

State of California

MEMORANDUM

Date: December 17, 1990

Reference Code: 90-68

To: PERSONNEL MANAGEMENT LIAISONS

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Employee Relations Officers
Personnel Officers

From: Department of Personnel Administration
Classification and Compensation Division

Subject: SB 1899 - Military Leave

The purpose of this memo is to advise you of procedures for the implementation of Military Leave for the Iraq-Kuwait crisis, as provided by SB 1899, Chapter 988/Statutes of 1990. These procedures apply to anyone who is on active duty on or after January 1, 1991. Departments are responsible for apprising their affected employees of the provisions provided them as a result of SB 1899.

This recently enacted legislation allows State civil service employees and any other officer or employee of the Legislative, Executive, or Judicial Branch of State Government, who are military reservists or members of the National Guard and are called to active duty as a result of the Iraq-Kuwait crisis, to receive the difference between their military pay and their State pay for a period not to exceed 180 calendar days. The 180 days is in addition to the 30 calendar days provided under existing statute. Any active duty served voluntarily after the close of the Iraq-Kuwait crisis is not covered under the provisions of SB 1899. It should be noted that the legislation has an effective date of January 1, 1991. However, new legislation (SB 91) has been introduced to retroactively apply the provisions of SB 1899 to August 2, 1990, the initial date of the crisis.

General Procedures:

Under current procedures, employees ordered to active duty must notify their employer by providing a copy of their military active duty orders. Current statute provides 30 calendar days of State pay per fiscal year for active military duty. On the 31st calendar day, the employee becomes eligible for the provisions afforded them under SB 1899. At the beginning of their leave, in addition to a copy of their orders, the affected employee must provide their personnel office an estimate (if an exact amount is not known) of their military base pay and allowances in order to estimate their

adjusted State pay. The Personnel Office is responsible for computing the adjusted gross State pay, minus all mandatory deductions (taxes, FICA and retirement contributions). Based upon the adjusted net pay, the employee will then determine what, if any, action is needed with regard to their discretionary deductions. The employee is also to indicate where to forward their adjusted pay warrant. In order to issue the adjusted warrant, the Military Leave Work Sheet (Attachment) must be signed by the employee. If the employee is not available and someone else has been provided with power of attorney, their signature is acceptable.

This system is designed to be as flexible as possible, realizing that each employee's situation will be different. In those instances where the employee is unable to document their military earnings, an estimate of their military pay and allowances will suffice. Upon return from active duty, the employee must provide a copy of their military pay records to determine if monies are owed the individual or the State. For those employees who have already reported for active duty, the employee can opt to continue with their current arrangements or follow the outlined procedures.

Once the Military Leave Work Sheet has been completed, the employee is to receive a copy, the department retains a copy and a third copy is forwarded to the State Controller's Office for processing. An adjusted warrant is issued monthly to the employee's department, who is then responsible for dispersing the warrant pursuant to the employee's request. Each department is responsible for monitoring the amount of time the employee receives adjusted State pay. Controller's must be notified of the 180th day the employee has received their adjusted pay in order to stop these payments.

For those employees who have already been called to active duty and, therefore, unavailable to complete the work sheet, departments will be responsible for informing them or their power of attorney of the provisions under SB 1899 and obtaining completed documents. Without the necessary signature or authorization, the adjusted State pay can not be issued and will have to be adjusted upon the employee's return. However, departments must take the necessary action to ensure the employee's State-provided benefits will be continued at their current rates. Further, departments must notify dependents that their medical, dental and vision State-provided insurance has been reinstated effective January 1, 1991.

Those employees who elect to retain their military pay (their military pay may be larger than their State pay) will also need to prepare a work sheet. Although they will not be receiving a State check, their deductions included in the State-provided benefit package (health, dental and vision) will be continued at the employee's option. Controller's will need the appropriate documentation to continue the benefit deductions. It should be noted that in those instances where an employee pays a health benefit premium but is not receiving a State-issued pay check, the State will authorize the continued payment of these premiums via an accounts receivable process. The premium payments will be collected upon the employee's return.

