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: July 14, 2022

PERSONNEL LETTER #22-012
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Jil Barraza, Chief
          Personnel and Payroll Services Division

RE: **JULY 1, 2022 GENERAL SALARY INCREASE FOR EXEMPT AND STATUTORY EXEMPT EMPLOYEES**

CalHR has approved a 2.5% general salary increase (GSI) for CalHR Exempt and statutory positions with a CBID of R03, S03, M03, R20, E50, E79, E97, E98, and E99, effective July 1, 2022. Please refer to CalHR Exempt Pay Letter dated 07/14/2022 for further information regarding eligibility criteria.

<u>EH MASS UPDATE PROCESSING</u>

The State Controller's Office (SCO) will process an Employment History (EH) mass update on 07/14/22 to implement the 07/01/22 effective date GSI for eligible employees. The GEN transaction reflects the GSI within the employee's base salary rate.

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

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

<u>DEPARTMENTAL ACTION REQUIRED – EH DOCUMENTATION/PROCESSING INSTRUCTIONS</u>

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 07/01/22 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 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 07/01/22 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 DPA rule 599.689, MSA/SIS transactions with a 07/01/22 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).

PAYROLL ADJUSTMENT

Departments will need to submit form STD. 674/674D to request adjustments for the following payments that have issued for the 07/22 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 notequal 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 is based on a percentage of the employee's based on salary rate and the employee is receiving a GSI.

Please direct questions as follows:

SUBJECT AREA	CONTACT	TELEPHONE NUMBER/EMAIL
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	Statewide Customer Contact Center SCO	(916) 372-7200

SUBJECT AREA	CONTACT	TELEPHONE NUMBER/EMAIL
HR Suggestions Email Inbox (All HR Staff)	Personnel and Payroll Services Division	PPSDHRSuggestions@sco.ca.gov
Escalation Email Inbox (HR Supervisors and Managers)	Personnel and Payroll Services Division	PPSDOps@sco.ca.gov

SCO Key Initiatives:
- Cal Employee Connect Project
- California State Payroll System Project

JEB:DC:PMAB