

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

DATE: July 22, 2025

PERSONNEL LETTER #25-014
(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, 2025, GENERAL SALARY INCREASE FOR BARGAINING UNITS 05 AND 07 RANK AND FILE AND EXCLUDED EMPLOYEES**

The California Department of Human Resources (CalHR) has approved a 4.62% General Salary Increase (GSI) for eligible Rank and File and Excluded employees in Bargaining Unit (BU) 05 and a **2.0%** General Salary Increase (GSI) for eligible Rank and File and Excluded employees in Bargaining Unit (BU) 07 effective July 1, 2025. Please refer to CalHR Pay Letter #25-19 for further information regarding eligibility criteria. This letter can be accessed at [CalHRNet](#).

EMPLOYMENT HISTORY (EH) MASS UPDATE PROCESSING

Due to the large eligible population, the State Controller's Office (SCO) will process an EH mass update on July 21, 2025, to implement the July 1, 2025 GSI for eligible BU 05 and 07 employees. The GEN transaction will reflect the GSI within the employee's base salary rate.

The Personnel and Payroll Services Division (PPSD) will update all records that the automated process is able to accurately identify, as well as manually key records that were identified but generated a system error. In the circumstance that PPCSD is unable to identify eligible records, they will not be included in the mass update. Departments must manually update these records in EH. There are instructions below under Special EH Documentation/Processing Instructions for some examples of records that must be manually keyed. The Personnel and Payroll Services Division will notify departments of any additional situations requiring department action.

Turnaround Personnel Action Requests (PARs) will be available on [Mobius View](#) for one year. Hard copy versions of the Turnaround PARs will not be provided.

Departments should refrain from updating EH records for impacted employees on July 21, 2025, to minimize fallout errors causing manual workload.

It is best practice for departments to confirm that all eligible employees have an appropriate transaction posted to their record on the day following the mass update. Per Government Code § 12474, departments must confirm that all employees receive the correct pay as part of their payroll certification process each month, including whether an employee's salary has been changed as part of a mass update. The department must manually key the update for any record that is incorrect.

SPECIAL EH DOCUMENTATION/PROCESSING INSTRUCTIONS

Out-of-Sequence

Departments are responsible for keying out-of-sequence employees.

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 in the new transaction and could cause overpayment. See [Personnel Action Manual \(PAM\)](#) Section 9 for further processing information.

If correcting a July 1, 2025, 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 July 1, 2025 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).

Records that SCO is Unable to Identify

There are many reasons that the automated process may not be able to identify eligible records to include in a mass update. One common circumstance is when an employee in an excluded bargaining unit (e.g. E99) has a Pay Scale Collective Bargaining Identifier (CBID) on their EH record that is the same as their Employee CBID. The Personnel and Payroll Services Division uses Pay Scale CBID to determine which Rank and File CBID their record is tied to (e.g. M01). This is generally because the class code on the record could be tied to a variety of represented CBIDs. Without this Pay Scale CBID with which to tie the excluded CBID, PPSD is unable to determine whether the employee is eligible for the update, and the department must key the transaction manually.

RETROACTIVITY CHARGES

The transactions resulting from the July 1, 2025, GSI updates are 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 in the Monthly Retroactivity Report but should be removed. The EH transactions and payroll transactions that are key entered by the department will also appear in the department's report. The department should return the report identifying the items associated with the July 1, 2025, salary changes, along with the appropriate explanation.

Disability

Departments must manually identify and update the records of employees on Disability leave at the time of the mass update. If an employee is on a disability leave, submit a Form STD. 674 and/or STD. 674D via ConnectHR to Disability to request a payment adjustment after the GEN transaction with an effective date of July 1, 2025, has been keyed in EH.

Military Leave

Departments must manually identify and update the records of employees on Military leave at the time of the mass update. If an employee is on Military leave, submit a Form STD. 674 via ConnectHR to Civil Service (CS) Payroll Military to request a payment adjustment after the GEN transaction with an effective date of July 1, 2025, has been keyed in EH.

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, 2025, 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. To assist departments in identifying these employees, SCO will provide a ViewDirect report. A subsequent Personnel Letter will be released when this report is available.

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 2025 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 – (OOC, OC, 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
- [Cal Employee Connect \(CEC\) Help and Feedback](#)
- [ConnectHR Help and Feedback](#)
- California Leave Accounting System (CLAS) Email CLAS@sco.ca.gov
- CS Escalation Email (HR Supervisors and Managers) PPSDOps@sco.ca.gov
- Decentralized Security Administration (DSA) & ViewDirect Access (916) 619-7234 or DSA@sco.ca.gov

- HR Suggestions Email (All HR Staff) PPSDHRSuggestions@sco.ca.gov
- Management Information Retrieval System (MIRS) Email PPSDMIRS@sco.ca.gov
- [Statewide Customer Contact Center](#) (SCCC) (916) 372-7200

SCO Key Initiatives:

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

Websites:

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

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