

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

DATE: September 6, 2012

PERSONNEL LETTER #12-015
(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 2012/FURLOUGH 2012**

As a result of agreements reached between the California Department of Human Resources (CalHR) and bargaining units 1, 2, 3, 4, 5, 6, 7, 8, 10 11, 12, 14, 15, 16, 17, 18, 19, 20, and 21, as well as Excluded, the Department of Personnel Administration (DPA) Exempt, and Statutory Exempt employees, the Personal Leave Program (PLP) 2012 was established effective the July 2012 pay period. Furlough 2012 was established the July 2012 pay period for represented employees in bargaining units 9 and 13. The PLP and Furlough require that an employee's base salary be reduced by an average percentage amount equivalent to one day of leave credit. Statutory employees will not accrue personal leave credit.

Please see CalHR Pay Letters 12-14 and 12-15 as well as CalHR Personnel Management Liaisons Memorandums (PMLs) 2012-016 through 2012-029 for further information.

Refer to Attachment A for information regarding Legacy processing and Attachment B for MyCalPAYS processing.

Please direct questions on the Personal Leave Program and Furlough 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 CalHR	(916) 323-3343
General Payroll Procedures Disability Payroll Procedures Employment History Procedures	Customer Contact Center	(916) 372-7200 Press 1 for MyCalPAYS Press 2 for Legacy

LC:RB/JB:PMAB

Attachments

SCO LEGACY SYSTEM

The PLP and Furlough 2012 pay reductions will be achieved through the use of a pay differential established on each eligible employee's employment history (EH) record. Employees will have a reduction in pay equal to 4.62% through the use of the Earnings ID (EID) 8PLP or 8FR3. The following exceptions apply:

- Bargaining Unit 6 employees in 7K ranges shall have a reduction in pay equal to 4.50% through the use of the EID 8PL6.
- Bargaining Unit 6 employees in the Fire Captain classification, Class Code 9001, Alternate Ranges L and M (192 hour schedule), shall have a reduction in pay equal to 3.85% through the use of the EID 8PL7.
- Bargaining Unit 6 employees in the Fire Captain classification, Class Code 9001, Alternate Ranges N and P (216 hour schedule), shall have a reduction in pay equal to 3.42% through the use of the EID 8PL8.
- Bargaining Unit 7 employees in the State Park Peace Officer (Ranger) classification, Class Code 0983 (171 hour 7K schedule), shall have a reduction in pay equal to 4.32% through the use of the EID 8PLG.
- Bargaining Unit 7 employees in the Fire Fighter classification, Class Code 8979 (192 hour 7K schedule and 216 hour 7K schedule), shall have a reduction in pay equal to 3.29% through the use of the EID 8PL9.
- Bargaining Unit 7 employees in the Captain Firefighter/Security Officer classification, Class Code 8989 (212 hour 7K schedule) and Firefighter/Security Officer classification, Class Code 8990 (212 hour 7K schedule), shall have a reduction in pay equal to 3.48% through the use of the EID 8PLF.
- Bargaining Unit 8 employees shall have a reduction in pay equal to 4.75% through the use of the EID 8PLP.
- Bargaining Unit 10 and 19 employees are eligible to accelerate their PLP accruals through the use of EIDs 8PL2 and 8PL3. Please see Pay Letter 12-14 and PMLs 2012-023 and 2012-024 for more information.

The PLP and Furlough 2012 EIDs are negative percentage based pay differentials that reduce the base salary rate. As such, the PLP or Furlough reduction amount will not display with a negative sign on the EH record or turnaround PARs. The percentage based EIDs are rounded to the nearest cent; therefore, the PLP or Furlough pay reduction amount may contain cents. This means the employee's PLP or Furlough reduced pay rate may also contain cents.

The State Controller's Office (SCO) processed an employment history (EH) mass update to implement the PLP and Furlough 2012 reductions for eligible semimonthly and biweekly employees on July 6, 2012, and for monthly paid employees on July 12, 2012. A third mass update was processed on July 18, 2012 for employees who had three locked-in EIDs and had to have one removed in order to add the PLP or Furlough EID. A 350 transaction was processed to add the appropriate EID effective July 1, 2012 for all applicable employees.

Regular pay (payment type 0) payments will reflect the PLP or Furlough 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.

