

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

DATE: July 12, 2017

PERSONNEL LETTER #17-021  
(CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

FROM: Debra Spellman, Chief  
Personnel and Payroll Services Division (PPSD)

**RE: JULY 1, 2017 GENERAL SALARY INCREASE FOR EXEMPT AND STATUTORY  
EXEMPT EMPLOYEES**

CalHR has approved a 4.0% general salary increase (GSI or GEN) for CalHR Exempt and Statutory Exempt employees, effective July 1, 2017. Please refer to CalHR Exempt Pay Letter dated July 12, 2017 for further information regarding eligibility criteria.

#### EMPLOYMENT HISTORY (EH) MASS UPDATE PROCESSING

The State Controller's Office (SCO) will process an EH mass update on July 12, 2017 to implement the July 1, 2017 effective date GSI for eligible employees. The GEN transaction reflects the GSI within the employee's base salary rate.

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

Turnaround (TAD) Personnel Action Requests (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.

##### **Lump Sum**

Employees who separated from state service without fault prior to the effective date of the salary increase with lump sum pay extending beyond July 1, 2017, and who were eligible for the GEN at the time of the separation, should have their lump sum adjusted to reflect the salary increase. Departments must identify and manually process the GEN transactions for separated employees, as applicable.

### **Out-of-Sequence**

Once the GEN transaction is posted to an employee's EH record, any new out-of-sequence transaction (effective prior to July 1, 2017) 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 the Personnel Action Manual (PAM) Section 9 for further processing information.

If correcting a July 1, 2017 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 the Department of Personnel Administration (DPA) Rule 599.689, Merit Salary Adjustment (MSA)/ Special Ingrade Salary Adjustment (SIS) transactions with a July 1, 2017 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

Departments will need to submit form STD. 674/674D to request adjustments for the following payments that have issued for the July/2017 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)
- Regular and/or Supplementation pay for employees on 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 salary changes 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 SCO	(916) 372-7200

DS:RC:PMAB