

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

DATE: January 26, 2017

PAYROLL LETTER #17-001
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Debra Spellman, Chief
Personnel and Payroll Services Division (PPSD)**RE: PERSONNEL/PAYROLL SPECIALIST/SUPERVISOR ANNUAL RECRUITMENT AND
RETENTION PAY**

As in previous years, the State Controller's Office (SCO) will provide employee listings and employment/payroll history summaries to assist agencies in processing the annual Personnel/Payroll Specialist/Supervisor classifications' Recruitment and Retention (R & R) pay (differential 240). The outputs are now available on ViewDirect. A hard copy version of these listings will not be provided. Agencies will be responsible for printing their listings/summaries via ViewDirect to use in requesting the annual R & R payments.

Only personnel staff authorized to access ViewDirect will be able to view and print these listings/summaries. For more information on accessing and printing ViewDirect reports, please see the ViewDirect [User Manual](#). The listings/summaries are now available on ViewDirect and will remain on ViewDirect for 60 days. The listings and summaries can be found in ViewDirect under the following report IDs and report names:

Report ID	Report Name
PDW5352	Employment History Summary
PDW5350	PIP Payroll Transaction List
PDW5354	Payment History Summary
PDW5355	Payroll Overtime Transaction List

Employees were selected for the reports if they were active in one of the eligible classes as of January 20, 2017. Entries on the reports and history summaries are sorted by agency, unit, and then social security number.

General Information:

- Eligible class codes are 1303, 1304, 1309, 1311, 1314, 1315, and 1317.
- Payments for the annual R & R pay should not be issued until 30 days after the employee completes 12 consecutive qualifying pay periods.
- R & R pay is to be issued from the employee's most recent eligible position, regardless of mid-year movement between agencies.
- If an employee promotes out of the Personnel Specialist/Supervisor and Payroll Specialist/ Supervisor classification series they will be eligible for a pro rata payment for those months. For the purpose of this pay differential, movement to Staff Services Analyst will be considered a promotion.

- When the employee is on an unpaid leave of absence or has a disqualifying pay period, only the time that qualifies before and after will count towards the qualifying time needed to satisfy the 12 months criteria. Time while on Workers Compensation or Industrial Disability Leave is considered qualifying.
- Employees at the Department of Corrections and Rehabilitation impacted by the realignment who currently receive this differential and who demote in lieu of layoff will be eligible for a prorated payment for those qualifying months served.
- Retired annuitants are not eligible for the R & R pay.
- Employees on Training and Development (T & D) assignments are not eligible for the R & R pay.

EXCEPTION: If an employee is appointed on a T & D assignment to the SSA classification, the employee will be eligible for a prorated payment for those qualifying months.

ViewDirect Report ID PDW5352 – EMPLOYMENT HISTORY SUMMARY

Lists a limited employment history for employees in an eligible class as of January 20, 2017. Employment history status is provided for January 1, 2014 through January 20, 2017. Use this list to determine eligibility for the R & R pay.

Employee is eligible for the R & R pay if:

- On active status in an eligible class for 12 qualifying pay periods from January 2016 through December 2016.

NOTE: Employee is eligible for payment only upon completion of 12 qualifying months. If an employee is first appointed to an eligible class in June 2014 he/she would be eligible for the first R & R payment in June 2015 and then each June thereafter as long as he/she remains in an eligible class and does not have any non-qualifying months.

Employee is NOT eligible for the R & R pay if:

- The employee was on a T & D assignment either to an eligible class or from an eligible class to a different class.

EXCEPTION: If an employee is appointed on a T & D assignment to the SSA classification, the employee will be eligible for a prorated payment for those qualifying months.

- The employee was appointed as a retired annuitant.

ViewDirect Report ID PDW5350 – Payroll Input Process (PIP) PAYROLL TRANSACTION LIST

List of employees potentially eligible for the R & R pay and printed in the format for agencies to key the pay request on PIP. The earnings ID for the annual R & R pay is 9K.

Beginning on February 1, 2017, key R & R pay requests via PIP (see the Personnel Action Manual (PPM) Section K for PIP processing procedures). There should be no payments with an issue date prior to February 2, 2017, unless the employee has separated/retired from state service prior to February 2, 2017.

