

MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS DATE: October 3, 2000
REFERENCE CODE: 2000-060

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Employee Relations Officers
Personnel Officers
Personnel Transactions Supervisors

FROM: Department of Personnel Administration
Classification and Compensation Division

SUBJECT: Red Circled Benefits

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The Department of Personnel Administration (DPA) established a process of red circling benefits of employees who demoted from managerial or supervisory classes to rank-and-file classes, and, in a few cases from managerial to supervisory classes. This was accomplished by the assignment of one of the following Collective Bargaining Identifier (CBID) Codes: E78, E77, E67, E58, and E01 through E21.

The initial purpose was to keep whole those employees who voluntarily demoted during the Mid-Manager Reduction Program. The process was continued to assist management of departments in implementing classification and organizational changes that included employee demotions.

Though the process was helpful, it complicated the benefit system by establishing a multitiered benefit structure and raised concern with some of the unions. DPA, therefore, will no longer approve the red circling of benefits as of October 3, 2000.

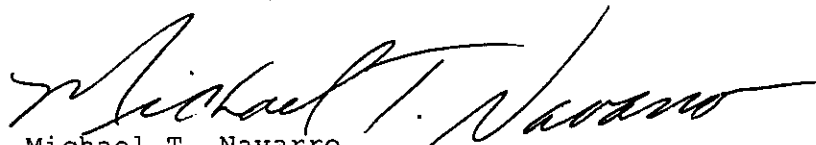
Employees who currently have their benefits red circled (approximately 730) will continue to receive red circled benefits as long as they meet the conditions in effect when they were red circled. This means the vast majority will retain benefits until they promote back to supervisory or managerial classes, promote to



rank-and-file classes that give them 10 percent or higher pay increases, resign from State service, or retire. Employees who received red circled benefits, which were bargained with their exclusive representative, will receive the benefit only for the length of the memoranda of understanding.

DPA will, however, consider red circling an individual benefit for a limited period of time in individual hardship cases. For example, if a manager who is in the process of a complex dental treatment demotes to a rank-and-file class, DPA will consider bargaining with the appropriate exclusive representative to continue the employee's enhanced dental benefits for a reasonable period of time.

If you have questions about this memorandum, please call your department's assigned analyst in our Policy and Operations Division.


Michael T. Navarro
Chief