GENERAL INFORMATION

The Personal Leave Program (PLP) or Furlough 2012 pay reduction is to be documented on each eligible employee's employment history (EH) record. The PLP or Furlough 2012 EID is to be posted to the EH record on the date it is effective for the employee. Effective dates and the transactions used to post the implementation of PLP and Furlough 2012 are as follows:

<u>Employee CBID</u>	<u>Pay Frequency</u>	<u>Effective Date</u>	<u>EH Transaction</u>
Rank and file, Excluded, DPA Exempt, and Statutory Exempt	Monthly, Semimonthly, and Biweekly	07/01/2012	350

The following classes and employees are not subject to the PLP per CalHR Pay Letter 12-14:

<u>Class Code</u>	<u>CBID</u>	<u>Class Title</u>
0032	R01	Agricultural Technician III (Seasonal)
0033	R01	Agricultural Technician II (Seasonal)
0034	R01	Agricultural Technician I (Seasonal)
0051	R01	Processing Fruit and Vegetable Inspector III (Seasonal)
0052	R01	Processing Fruit and Vegetable Inspector II (Seasonal)
0054	R01	Processing Fruit and Vegetable Inspector I (Seasonal)
0790	R11	Fish and Wildlife Seasonal Aid
0835	R11	Fish and Wildlife Scientific Aid
0987	R12	Maintenance Aide (Seasonal)
0989	R12	Maintenance Aide (Seasonal) (Angel Island)
0990	R07	Lifeguard II (Seasonal)
0993	R07	Lifeguard I (Seasonal)
0994	R07	Pool Lifeguard (Seasonal)
0996	R12	Senior Maintenance Aide (Seasonal)
0997	R12	Senior Maintenance Aide (Seasonal) (Angel Island)
1023	R11	Archeological Aid (Seasonal)
1030	R07	Backcountry Trails Camp Supervisor, California Conservation Corps
1120	R04	Seasonal Clerk
1242	R04	Office Occupations Trainee
1931	R11	Scientific Aid
1949	R07	State Fair Police Officer (Seasonal)
2791	R01	Guide Trainee Historical Monument
3012	R11	Student Engineering Aid
3082	R03	Substitute Academic Teacher (Correctional Facility)
4871	R11	Student Assistant -Engineering and Architectural Sciences
7872	R11	Animal Technician I
7956	R10	Microbiologist Intern
8140	R17	Pre-Registered Nurse
8170	R17	Pre-Registered Nurse, Departments of Mental Health and Developmental Services
8434	R20	Self-Help Sponsor (Part Time)
9992	R15	Maintenance and Service Occupational Trainee
9993	R11	Mechanical and Technical Occupational Trainee

All CBID E designated classes

Bureau of State Audits
Legislative Counsel Bureau

In exchange for the pay reduction, each employee will receive PLP or Furlough 2012 leave credits based on his/her time base or time worked. The PLP or Furlough 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 or Furlough. Full-time employees will receive 8 hours of leave credits, with the exception of unit 3 represented and exempt teachers listed in PML 2012-028. 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 hours to credit. Part-time or fractional time base employees who work the full pay period and intermittent time base employees will receive PLP or Furlough 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</u> <u>During Pay Period</u>	<u>PLP Credits</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

Please refer to Leave Accounting Letters 12-013 and 12-014.

EMPLOYMENT HISTORY

Each department is responsible for maintaining correct PLP or Furlough eligibility on their employees' EH records. If an employee moves to a CBID or class code with different eligibility, departments are responsible for making the appropriate change on the appointment transaction. See the Personnel Action Manual (PAM) instructions for documenting established earnings (Item 351, page 2.48.1) on EH transactions.

I. PLP and Furlough 2012 Pay Differentials

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

The PLP and Furlough 2012 EIDs are defined as a 4.62% reduction (see exceptions above), 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 pay rate in dollars and cents.

The PLP and Furlough pay reduction amounts are system generated and computed by multiplying the PLP or Furlough 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 reduced base salary, subtract the PLP or Furlough reduction amount from the base salary.

Examples

R06 Employee in 7K range:

$\$6144.00$ (base pay) \times 4.50% (PLP 2012 EID percentage) = $\$276.48$ (PLP amount)
 $\$6144.00$ (base pay) - $\$276.48$ (PLP 2012 amount) = $\$5867.52$ (PLP reduced base pay rate)

R08 Employee:

$\$4609.00$ (base pay) \times 4.75% (PLP 2012 EID percentage) = $\$218.93$ (PLP amount)
 $\$4609.00$ (base pay) - $\$218.93$ (PLP 2012 amount) = $\$4390.07$ (PLP reduced base pay rate)

R09 Employee:

$\$8378.00$ (base pay) \times 4.62% (Furlough 2012 EID percentage) = $\$387.06$ (Furlough amount)
 $\$8378.00$ (base pay) - $\$387.06$ (Furlough 2012 amount) = $\$7990.94$ (Furlough 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 or Furlough 2012 EID must be added, delete one of the existing EIDs and add the appropriate EID. The deleted pay differential will need to be keyed via the Payroll Input Process (PIP) system until the PLP or Furlough 2012 is discontinued. See the 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 or Furlough 2012 reduction.