Personnel Management Liaisons

December 17, 1990

Page 3

Employees who are placed on active duty for 30 calendar days, or less, need not be included in these procedures. They will continue to be issued their regular State warrant, but will sign over their military pay and allowances upon their return. This process is similar to jury duty pay.

Upon return from active duty, the employee must provide a copy of their military pay records to determine if monies are owed the individual or the State. Departments will be responsible for preparing appropriate documentation to reconcile the records/account. As is under the current process, the employee will need to contact PERS for the necessary adjustment to their retirement service.

Controller's will be issuing processing instructions shortly in a Controller's pay letter. All processing questions should be addressed to Pam Keegan, (916) 323-2539 or ATSS 473-2539, at the State Controller's Office. Any policy interpretation questions should be addressed to Nancy Bither of my staff at (916) 324-9394, ATSS 454-9394.



Robert K. Painter
Section Manager

ccd/B06811

MILITARY LEAVE WORK SHEET

This work sheet is to be completed by both the employee and Personnel Office prior to reporting for active duty. Numbers 1 through 6, 13 and 14 are to be completed by the employee. Numbers 7 through 10 are to be completed by the Personnel Office. Numbers 11 and 12 are to be completed by both the employee and Personnel Office. The employee should be appraised of and complete any additional documentation as a result of necessary discretionary deduction changes. A copy of the employee's Military Orders must be attached.

1) NAME _____ 2) SOCIAL SECURITY NUMBER _____

3) CIVIL SERVICE CLASS _____

4) MILITARY RANK _____

5) DATE MILITARY LEAVE BEGINS _____; ENDS _____

6) MILITARY GROSS PAY:

BASE PAY: _____

ALLOWANCES:

BAQ: _____

Hazardous Duty: _____

Flight Pay: _____

Foreign Duty: _____

Diving Pay: _____

Clothing Allowance: _____

Foreign Language Proficiency: _____

Medical/Dental Officers: _____

Active Duty Reserve Medical Officers: _____

Other: _____

Other: _____

Other: _____

TOTAL GROSS MILITARY PAY: _____

7) CURRENT STATE GROSS SALARY: _____

8) ADJUSTED STATE GROSS SALARY: _____

(State gross salary minus Military gross pay)

9) ESTIMATED MANDATORY DEDUCTIONS:

Estimated Federal Taxes (20%): _____

Estimated State Taxes (3%): _____

Estimated FICA (7.65%): _____

Estimated Retirement Contribution: _____

Total Mandatory Deductions: _____

10) ADJUSTED NET STATE SALARY: _____

11) MAINTAINED PAYROLL STATE DEDUCTIONS:
(These deductions will be maintained automatically.)

Employee:

Check those deduction(s) you wish maintained.

Personnel Office:

Complete all deduction organization codes and amounts.

<u>DEDUCTION</u>	<u>DEDUCTION ORGANIZATION CODE</u>	<u>DEDUCTION AMOUNT</u>
_____ Health Benefits	_____	_____
_____ Dental	_____	_____
_____ Vision	_____	_____
_____ Supv/Mgr Life Insurance	_____	_____

12) DISCRETIONARY STATE DEDUCTIONS:

Employee:

Check those deductions you wish maintained, providing there are sufficient funds. If there are insufficient funds, it is the employee's responsibility to make the appropriate arrangements. Otherwise the deduction will not be made while on leave status.

Personnel Office:

Complete deduction organization codes and amount.

<u>DEDUCTION</u>	<u>DEDUCTION ORGANIZATION CODE</u>	<u>DEDUCTION AMOUNT</u>
_____ Deferred Compensation	_____	_____
_____ Flex-Elect	_____	_____
_____ United Way	_____	_____
_____ Supplemental	_____	_____
_____ Supv/Mgr Life Insurance	_____	_____
_____ Long-Term Dis. Ins.	_____	_____
_____ Parking	_____	_____
_____ Union Dues	_____	_____
_____ Union-Offered Insurance	_____	_____
_____ Credit Union Deductions	_____	_____
_____ Spousal/Child Support	_____	_____
_____ Other-(List)	_____	_____

NOTE: The employee is responsible for contacting the appropriate source for any changes to their discretionary deductions:

13) IF YOU HAVE DIRECT DEPOSIT, DO YOU WISH TO CONTINUE? _____YES _____NO
(If no, submit Form 699 to cancel.)

