item 625 is to be paid at the Item 962 rate, then the time in Item 962 (code 3) must equal the time in Item 625.

Failure to enter Item 962 on the separation PAR will cause a delay in issuing separation pay. See PAM page 2.149 for detailed completion instructions for Item 962.

Due to system limitations, the following separation PAR documents must be sent to PPSD for special processing:

- Intermittent time base employees with Item 962 completed;
- Employees with lump sum to be paid at more than one pay rate (e.g., MSA occurring during the lump sum projection period). Enter Item 962 data related to the second pay rate in Item 215 of the separation PAR.

X. Movement Between Furlough Program and PLP Program

Special processing is required when an employee has a mid-month change (i.e. CBID, class, etc.) that results in movement between the Furlough Program and the PLP Program.

To determine the amount of unpaid furlough time to assign an employee for a mid-month change, use the designated first, second, and third furlough Fridays that fall within the pay period of the action. This applies to all employees with a time base of full-time or part-time and whether the employee is in the self-directed furlough plan or not. Intermittent employees will have the furlough pay differential EID applied to their EH record regardless of the effective date of the EH action.

A. Movement from Furlough to PLP

1. Process a 350 transaction to delete the furlough pay differential EID effective the beginning of the pay period.
2. The PLP pay differential EID must be added to the employee's record with the appointment transaction effective date. Process appointment transaction with Time to be Paid (New) completed in item 606 and Time to be Paid (Old) completed in item 607.

NOTE: If the movement is taking place between two departments, the "losing" department should certify the Time to be Paid (Old) in item 607 prior to sending the PAR to the "gaining" department. The "gaining" department should certify Time to be Paid (New) in item 606.

Example

Employee transfers from a CBID that is subject to the furlough program to a CBID that is subject to PLP effective December 13, 2010.

- 350 transaction effective 12/02/10 to delete the furlough pay differential EID.
- A01 transaction effective 12/13/10 with item 351 completed to add the PLP pay differential EID, item 606 (New) completed with 15 days and item 607 (Old) completed with 5 days (reflects 2 unpaid furlough days).

B. Movement from PLP to Furlough

1. The PLP pay differential EID must be deleted from the employee's record with the appointment transaction effective date. Process appointment transaction with Time to be Paid (New) completed in item 606 and Time to be Paid (Old) completed in item 607.
2. Process a 350 transaction to add the furlough pay differential EID effective the beginning of the following pay period.

Example

Employee transfers from a CBID that is subject to PLP to a CBID that is subject to the furlough program effective December 13, 2010.

- A01 transaction effective 12/13/10 with item 351 completed to delete the PLP pay differential EID, item 606 (New) completed with 14 days (reflects 1 unpaid furlough day) and item 607 (Old) completed with 7 days.
- 350 transaction effective 01/01/11 and item 351 completed to add the appropriate furlough pay differential EID.

XI. Participation in PLP Program

Employees newly hired on or after November 2, 2010 into an SEIU-represented or excluded classification while the PLP 2010 is in effect will be subject to the program for its duration.

Participation in the PLP 2010 will be based on the classification an employee moves to when transferring between classifications/BUs that have different PLP ending dates. An employee shall have no more than 12 months of PLP 2010 participation.

Examples

If an employee transfers from BU 16 to BU 1 effective December 2, 2010, the employee will be subject to PLP 2010 until September 1, 2011.

If an employee transfers from BU 1 to BU 16 effective December 2, 2010, the employee will be subject to PLP 2010 until September 1, 2011.

PAYROLL PROCESSING

I. Regular Pay

Generally, no special processing is required to issue regular pay (original or adjustments). However, employees with additional positions whose pay was reduced by more than the equivalent of one full-time position will require an adjustment.

Example

Position A:

$\$2,500$ (base pay) \times 4.62% (PLP EID percentage) = $\$115.50$ (PLP amount)

$\$2,500$ (base pay) - $\$115.50$ (PLP amount) = $\$2384.50$ (PLP full-time reduced base pay rate)

$\$2384.50$ (PLP reduced base pay rate) \times 003/004 (time base) = $\$1788.38$ (regular full month pay gross)

$\$1788.38$ (regular full month pay gross) = 6 hours PLP credit

Position B:

$\$15.25/\text{hour}$ (base pay) \times 4.62% (PLP EID percentage) = $\$.70/\text{hour}$ (PLP amount)

$\$15.25/\text{hour}$ (base pay) - $\$.70/\text{hour}$ (PLP amount) = $\$14.55$ (PLP reduced base pay rate)

$\$14.55$ (PLP reduced base pay rate) \times 150 hours to be paid = $\$2182.50$ (regular pay gross)

$\$2182.50$ (regular pay gross) = 7 hours PLP credit

Position A is the employee's primary position. Position B's regular pay will need to be adjusted to have the PLP pay reduction applicable to only 31 hours (equivalent to 2 hours of PLP credit).