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

IV. Dock

Employees on dock during a pay period are still subject to the PLP or Furlough reduction. A 350 transaction to delete the EID should not be processed. The employees will earn PLP or Furlough on a pro-rated basis, per the Intermittent/Hourly accrual chart. PLP and Furlough 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 or Furlough reduction. Process a 350 transaction to delete the PLP or Furlough EID effective the date the employee begins active duty. Note: Deletion of the PLP or Furlough 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 July 1, 2012 were not included in the EH mass update process to add the PLP or Furlough EID. Each department is responsible for manually deleting the PLP or Furlough EID for employees who began active duty on or after July 1, 2012. If an employee returns from military leave during the PLP or Furlough period, each department is responsible for adding the appropriate EID on the A03 reinstatement transaction.

VI. Involuntary Leave

Employees on involuntary leave are not subject to the PLP or Furlough 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 or Furlough EID from the record. If an employee is placed on an involuntary leave during the PLP or Furlough period and is using leave credits, process a 350 transaction to delete the PLP or Furlough EID effective the date the employee began the involuntary leave. If a disability retirement is denied, reinstate the PLP or Furlough 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 or Furlough reduction. However, any regular pay for actual time worked during a disability period is subject to the 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 July 1, 2012, in the EH mass update process.

Each department is responsible for manually adding/deleting the PLP or Furlough 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 or Furlough 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 or Furlough 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 or Furlough 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 or Furlough 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).

The PLP or Furlough 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 or Furlough EID as long as their return date falls within the PLP or Furlough period. Failure to include the PLP or Furlough 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 or Furlough reduction up to a maximum equivalent of a full-time position (i.e., employees shall not earn more than 8 hours of PLP or Furlough 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 or Furlough is administered appropriately according to the following instructions:

- If an employee has other position(s) in addition to a full-time position, the PLP or Furlough 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 or Furlough pay reduction shall apply to all positions that total the equivalent of one or more full-time position. If the PLP or Furlough 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 or Furlough 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 or Furlough credits beyond the effective date of their separation. PLP and Furlough have no cash value and must be used prior to separation. In addition, lump sum pay is not subject to the PLP or Furlough 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.

If hundreds are being used on Personnel Action Request (PAR) Item 620, you must round up. PAR Item 962 must match item 620 for pay to issue.

Example Item 620 is: 30 008 47
 Item 962 is: 05348.00-2-30-008.4

The correct way to document both items should be:

Example Item 620 is: 30 008 50
 Item 962 is: 05348.00-2-30-008.5

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., Merit Salary Adjustment (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.

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) x 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) x 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/hour (base pay) x 4.62% (PLP EID percentage) = \$.70/hour (PLP amount)

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

\$14.55 (PLP reduced base pay rate) x 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 or Furlough over charge." In the Payment Should Be section, complete one line for the time due at the PLP or Furlough rate and the second line for the time due at the non-PLP or Furlough 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 or Furlough 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 EIDs including the EIDs 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 or Furlough 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 Temporary Disability (TD), Industrial Disability Leave (IDL), or Nonindustrial Disability Insurance (NDI)

Disability pay and disability supplementation pay are not subject to the PLP or Furlough reduction. However, pay for time worked by an employee while on disability leave is subject to the PLP or Furlough 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 or Furlough 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 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 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 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 or Furlough 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 or Furlough 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 or Furlough. The calculator will be modified for PLP and Furlough 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 (http://www.sco.ca.gov/Files-PPSD-Letters/Payr/2004_p04-013.pdf) 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 or Furlough 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 or Furlough pay reduction.

VI. Salary Advances

Regular pay salary advances should be based on the PLP or Furlough 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 or Furlough reduction amount. Instead, the statement will show the regular pay gross amount reduced by the PLP or Furlough 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.

