

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

DATE: February 2, 2024

PERSONNEL LETTER #23-029  
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Lisa Dean, Acting Chief  
Personnel and Payroll Services Division

RE: **REVISED: JULY 1, 2023 GENERAL SALARY INCREASE AND SPECIAL SALARY ADJUSTMENT FOR EXEMPT AND STATUTORY EXEMPT EMPLOYEES**

The California Department of Human Resources (CalHR) has approved a 3.0% general salary increase (GSI) for CalHR Exempt and statutory positions with CBID R03, S03, M03, R20, E50, E79, E97, E98, and E99, effective July 1, 2023. In addition, a special salary adjustment (SSA) has been approved effective July 1, 2023 for certain classifications. Please refer to CalHR Exempt Pay Letter dated 12/07/2023 for further information regarding eligibility criteria.

#### EMPLOYMENT HISTORY MASS UPDATE PROCESSING

The State Controller's Office (SCO) will process an Employment History (EH) mass update on December 7, 2023 to implement the July 1, 2023 GSI for eligible employees. The GEN transaction will reflect the GSI within the employee's base salary rate. Adjustments will also issue for the 07/2023, 08/2023, 09/2023, 10/2023, and 11/2023 pay periods. The issue date for these payments will be 12/11/2023.

The Personnel and Payroll Services Division (PPSD) will manually update EH records not included in the mass update, except as instructed below under Special EH Documentation/Processing Instructions. PPSD will notify departments of any additional situations requiring department action.

Turnaround PARs will be available on Mobius View for one year. Hard copy versions of the Turnaround PARs will not be provided.

#### SPECIAL EH DOCUMENTATION/PROCESSING INSTRUCTIONS

Departments must manually identify and update the records of employees entitled for the SSA, based on the class codes listed in the CalHR Exempt Pay Letter. Departments can begin to key the SAL transaction on 12/08/2023 to implement the 07/01/2023 effective date SSA for eligible employees. Departments must correct any resulting out-of-sequence transactions.

## **Out-of-Sequence**

After 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 transactions will be reflected on the new transaction and could cause an overpayment. See Personnel Action Manual (PAM) Section 9 for further processing information.

If correcting a July 1, 2023 effective date transaction that was processed prior to the GEN being posted, key 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 CalHR rule 599.689, MSA/SIS transactions with a 07/01/2023 effective date must be posted prior to the GEN, if applicable. Key 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).

## **RETROACTIVITY CHARGES**

The transactions resulting from the July 1, 2023 GSI update are considered to be non-controllable personnel and payroll transactions. The EH transactions and payroll adjustments resulting from the EH mass updates or initiated by PPSD will be reflected on the Monthly Retroactivity Report, but should be removed. The EH transactions and payroll transactions that are key entered by the department will also appear on the department's report. The department should return the report identifying the items associated with the July 1, 2023 salary changes, along with the appropriate explanation.

## **Disability/Military Leave**

Departments must manually identify and update the records of employees on Disability or Military leave at the time of the mass update.

## **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, 2023 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.

## **PAYROLL ADJUSTMENTS**

Departments will need to upload form STD. 674 via ConnectHR to Civil Service (CS) Payroll Adjustments for the following payments:

- 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.

Departments will need to upload form STD. 674D via ConnectHR to Disability to request adjustments for the following payments that have been issued for the July 2023 pay period:

- Industrial Disability Leave (IDL)
- Temporary Disability (TD)
- Nonindustrial Disability Leave (NDI)
- State Disability Leave (SDI)
- LC 4800/4811

Departments will need to upload form STD. 674 via ConnectHR to Premium Pay – (OC, OOC, OS) On-call, Out of Class, Out of State dropdown, for the following:

- Out-of-Class pay – Earnings ID 8G and 8G2 only.
- Supplemental Premium Payment Type 8 only if the pay rate is 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:

**Contacts:**

- Affordable Care Act (ACA) Email [ACASupport@sco.ca.gov](mailto:ACASupport@sco.ca.gov)
- [Cal Employee Connect \(CEC\) - Help and Feedback](#)
- [ConnectHR - Help and Feedback](#)
- California Leave Accounting System (CLAS) Email [CLAS@sco.ca.gov](mailto:CLAS@sco.ca.gov)
- CS Escalation Email (HR Supervisors and Managers) [PPSDOps@sco.ca.gov](mailto:PPSDOps@sco.ca.gov)
- Decentralized Security Administration (DSA) & ViewDirect Access (916) 619-7234 or [DSA@sco.ca.gov](mailto:DSA@sco.ca.gov)
- HR Suggestions Email (All HR Staff) [PPSDHRSuggestions@sco.ca.gov](mailto:PPSDHRSuggestions@sco.ca.gov)
- Management Information Retrieval System (MIRS) Email [PPSDMIRS@sco.ca.gov](mailto:PPSDMIRS@sco.ca.gov)
- [Statewide Customer Contact Center](#) (916) 372-7200

**SCO Key Initiatives:**

- [Cal Employee Connect](#)
- [California State Payroll System Project](#)

**Websites:**

- [HR](#)
- [State Employees](#)

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