Departments will need to submit Form STD. 674 to request the adjustment. See PPM Section D 010 for form completion instructions. In the Remarks Area, enter "Adjust pay for PLP over charge." In the Payment Should Be section, complete one line for the time due at the PLP rate and the second line for the time due at the non-PLP pay reduction rate (for the above example, 31 hours @ $\$14.55$ in line one and 119 hours @ $\$15.25$ in line two).

II. Holiday and Overtime Pay

Holiday and overtime pay are not subject to the PLP reduction. The payroll system will generate the correct salary rate for the system generated holiday/overtime rate EIDs (OT7, OT8 or OT9 for overtime pay and H, H5 or H6 for holiday pay). See PPM Sections G 024 and G 929 for additional information on the EID's including the EID's to request holiday and overtime pay with evening and night shift rates.

III. Premium Pay

Percentage based or step rate premium pay is not subject to the PLP reduction. No special processing is required to request premium pay through the PIP system. Follow the normal PIP procedures to request pay.

IV. Disability Pay for Employees on TD, IDL, NDI, or SDI

Disability pay and disability supplementation pay are not subject to the PLP reduction. However, pay for time worked by an employee while on disability leave is subject to the PLP reduction.

Depending on the employee's situation, the actions required to issue disability related pay will vary as follows:

A. Employees on Disability Leave and Off Payroll

1. The employee's EH record should be updated to delete the PLP pay differential at the time the EH disability leave transaction is processed. See above EH processing section for further information.
2. If the disability action is retroactive and the employee did not receive regular pay while his/her disability leave status was pending:
 - a. Process the disability and any IDL supplementation pay requests via the PIP system for the retroactive pay periods, as well as, current and future pay periods.
 - b. Submit Form STD. 674/674D to request any NDI or SDI supplementation and/or regular pay for actual time worked during the disability period. Include the appropriate pay rate and corresponding total time to be paid for each pay type on Form STD. 674/674D.
3. If the disability action is retroactive and the employee received regular pay while his/her disability leave status was pending:
 - a. Submit Form STD. 674/674D to request the appropriate adjustments for the retroactive pay periods. Include the appropriate pay rate and corresponding total time to be paid for each adjustment type on Form STD. 674/674D.
 - b. Process the disability and any IDL supplementation pay requests via the PIP system for current and future pay periods.
 - c. Submit Form STD. 674/674D to request any NDI or SDI supplementation and/or regular pay for actual time worked during the disability leave period for current and future pay periods. Include the appropriate pay rate and corresponding total time to be paid for each pay rate/pay type on the Form STD. 674/674D.
4. If the disability action is effective current month:
 - a. Process the disability and any IDL supplementation pay requests via the PIP system for current and future pay periods.
 - b. Submit Form STD. 674/674D to request any NDI or SDI supplementation and/or regular pay for actual time worked during the disability period for current and future pay periods.

Include the appropriate pay rate and corresponding total time to be paid for each pay type on the Form STD. 674/674D.

B. Employee on Disability Leave and On Payroll

- 1.The PLP pay differential should not be deleted from the employee's EH record. Doing so could cause overpayments should the employee work during the disability period.
- 2.Continue to submit Form STD. 674/674D to request the appropriate adjustments for any retroactive pay periods, as well as, current and future pay periods. Include the appropriate pay rate and corresponding total time to be paid for each adjustment type on the Form STD. 674/674D.

C. Additional Processing Guidelines

- 1.For an employee off payroll, if the PLP pay differential is not deleted from the employee's EH record, the PIP disability and IDL supplementation pay request transactions will reject and will need to be re-processed once the EH record is updated.
- 2.If an employee is supplementing his/her disability pay with leave credits, the supplementation pay is based on the employee's unreduced pay rate. To compute the rate, include any special pay(s) (plus salary, shift differential, pay differentials or premium pays) that should be included in the supplementation pay rate.
- 3.The Enhanced NDI calculator cannot be used when an employee works during the disability period and receives regular pay that is subject to PLP. The calculator will be modified for PLP at a future date. A Payroll Letter will be issued to inform departments once the changes have been made. In the meantime, please refer to SCO Payroll Letter [#04-013](#) for the manual calculation worksheets to use when processing NDI pay. Note: The IDL/S calculator can be used when different salary rates are involved in the IDL pay period. See PPM Section E 458 for instructions.

V. Retirement

Both employee and state share for retirement are based on the reduced PLP pay rate. However, for purposes of reporting final compensation to CalPERS for retirement calculations, the unreduced rate is used. The State Controller's Office will report the appropriate salary rates to CalPERS for employees subject to the PLP pay reduction.

VI. Salary Advances

Regular pay salary advances should be based on the PLP reduced base salary rate. Salary advances for any other pay types can be based on the unreduced base salary rate.

VII. Earnings Statement

Earnings statements will not reflect the actual PLP reduction amount. Instead, the statement will show the regular pay gross amount reduced by the PLP amount. The gross amount can be in dollars and cents when previously the employee had an amount reflected in whole dollars. See above Employment History section for an explanation.