



George Dukmejian, Governor

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To: PERSONNEL MANAGEMENT LIAISONS

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

PERSONNEL OFFICERS  
EMPLOYEE RELATIONS OFFICERS

From: Department of Personnel Administration  
Classification and Compensation Division

Subject: Career Executive Assignment (CEA) Red Circle Rates

THIS MEMO SUPERSEDES MANAGEMENT MEMO 83-4-1 ISSUED FEBRUARY 11, 1983

The purpose of this memo is to restate the standards under which payment of a salary rate above the maximum of a class (red circle rate) may be authorized to a former CEA appointee who is reinstating to a civil service classification.

Department of Personnel Administration Rule Section 599.988 mandates a red circle rate for an employee who has 10 years of State service, one year of which is under a CEA appointment(s) and who is terminated from a CEA, unless the termination was voluntary or based on unsatisfactory performance. The red circle rate is based upon the rate last received in the CEA level from which terminated, less one salary step.

Section 13332.05 of the Government Code describes the intent of the Legislature in granting funds for CEA red circle rates:

"No funds appropriated by this Act may be encumbered for paying a civil service employee a salary which is above the maximum of the salary range of the employee's present classification for a period of more than 90 calendar days following termination of a CEA appointment. The intent of the Legislature in permitting payment above the maximum of the salary range for the 90-day period is to facilitate the employee's adjustment to a lower salary level. The provisions of this section shall not apply with respect to an employee who accepted any CEA appointment on or after June 20, 1976, and before July 1, 1977, and any such employee, who is otherwise eligible, shall receive a salary rate



pursuant to the provisions of Rule 548.25<sup>1</sup>, adopted by the State Personnel Board on May 18, 1976, based upon the highest CEA level held by such employee during such period."

#### 90-DAY RED CIRCLE RATE

A 90-day red circle rate is 90 calendar days and applies to an employee being terminated from a CEA assignment who does not have a bona fide CEA appointment within the "window period" of June 20, 1976 through June 30, 1977.

The employee must meet the criteria listed below:

1. Termination IS NOT voluntary nor is it based on unsatisfactory performance; and
2. The employee has at least 10 years of total State service; and
3. The employee has at least one year of total CEA service. CEA time served immediately before and after an exempt or a civil service appointment shall be qualifying for meeting the one year requirement. However, time served in an exempt appointment shall not count towards the one year total CEA service requirement.

An employee who meets the above criteria shall be eligible for a salary rate above the maximum of the class to which the employee is being mandatorily reinstated. The red circle rate is based upon the rate last received in the CEA level from which terminated, less one salary step.

If the employee has not had a year of service at the level from which termination occurs, but has a cumulative year of CEA service, the red circle rate shall be one salary step less than the highest step achieved in the range of the lowest level for which service is being counted.

#### EXTENDED RED CIRCLE RATE

An extended red circle rate applies to an employee being terminated from a CEA assignment where any CEA appointment was effective within the "window period" of June 20, 1976 through June 30, 1977. The employee must meet the criteria listed below:

1. Termination is NOT voluntary nor is it based on unsatisfactory performance; and

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1 State Personnel Board Rule Section 548.25 was repealed August 28, 1985 and renumbered Department of Personnel Administration Rule Section 599.988.



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2. The employee had a bona fide appointment during the "window period" of June 20, 1976 through June 30, 1977; and
3. The CEA service has been continuous since the qualifying "window period" appointment.

An employee who meets the above criteria shall be eligible for a salary rate above the maximum of the class (red circle rate) to which the employee is being mandatorily reinstated. The red circle rate is based upon the highest CEA level held by such employee during the "window period", less one salary step. The extended red circle rate will be in effect until absorbed by any salary changes.

The eligibility for an extended red circle rate based on any "window period" appointment may be used only once. An employee who received a "window period" appointment and who has since received an appointment to a regular civil service class no longer qualifies for an extended red circle rate.

All requests for CEA red circle rates must be approved by the Department of Personnel Administration, Personnel Services Branch.

If you have any questions regarding CEA red circle rates, please contact Clarice Pace at (916) 324-0439, ATSS 454-0439.



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