

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

DATE: July 7, 2016

PERSONELL LETTER #16-009
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Debra Spellman, Chief
Personnel and Payroll Services Division

**RE: JULY 1, 2016 GENERAL SALARY INCREASE FOR BARGAINING UNIT 9 AND 10
EMPLOYEES AND PAY DIFFERENTIALS 164 AND 165 INCREASE FOR BARGAINING
UNIT 6 EMPLOYEES**

Based on agreements between the State of California and Bargaining Units (BU) 9 and 10, a 5.0% general salary increase (GSI) has been approved effective 07/01/16. Based on an agreement between State of California and Bargaining Unit 6, a 1.0% increase for pay differentials 164 and 165 has been approved effective 07/01/16. Please refer to CalHR Pay Letter #16-13 for further information.

EH MASS UPDATE PROCESSING

The State Controller's Office (SCO) will process two Employment History (EH) mass updates on July 7, 2016 to implement the above changes.

The salary increase for eligible BU09 and BU10 employees is documented via the EH GEN transaction with a 07/01/16 effective date. The GEN transaction reflects the GSI within the employees' base salary rate.

A 350 transaction with a 07/01/16 effective date will be posted to reflect the new rate for pay differentials 164 and 165 for eligible BU06 employees.

PPSD will manually update EH records not included in the mass update. PPSD will notify departments of any situations requiring department action.

Turnaround (TAD) PARs will be issued and released on a flow basis.

SPECIAL EH DOCUMENTATION/PROCESSING INSTRUCTIONS

Disability/Military Leave

Employees on Disability or Military leave at the time of the mass update will need to be identified and updated by departments.

Plus Salary

Departments must manually identify and update the records of employees who have a plus salary.

Out-of-Sequence

Once the GEN transaction is posted to an employee's EH record, any new out-of-sequence transaction must have the old salary rate entered, if allowable on the transaction. If not entered, the salary rate information per the GEN transaction will be reflected on the new transaction and could cause an overpayment. See PAM Section 9 for further processing information.

If correcting a 07/01/16 effective date transaction that was processed prior to the GEN being posted, key enter the GSI Code O (alpha O) in the GSI field on the PAR1 update screen on the correct transaction to denote the old salary rate. Per DPA rule 599.689, MSA/SIS transactions with a 07/01/16 effective date must be posted prior to the GEN, if applicable. Key enter the GSI Code O on the MSA/SIS transaction to denote the old salary rate. Failure to enter the GSI Code O could result in an incorrect base salary rate and/or anniversary date (i.e., overpayment).

PAYROLL ADJUSTMENTS

Adjustments for regular pay payments and overtime payments (i.e., non-FLSA overtime pay) that have already been issued will be automatically made after the employees' EH records are updated for the salary change.

Departments will need to request GSI adjustments, via the PIP system on form STD.671, for the following payments that have issued for the 07/2016 pay period. See PPM Section K for PIP system instructions.

- FLSA Overtime Pay (Payment Type 1, Payment Type Suffix F) – see PPM Section G 024 for further information.
- Out-of-Class Pay (Earnings ID SI only) – see PPM Section G 831 for further information.
- Awards/Bonus/Special Pay (Payment Types A, G, 9, and S (except Holiday Pay)) if the pay rate is based on the employee's based on salary and the employee is receiving a GSI. Determine the difference in gross due and key the difference in the gross field on the PIP system's miscellaneous detail screen.

Departments will need to submit form STD. 674/674D to request adjustments for the following payments that have issued for the 07/2016 pay period:

- Regular pay with dock applied for employees with a mid-month change.
- Regular pay for employees on an alternate work schedule or working a shift and time paid does not equal time possible for the pay period.
- Industrial Disability Leave (IDL).
- Temporary Disability (TD).
- Nonindustrial Disability Leave (NDI).
- LC 4800.
- Out-of-Class pay – Earnings ID 8G and 8G2 only.
- Supplemental Premium Payment Type 8 only if the pay rate it based on a percentage of the employee's based on salary rate and the employee is receiving a GSI.

Please direct questions on the GSI as follows:

SUBJECT AREA	CONTACT	TELEPHONE NUMBER
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 SCO	(916) 372-7200

DS:RK:PMAB