STATE OF CALIFORNIA   BETTY T YEE,
                                                       California State Controller

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

DATE: October 13, 2016   PERSONNEL LETTER #16-016
                                      (CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

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

RE: OCTOBER 1, 2016 GENERAL SALARY INCREASE FOR EXCLUDED EMPLOYEES

CalHR has approved a 3.0% general salary increase (GSI/GEN) for Excluded employees, effective 10/01/2016. Please refer to CalHR Pay Letter #16-20 for further information regarding eligibility criteria.

EH MASS UPDATE PROCESSING

The State Controller's Office (SCO) will process an Employment History (EH) mass update on 10/13/2016 to implement the 10/01/2016 effective date GSI for eligible employees. The GEN transaction will reflect 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

Departments are responsible for keying the GEN transaction effective 10/01/2016 for eligible employees designated E48, E59, E68, E79, E97, E98, and E99, as well as for eligible employees covered under the "Excluded Ranges in Rank-and-File Classes" section in CalHR Pay Letter #16-20.

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 10/01/16, and who were eligible for the GEN/SAL 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/SAL 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 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 10/01/2016 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 Department of Personnel Administration (DPA) rule 599.689, Merit Salary Adjustment (MSA)/ Special Ingrade Salary Adjustment (SIS) transactions with a 10/01/2016 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 10/2016 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 salary changes 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:RC:PMAB