1. Use the Employment History Summary, Report ID PDW5352, to determine if a listed employee is eligible for the R & R pay (see above Report ID PDW5352 instructions).
2. Line off any employee who is not eligible for the R & R pay for January 2016 through December 2016.
3. Line off any employee who is now off pay status for the entire January 2017 month. Submit a Form STD. 674, ATTN: Premium Pay Unit, to request pay.
4. Complete Form STD. 671 for the listed employees, including the alternate funding information and signature.
5. On the listing, complete in ink the alternate fund (AF) code if necessary and the R & R gross (see below) for each eligible employee.

To Determine Gross:

The R & R gross is based on the employee's time-base during the 12 qualifying pay periods. Using Report ID PDW5352, determine the eligible employee's time-base for each of the 12 qualifying pay periods.

If the employee is full-time in any one of the eligible classes for the full 12 months, R & R gross will equal the full R & R amount of \$2,400.00.

If the employee is part-time at the same time-base in any one of the eligible classes for the full 12 months, the R & R gross will equal the full-time R & R amount multiplied by the time-base.

Example: For a $\frac{1}{4}$ time-base employee, the R & R gross will be \$600.00 ($\$2,400.00$ multiplied by $\frac{1}{4} = \$600.00$).

If the employee is intermittent in any one of the eligible classes for the full 12 months, the total number of qualifying months must be determined (qualifying month per DPA Rule 599.6709 equals 160 hours). Use Report ID PDW5354 to compile all of the regular time hours paid in the 12 month period and divide by 160 to obtain the number of qualifying months. Divide the full-time R & R gross by 12 months and multiply by the total number of qualifying months.

Example: Employee worked a total of 1,120 hours in the 12 qualifying pay periods. $1,120$ hours divided by $160 = 7$ total qualifying months.

$\$2,400.00$ divided by 12 multiplied by 7 = $\$1,400.00$ R & R gross.

If the employee has more than one time-base during the 12 month R & R period, compute the R & R gross due for each time-base and add together to determine the annual R & R gross amount.

Example: Employee worked 7 qualifying months at full-time and 5 qualifying months at half time:

7 full-time months = $\$1,400.00$ ($\$2,400.00$ divided by 12 multiplied by 7)

5 half-time months = $\$500.00$ ($\$2,400.00$ divided by 12 multiplied by 5 multiplied by $\frac{1}{2}$)

R & R gross = $\$1,900.00$.

Contact the Personnel Services Branch (PSB) at CalHR with questions on computing the R & R gross amount. The PSB can be reached at (916) 323-3343, or email psb@calhr.ca.gov.

ViewDirect Report ID PDW5354 – PAYMENT HISTORY SUMMARY

Lists payment activity for January 2016 through December 2016 pay periods issued as of January 20, 2017. Use to determine the qualifying month for intermittent paid employees and the annual overtime adjustment needed due to the R & R pay.

ViewDirect Report ID PDW5355 – PAYROLL OVERTIME TRANSACTION LIST

List of employees potentially eligible for salary rate adjustments to overtime payments and printed in the format to be used by PPSD for processing purposes.

NOTE: This is a special process to be used only for the employees who are receiving annual R & R pay issued for the January 2017 pay period. These one-time overtime adjustments will be issued as payment type 9, payment type suffix F.

1. Use Report ID PDW5354, Payment History Summary, to identify if overtime payments were issued for an employee. Check the on-line payment history system or Payroll Warrant Registers for December 2016 overtime that was not issued by January 20, 2017
2. If an employee did not receive overtime pay from your agency or is not receiving R & R pay per Report ID PDW5350, line off the employee's name from the listing.
3. If an employee was issued overtime pay from another agency/agencies, please notify the other agency/agencies of the need for overtime pay adjustments and the gross amount of the R & R pay the employee is receiving.
4. If the employee was issued overtime from the same agency, but different agency code numbers within the agency or different reporting unit numbers, line off the employee's name from the listing. Submit, as a package, individual Form STD. 674 for each agency/reporting unit number where an overtime adjustment is due.
5. For the remaining employees on the listing, complete in ink the serial number from which the overtime pay adjustment is to be issued and the gross amount of the overtime adjustment.

To Determine the Overtime Adjustment Gross:

Step 1: Determine the total number of overtime hours paid at each overtime code for the 12 month R & R period (Report ID PDW5354).

NOTE: December overtime will need to be added if it is issued after January 20, 2017.

