

MEMORANDUM

To: PERSONNEL MANAGEMENT LIAISONS

Date: October 22, 1990
Reference Code: 90-59

**PLEASE DISTRIBUTE THIS MEMORANDUM IMMEDIATELY TO:
ALL PERSONNEL OFFICE STAFF AND PERSONNEL
TRANSACTION STAFF**

From: Department of Personnel Administration

Subject: Managerial Leave Buy Back

We are requesting your assistance in implementing this year's Managerial Leave Buy Back Program. Employees designated "M" or "E99" may participate pursuant to Department of Personnel Administration Regulation 599.744.

Employees with the CBID "M" or "E99" may be paid for up to 60 hours of accrued paid leave at their regular pay rate as of October 31, 1990. This leave is to be paid in eight (8) hour increments unless the employee chooses to be paid for the maximum 60 hours. This 60-hour maximum may include one personal holiday credit (8 hours). Personal holidays cashed out by managerial employees under provisions of Section 599.754 during the preceding 12 months are not included in the maximum number of days allowed.

Nonmanagerial employees who move to a managerial class by October 31, 1990 may also participate in this Buy Back Program; however, the hours they bought back as nonmanagerial are to be counted toward the maximum allowed for managerial employees.

The State Controller's Office (SCO) has established procedures for efficient processing. SCO will provide each department with an up-to-date worksheet 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 SCO. Agencies on the Payroll Input Processing (PIP) System may use a PIP application to request an employee's leave buy back.

Input documents must be received by SCO by December 7, 1990 to be processed for payment in 1990. Documents received earlier will be processed earlier and checks issued on a flow basis. For example, if documents reach SCO by November 17, 1990, the first payments will be made in early December 1990.

While this program is designed to make payments in December 1990, the program has a flexible feature to allow departments the option of allowing individual employees to elect to receive their payment in 1991. In order to implement this option, departments should carefully follow SCO's instructions included with the worksheets. Employees using this option should be informed that the 1991 tax withholding and FICA rates will apply. However, the October 31, 1990 salary will be the basis for payment computation regardless when payment is made.



October 22, 1990

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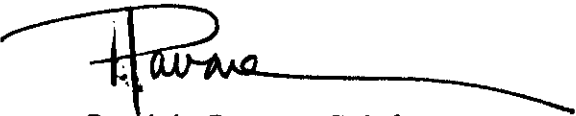
The following key activities and dates are provided to assist you in scheduling workload:

1. SCO forwards to Departments worksheets containing the names of eligible employees (as of October 31, 1990) and election forms (See Attachment A).
2. Department personnel offices forward the Leave Buy Back election form to eligible employees indicating their vacation balances and personal holiday status as of October 31, 1990. Departments should wait for the SCO list and forms described under number 1 above because the election forms will have the employee's name, agency and reporting unit, and CBID preprinted at the top of the form.
3. Eligible employees return completed election forms to their personnel office.
4. As appropriate, departments post hours and gross payments to worksheets and return them to the SCO.

Payments to be made in 1991 must be processed through the SCO after January 1, 1991.

A list of commonly asked questions regarding the Leave Buy Back Program and their answers are included as Attachment B.

Please contact Terri Yee at (916) 324-0533/ATSS 454-0533 if you have any questions. Thank you for your assistance.



Patricia Pavone, Chief
Benefits Division

Attachments

ATTACHMENT A

State of California

M E M O R A N D U M

To:

Date: October, 1990

From: **Personnel Office**

Subject: 1990 Managerial Leave Buy Back Election Form

Eligible employees may elect to sell up to 60 hours of leave credits, which will be paid in eight (8) hour increments unless the maximum 60 hours are cashed out. The minimum leave time which may be subject to Leave Buy Back is one (1) day (eight hours). You may sell one personal holiday to be included in the 60-hour maximum. You may choose to defer payment to Tax Year 1991. You may also elect not to participate.

Payments made in 1990 will be included in W-2 forms for Tax Year 1990 and will not delay receipt of your W-2 form. Payments will not be subject to deductions for retirement; however, they will be subject to the deductions/withholdings listed below. Please note that 1991 withholding and FICA rates may differ slightly.

Federal Tax Withholding	20.00%
State Tax Withholding	3.00%
FICA (If Applicable)	7.65%
Medicare (If Applicable)	1.45%

All employees, whether they choose to participate in this program or not, must return the completed election forms to their personnel offices by _____. Prompt action on the part of employees who wish to participate will ensure timely payment.

As of October 31, 1990, you had _____ hours of accrued vacation (or annual leave) and _____ hours of personal holiday credit. Please indicate your buy back option:

- | | |
|--|--|
| <input type="checkbox"/> None | <input type="checkbox"/> 5 days - 40 hours |
| <input type="checkbox"/> 1 day - 8 hours | <input type="checkbox"/> 6 days - 48 hours |
| <input type="checkbox"/> 2 days - 16 hours | <input type="checkbox"/> 7 days - 56 hours |
| <input type="checkbox"/> 3 days - 24 hours | <input type="checkbox"/> 7-1/2 days - 60 hours |
| <input type="checkbox"/> 4 days - 32 hours | |

- Check if a personal holiday is included in the above.
- Check if you elect to receive payment in Tax Year 1991. (Election forms processed after December 7, 1990, will most likely be processed for payment in 1991.)

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

Signature Work Phone Number Date



ATTACHMENT B

MANAGERIAL LEAVE BUY BACK
QUESTIONS AND ANSWERS

1. Q. Is it mandatory for departments to participate in the Managerial Leave Buy Back Program?
A. Yes.
2. Q. Are personal holidays that were cashed out by managerial employees during the preceding 12 months included in the maximum amount of leave that can be bought back?
A. No. Personal holidays bought back in the preceding 12 months by managerial employees no longer count toward the total amount.
3. Q. May a nonrepresented nonmanagerial employee who buys back leave credit in July and then becomes managerial by October 31, 1990 buy back the maximum allowable for a managerial employee?
A. No. S/he is allowed to buy back the maximum amount less the hours bought in July as the total maximum may not exceed the maximum allowed for managers.
4. Q. May a managerial employee buy back vacation even though s/he cannot use vacation until the six-month probation period expires on October 31, 1990?
A. Leave may be cashed out when the employee is eligible to use the leave credits. In this situation, buy back documents must be processed after October 31, 1990.
5. Q. If an appointment is backdated and effective October 31, 1990, may the employee participate?
A. Yes, but s/he must wait until the backdate and appointment are approved.
6. Q. Are managerial employees who are Limited Term or Permanent Intermittent eligible to participate?
A. Yes.
7. Q. May employees on IDL or TD with Supplementation participate?
A. Yes.
8. Q. May statutory exempt employees participate in Managerial Leave Buy Back?
A. Yes, if they have leave credits earned as a managerial employee.
9. Q. Are employees who are on disability leave allowed to participate in the Buy Back?
A. Yes. Personnel offices should reduce leave hours and pay on Form 674 as miscellaneous payment.