MyCalPAYS PAYROLL SYSTEM

The PLP and Furlough 2012 pay reductions will be achieved through the use of a pay differential established on each eligible employee's Infotype 9007 (IT9007). Employees will have a reduction in pay equal to 4.62% through the use of the Wage Types 0020 (PLP 2012) and 0042 (Furlough) on IT0008. The following exceptions apply:

- Bargaining Unit 6 employees in 7K ranges shall have a reduction in pay equal to 4.50%. The Wage Type will be determined later.
- Bargaining Unit 6 employees in the Fire Captain classification, Class Code 9001, Alternate Ranges L and M (192 hour schedule), shall have a reduction in pay equal to 3.85%. The Wage Type will be determined later.
- Bargaining Unit 6 employees in the Fire Captain classification, Class Code 9001, Alternate Ranges N and P (216 hour schedule), shall have a reduction in pay equal to 3.42%. The Wage Type will be determined later.
- Bargaining Unit 7 employees in the State Park Peace Officer (Ranger) classification, Class Code 0983 (171 hour 7K schedule), shall have a reduction in pay equal to 4.32% through the use of the Wage Type 002C.
- Bargaining Unit 7 employees in the Fire Fighter classification, Class Code 8979 (192 hour 7K schedule and 216 hour 7K schedule), shall have a reduction in pay equal to 3.29% through the use of the Wage Type 002D.
- Bargaining Unit 7 employees in the Captain Firefighter/Security Officer classification, Class Code 8989 (212 hour 7K schedule) and Firefighter/Security Officer classification, Class Code 8990 (212 hour 7K schedule), shall have a reduction in pay equal to 3.48% through the use of Wage Type 002E.
- Bargaining Unit 8 employees shall have a reduction in pay equal to 4.75% through the use of Wage Type 0020.
- Bargaining Unit 10 and 19 employees are eligible to accelerate their PLP accruals through the use Wage Types 002A and 002B. Please see Pay Letter 12-14 and PMLs 2012-023 and 2012-024 for more information.

The PLP and Furlough 2012 Wage Types reduce the base salary rate. The percentage based Wage Types are rounded to the nearest cent; therefore, the PLP or Furlough pay reduction amount may contain cents. This means the employee's PLP or Furlough reduced pay rate may also contain cents.

MyCalPAYS (MCP) processed a mass update to implement the Personal Leave Program (PLP) 2012 for all eligible employees as identified above on July 18, 2012. The mass update performed a Salary Change Action to establish the new PLP 2012. During the Salary Change Action the following Infotypes were updated as follows:

- IT0000 – (Actions) – A Salary Change Action as of 07/01/2012 with the reason code PLP/VPLP.
- IT0008 – (Basic Pay) – A new record with the PLP 2012 wage type (0020) with a value of 0.01 effective 07/01/2012. The wage type eligibility table will determine the 4.62% rate during the payroll run.
- IT9007 – (Employment Action Substantiation) – A new record showing the Pay Differential 386 identified in the field for Pay Letter No.

Regular pay will reflect the PLP or Furlough 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.

GENERAL INFORMATION

The Personal Leave Program (PLP) or Furlough 2012 pay reduction is to be documented on each eligible employee’s record. The PLP or Furlough 2012 wage types are posted to the employee record on the date it is effective for the employee. Effective dates and the transactions used to post the implementation of PLP and Furlough 2012 are as follows:

<u>Employee CBID</u>	<u>Pay Frequency</u>	<u>Effective Date</u>	<u>MCP Transaction</u>
Rank and file, Excluded, DPA Exempt, and Statutory Exempt	Monthly, Semimonthly, and Biweekly	07/01/2012	PA40, Salary Change

See Attachment A for the classes and employees who are not subject to the PLP per CalHR Pay Letter 12-14.

In exchange for the pay reduction, each employee will receive PLP or Furlough 2012 quotas based on his/her time base or time worked. The PLP or Furlough quota hours shall be credited to the employee on the first day of the month for each monthly pay period the employee is on PLP or Furlough. Full-time employees will receive 8 hours of leave credits, with the exception of unit 3 represented and exempt teachers listed in PML 2012-028. 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), MyCalPAYS will automatically convert his/her time worked to hours and use the intermittent/hourly chart below to determine the number of hours to credit. Part-time or fractional time base employees who work the full pay period and intermittent time base employees will receive PLP or Furlough quotas 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 Credits</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

Please refer to Leave Accounting Letters 12-013 and 12-014.

EMPLOYMENT HISTORY

Each department is responsible for maintaining correct PLP or Furlough eligibility on their employees' records. If an employee moves to a CBID or class code with different eligibility, departments are responsible for making the appropriate change via the Salary Change Action transaction. See Work instructions for processing a Salary Change Action.