Step 2: Determine the monthly R & R gross pay by dividing the annual R & R gross pay from Report ID PDW5350 by the number of qualifying months the R & R covers (i.e., 12 months unless the employee was intermittent time-based or if the employee worked at more than one time-base). If the employee worked more than one time-base, compute the monthly amount due at each time-base.

Step 3: Determine the straight time hourly rate of the monthly R & R gross pay (divide the result of Step 2 by 173.33).

Step 4: Determine the hourly salary rate per the overtime factor corresponding to the overtime code (OT).

OT Code	OT Factor
Blank	Straight time (1.0)
1	Time and one-half (1.5)
2	Half time (0.5)
3	Double time (2.0)

See PPM, Section B014.1 for a complete list of OT codes.

Step 5: Determine the annual gross overtime adjustment amount by multiplying the total overtime hours paid for the 12 month period (Step 1) by the appropriate hourly rate (Step 4). If the employee worked at more than one OT factor, compute the gross due for each OT factor and add the results together. Enter the total adjustment gross amount on Report ID PDW5355 (see attached examples).

NOTE: Please do not forget December 2016 overtime.

Step 6: After the R & R pay has been issued, complete Form STD. 674 and submit with a copy of the Report ID PDW5355 to PPSD, ATTN: Premium Pay Unit, for processing. Form STD. 674 must be completed as indicated below:

- Item 1: Check “PPSD/Payroll Operations” and “Payroll”.
- Item 2: Enter “VARIOUS”.
- Item 3: Enter “VARIOUS”.
- Item 4: Enter “VARIOUS”
- Item 5: Check “Payment request” and enter “Requesting annual overtime salary adjustment per 2016 Personnel/Payroll Annual R & R – see attached listing” in the Remarks area.
- Item 6: Enter “0-01-17” for the Pay Period, “VARIOUS” for Salary Full, “9” for the Payment Type, “F” for the Payment Suffix, and “VARIOUS” for the Gross.

If there are any questions regarding the R & R program, including employee eligibility and calculations of the R & R gross, please contact CalHR’s Personnel Services Branch at (916) 323-3343, or email psb@calhr.ca.gov.

Questions regarding completion of the listings or Form STD. 674 should be directed to Juanita Luna at (916) 322-4237.

DS:AB:PMAB

Attachment

OVERTIME R & R ADJUSTMENT GROSS CALCULATIONS
PAYMENT TYPE 9, PAYMENT SUFFIX F

Annual R & R gross divided by 12 = monthly R & R
 Monthly R & R pay divided by 173.33 multiplied by 1 ½ = hourly time-and-a-half OT adjustment rate
 Monthly R & R pay divided by 173.33 multiplied by 1.0 = hourly straight time OT adjustment rate
 Monthly R & R pay divided by 173.33 multiplied by 0.5 = hourly half-time OT adjustment rate

Example #1:

Full-time employee who receives \$2,400.00 R & R pay:

\$2,400.00 divided by 12 months = \$200.00 monthly R & R pay
 \$200.00 divided by 173.33 multiplied by 1 ½ = \$1.73 hourly time-and-a-half OT adjustment rate
 \$200.00 divided by 173.33 multiplied by 1.0 = \$1.15 hourly straight time OT adjustment rate
 \$200.00 divided by 173.33 multiplied by 0.5 = \$0.58 hourly half-time OT adjustment rate

Add all the time-and-a-half OT hours paid for January through December pay periods and multiply those hours by the R & R overtime adjustment rate of \$1.73.

Add all the straight time OT hours paid for the January through December pay periods and multiply those hours by the R & R overtime adjustment rate of \$1.15.

If there are any half-time overtime payments, total those hours and multiply by \$0.58.

Add the computed amounts together.

Employee's overtime pay issued for the year:

60 hours @ time-and-a-half
 10 hours @ straight time
 0 hours @ half-time

60 hours multiplied by \$1.73 = \$103.80
 10 hours multiplied by \$1.15 = \$11.50

Total OT Gross = \$115.30. Enter this amount in the total gross column on ViewDirect Report ID PDW5355.

