

M E M O R A N D U M

To: Personnel Management Liaisons

Date: November 4, 1988
Reference Code: 88-71

PLEASE DISTRIBUTE THIS MEMORANDUM IMMEDIATELY TO ALL PERSONNEL OFFICE/PERSONNEL TRANSACTION STAFF.

From: Department of Personnel Administration

Subject: Managerial Leave Buy Back

CORRECTED COPY

We are requesting your assistance in implementing this year's leave buy back program. Employees designated "M" and "E99" may participate pursuant to Department of Personnel Administration Regulations 599.744 and 599.754 (attached).

Employees may be paid in eight (8) hour increments for up to five (5) days of accrued vacation at their regular pay rate (as of November 1, 1988). This five (5) day maximum may include one personal holiday credit. Managers on annual leave may use accrued leave time for the buy back program. Please note that personal holidays cashed out under provisions of Section 599.754 during the preceding twelve months are included in the annual five (5) day maximum specified in Section 599.744. Please ensure that the number of hours of leave submitted for annual buy back for each employee does not exceed the five (5) day maximum when combined with their cash-out of a personal holiday during the previous twelve months.

The State Controller's Office (SCO) has established procedures for efficient processing. The SCO will provide each department with an up-to-date work sheet containing the names of all eligible employees. The worksheet will serve to: (1) verify eligibility; (2) if needed, be a worksheet for computing payments; and (3) provide an input document to the SCO.

Input documents must be received by the State Controller's Office (SCO) by December 9, 1988 to be processed for payment in 1988. Documents received earlier will be processed earlier and checks issued on a flow basis. For example, if documents reach the SCO by November 18, 1988, the first payments will be made in early December 1988.

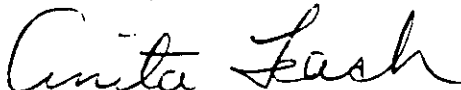
While this program is designed to make payments in December 1988, the program has a flexible feature to allow departments the option of allowing individual employees to elect to receive their payment in 1989. In order to implement this option, departments should carefully follow the SCO's instructions included with the worksheets. Employees using this option should be informed that 1989 tax withholding rates and FICA will apply. However, the November 1, 1988 salary will be the basis for payment computation regardless when payment is made.

The following key activities and dates are provided to assist you in scheduling workload.

1. Department Personnel Offices forward "Attachment B" to Managers indicating their vacation balances and personal holiday status as of November 1, 1988. Departments should not wait for the Controller's Office list described under #2, below, before completing this activity. 11/1/88
2. State Controller's Office forwards to Departments work sheets containing the names of eligible managerial employees (as of November 1, 1988). 11/07/88
3. Managerial employees return completed Attachment B to their Personnel Office. 11/14/88
4. As appropriate, departments post hours and gross payments to worksheets and return them to the State Controller's Office. 11/21/88

Payments to be made in 1989 must be processed through the SCO after January 1, 1989. The SCO also has asked us to advise departments that buy back requests must be made through the centralized system and not through the decentralized document input process.

Please contact Diane Hachey at (916) 322-0300 or ATSS 492-0300 if you have any questions. Thank you for your assistance.



Anita Leach, Chief
Benefits Division

Attachments

ATTACHMENT A

599.744. Annual Leave Buy Back - Managerial and Related Employees.

An employee designated managerial by the Department of Personnel Administration in accordance with the provisions of Government Code Sections 3512(e) and 18801.1; or a nonelected officer of the executive branch of government exempt from civil service designated by the Department as eligible to receive managerial benefits may annually elect to be paid at their regular rate of pay for up to 5 days of unused leave credit. Unused leave credit for which an employee may be paid shall be in 8 hour increments. For the purposes of buy back, eligible leave may be vacation leave or personal holiday.

Any personal holidays cashed out under Section 599.754 during the 12 months preceding annual leave buy back, shall be included in the 5 day maximum allowed under this section.

599.754. Personal Holiday.

When a nonrepresented employee is denied use of a personal holiday, the Department head or designee may allow the employee to reschedule the personal holiday; or shall, at the department's discretion allow the employee to either carry the personal holiday to the next fiscal year or, cash out the holiday on a straight time (hour for hour) basis. Employees shall not be allowed to carry over or cash out more than two (2) personal holidays in any fiscal year.

ATTACHMENT B

1988 MANAGERIAL LEAVE BUY BACK ELECTION FORM

Employee _____ Unit _____ CB/ID _____

Managerial employees may elect to sell up to five (5) days (40 hours) of leave in eight hour increments. The minimum leave time which may be subject to Buy Back is one (1) day (eight hours). You may also sell one personal holiday to be included in the five (5) day maximum. If you were paid cash for a personal holiday in the last 12 months you may only sell a maximum of four days of vacation at this time. You may also elect not to participate. In order to participate in this program, you must return this form signed and dated. Prompt action on your part will ensure timely payment.

As of November 1, 1988, you have _____ hours of accrued vacation (or annual leave) and _____ hours of personal holiday credit. Please indicate your buy back option:

- None ()
- 1 day - 8 hours ()
- 2 days - 16 hours ()
- 3 days - 24 hours ()
- 4 days - 32 hours ()
- 5 days - 40 hours ()

Check if a personal holiday is included in above ()
 Check if you elect to receive payment in tax year 1989 ()

Employees must return the election forms to the personnel office by _____ in order to participate in this year's Buy Back program. Persons who elect not to participate should also return the form.

Payments made in 1988 will be included in W-2 forms for Tax Year 1988 and will not delay form preparation. Payments will not be subject to deductions for retirement. Payments will be subject to the following deduction/withholding. 1989 withholding rates may differ slightly.

Federal Tax Withholding	20.00 percent
State Tax Withholding	3.00 percent
F.I.C.A. (If Applicable)	7.51 percent
Medicare (If Applicable)	1.45 percent

I make this election freely and voluntarily and hereby waive any right to change the option selected once processing begins.

Signature Date

Department Phone