I. PLP and Furlough 2012 Pay Differentials

See section above for details on the PLP and Furlough Pay Differential.

II. Established Earnings

MyCalPAYS allows numerous pay differentials to be established on an employee's record. There is no manual action necessary to maintain multiple differentials.

III. Retired Annuitants

Retired annuitants appointed pursuant to Government Code Sections 19144, 21154, 21223, 21224, 21225 or 21227 are not subject to the PLP or Furlough 2012 reduction; therefore, MyCalPAYS did not include any retired annuitants in the mass update process to implement the PLP 2012 or Furlough wage types to employee records.

IV. Dock

Employees on dock during a pay period are still subject to the PLP or Furlough reduction. No action is necessary to delete the PLP 2012 or Furlough wage types in MCP. The employees will earn PLP or Furlough on a pro-rated basis, per the Intermittent/Hourly accrual chart. PLP and Furlough accruals will be adjusted automatically 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 or Furlough reduction. When processing a Military Leave Action ensure the PLP or Furlough Wage Type is removed from IT0008.

Employees on military leave as of July 1, 2012 were not included in the mass update process to add the PLP or Furlough wage type. Each department is responsible for manually deleting the PLP or Furlough wage type for employees who began active duty on or after July 1, 2012. If an employee returns from military leave during the PLP or Furlough period, each department is responsible for adding the appropriate EID during the reinstatement transaction.

VI. Involuntary Leave

Employees on involuntary leave are not subject to the PLP or Furlough reduction and were not included in the PLP 2012 mass update. If an employee is placed on an involuntary leave during the PLP or Furlough period and is using leave credits, process a PA30 transaction to delete the PLP or Furlough wage type effective the date the employee began the involuntary leave.

VII. Disability Leave and Disability Pay

Disability pay and disability supplementation pay are not subject to the PLP or Furlough reduction. However, any regular pay for actual time worked during a disability period is subject to the reduction. MyCalPAYS did include employees who were on a disability leave via a Personnel Action for a Pending or Approved Disability as of July 1, 2012, in the mass update process.

It is not necessary for each department to manually add or delete the PLP or Furlough wage types when employees are on a disability leave. For employees approved for disability leave and due pay for the month, the payment is processed via a separate wage type that is not subject to the PLP or Furlough Reduction. See Disability Work instructions for processing disability payments for further information.

See below for disability payroll processing instructions.

VIII. Concurrent Employment (Additional Positions)

Employees are subject to the PLP or Furlough reduction up to a maximum equivalent of a full-time position (i.e., employees shall not earn more than 8 hours of PLP or Furlough in any pay period). Therefore, if an employee is appointed to more than one position, one with MyCalPAYS and another on Legacy, the departments will need to coordinate with the Customer Contact Center to ensure the PLP or Furlough is administered appropriately according to the following instructions:

- If an employee has other position(s) in addition to a full-time position, the PLP or Furlough 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 or Furlough pay reduction shall apply to all positions that total the equivalent of one or more full-time position.

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 or Furlough credits beyond the effective date of their separation. PLP and Furlough have no cash value and must be used prior to separation. In addition, lump sum pay is not subject to the PLP or Furlough reduction.

To pay lump sum time at the correct rate, please review the Lump Sum Work Instruction. The PLP 2012 or Furlough Wage Types will need to be delimited, in addition to any other special pay that may not be subject to the lump sum rate Separation pay includes lump sum vacation, overtime, holidays, etc. Sick leave can also be paid out as lump sum in cases of disability retirement.

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. See section above for concurrent employment information.

II. Holiday and Overtime Pay

Holiday and overtime pay are not subject to the PLP or Furlough reduction. The payroll system will generate the correct salary rate for the system generated holiday/overtime rate wage types. See the Time Entry User Manual for instructions on how to enter overtime and holiday pay.

III. Premium Pay

Percentage based or step rate premium pay is not subject to the PLP or Furlough reduction. There is no manual process required to ensure premium pay is issued. Follow the Payroll processing procedures to establish the appropriate Premium pay.

IV. Retirement

Both employee and state share for retirement are based on the reduced PLP or Furlough 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 or Furlough pay reduction.

V. Salary Advances

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

VI. Earnings Statement

Earnings statements will not reflect the actual PLP or Furlough reduction amount. Instead, the statement will show the regular pay gross amount reduced by the PLP or Furlough 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