Example #2:

Part-time (½ time) employee who receives \$1,200.00 R & R pay:

\$1,200.00 divided by 12 months = \$100.00 monthly R & R pay
 \$100.00 divided by 173.33 multiplied by 1 ½ = \$0.87 hourly time-and-a-half OT adjustment rate
 \$100.00 divided by 173.33 multiplied by 1.0 = \$0.58 hourly straight time OT adjustment rate
 \$100.00 divided by 173.33 multiplied by 0.5 = \$0.29 hourly half-time OT adjustment rate

Add all the time-and-a-half OT hours paid for January through December pay periods and multiply those hours by the R & R overtime adjustment rate of \$0.87.

Add all the straight time OT hours paid for the January through December pay periods and multiply those hours by the R & R overtime adjustment rate of \$0.58.

If there are any half time overtime payments, total those hours and multiply by \$0.29.

Add the computed amounts together.

Employee's overtime pay issued for the year:

60 hours @ time-and-a-half

10 hours @ straight time

0 hours @ half-time

60 hours multiplied by \$0.87 = \$52.20

10 hours multiplied by \$0.58 = \$5.80

Total OT Gross = \$58.00. Enter this amount in the total gross column on ViewDirect Report ID PDW5355.

Example #3:

Intermittent employee who receives \$1,600.00 R & R pay. The employee worked a total of 1,280 regular hours in the 12 qualifying pay periods.

1,280 hours divided by 160 hours = 8 qualifying months

\$2,400.00 divided by 12 months = \$200.00

8 months multiplied by \$200.00 = \$1,600.00 R & R gross

\$1,600.00 divided by 12 months = \$133.33 monthly R & R pay

\$133.33 divided by 173.33 multiplied by 1 ½ = \$1.15 hourly time-and-a-half OT adjustment rate

\$133.33 divided by 173.33 multiplied by 1.0 = \$0.77 hourly straight time OT adjustment rate

\$133.33 divided by 173.33 multiplied by 0.5 = \$0.38 hourly half-time OT adjustment rate

Add all the time-and-a-half OT hours paid for the January through December pay periods and multiply those hours by the R & R overtime adjustment rate of \$1.15.

Add all the straight time OT hours paid for the January through December pay periods and multiply those hours by the R & R adjustment rate of \$0.77.

If there are any half time overtime payments, total those hours and multiply by \$0.38.

Add the computed amounts together.

Employee's overtime pay issued for the year:

60 hours @ time-and-a-half
10 hours @ straight time
0 hours @ half-time

60 hours multiplied by \$1.15 = \$69.00
10 hours multiplied by \$0.77 = \$7.70

Total OT Gross = \$76.70. Enter this amount in the total gross column on ViewDirect Report ID PDW5355.

Example #4:

Mid-year time-base change employee receives \$1,800.00 R & R pay. When the employee has more than one time-base during the 12 month period, compute the R & R overtime gross due for each time-base, and add together to determine the annual overtime R & R gross amount.

Employee worked 6 qualifying months at full-time and 6 qualifying months at half-time.

6 full-time months = \$1,200.00 annual R & R (\$2,400.00 divided by 12 multiplied by 6)
6 half-time months = \$600.00 annual R & R (\$2,400.00 divided by 12 multiplied by 6 multiplied by ½)
Total R & R Gross = \$1,800.00

Full-time pay period OT rate:

\$1,200.00 divided by 6 months = \$200.00 monthly R & R pay
\$200.00 divided by 173.33 multiplied by 1 ½ = \$1.73 hourly time-and-a-half OT adjustment rate
\$200.00 divided by 173.33 multiplied by 1.0 = \$1.15 hourly straight time OT adjustment rate
\$200.00 divided by 173.33 multiplied by 0.5 = \$0.58 hourly half-time OT adjustment rate

Half-time pay period OT rate:

\$600.00 divided by 6 months = \$100.00 monthly R & R pay
\$100.00 divided by 173.33 multiplied by 1 ½ = \$0.87 hourly time-and-a-half OT adjustment rate
\$100.00 divided by 173.33 multiplied by 1.0 = \$0.58 hourly straight time OT adjustment rate
\$100.00 divided by 173.33 multiplied by 0.5 = \$0.29 hourly half-time OT adjustment rate

Add all the time-and-a-half OT hours paid for the months that the employee was full-time and multiply the hours by \$1.73. Add the time-and-a-half OT hours paid for the months that the employee was half-time and multiply the hours by \$0.87.

Add all the straight time OT hours paid for the months that the employee was full-time and multiply the hours by \$1.15. Add all the straight time OT hours paid for the months that the employee was half-time and multiply the hours by \$0.58.