14) FORWARD MY WARRANT TO:

I understand the provisions afforded me under Chapter 988 of the Statutes of 1990 for Military Leave. I further understand that it is my responsibility to document/estimate my military pay and allowances for purposes of determining my adjusted State pay; and that I am responsible for returning to the State of California any overpayments made to me.

SIGNATURE

DATE

COPIES FOR:

Employee
Department
State Controller's Office

State of California

MEMORANDUM

Date: February 7, 1991

Reference Code: 90-68 A

To: PERSONNEL MANAGEMENT LIAISONS

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Employee Relations Officers
Personnel Officers

From: Department of Personnel Administration
Classification and Compensation Division

Subject: SB 1899 - Military Leave - Update

This is intended to update PML 90-68 regarding the provisions and procedures of SB 1899. As the need warrants, additional memos will be issued.

Salary Issues:

1. While on short-term military leave, employees will continue to receive any GEN, MSA or SISA adjustments. Range changes and probationary periods will be extended by the number of nonqualifying pay periods.
2. While on military leave and receiving pay pursuant to SB 1899, the employee, regardless of whether the leave is short-term or long-term, will continue to receive any GEN, MSA or SISA adjustments.
3. While on long-term military leave and no longer eligible for the provisions of SB 1899, any GEN, MSA or SISA will be reflected upon the employee's return.
4. Employee's who are placed on short-term military leave may have amended orders extending their active duty. If their amended orders indicate they should now be placed on a long-term military leave, any short-term military leave benefits afforded the employee up to the date of the signature on the amended orders will be retained. However, as of the date of the signature on the amended orders, the employee is only eligible for long-term military provisions.

Controller's has indicated in Payroll Letter 91-02, in order to receive payment under SB 1899 provisions, a S51 transaction must be processed. S51 is currently defined as short-term military leave. Regardless of the length of the leave, this code must be used to allow existing

systems at Controller's to process the adjusted payments in a timely manner. Regardless of the code assigned, leave benefits will be accrued according to existing provisions for short- and long-term military leaves.

5. Members of the National Guard are eligible for 30 days of State pay for each emergency leave. Each emergency leave is defined as a specific instance. Although there may be breaks in active duty served, any service related to the Iraq-Kuwait crisis is considered as one instance.
6. All employees eligible for either short- or long-term military leave are eligible for pay under SB 1899 provisions. However, all employees are not eligible for 30 days of State pay under GC Section 19775 and 19775.1.

Benefit Issues:

1. Employees enrolled in the FlexElect Program with the Cash Option in lieu of health and/or dental coverage will continue to receive the cash option, regardless of whether they receive an adjusted State warrant, or opt to retain their military pay.
2. The Pre-Tax Health Premium is considered a benefit tied to health coverage and will also be continued. If the employee opts to retain their military pay, the amount of employee-paid premium will be carried as an agency-collection accounts receivable to be recovered when the employee returns to pay status.
3. The Pre-Tax deductions into medical and/or dependent care reimbursement accounts are considered voluntary deductions that will no longer be taken when the employee does not receive sufficient State pay to continue the deduction. These deductions will automatically resume once the employee returns to full-pay status.
4. Supervisors/managers life insurance policies exclude any payment while the employee is on any active duty other than "temporary" duty. "Temporary" refers to short training exercises (like two-week summer duty). Given the circumstances of the Iraq-Kuwait crisis, this coverage is not in effect for those on extended active duty. These same exclusions apply to any supplemental coverage the employee may have purchased by payroll deduction. It is the responsibility of the employee to cancel the voluntary deduction if he/she wishes to avoid paying a premium without receiving the full benefit. If the employee elects to discontinue these voluntary deductions, he/she will have to re-enroll upon reinstatement to State service before coverage can begin. It should also be noted that discontinuance of supplemental coverage would also discontinue spousal/dependent coverage.

5. Voluntary Long Term Disability plans also exclude payment for any disability caused by any act of war. If the employee elects to discontinue these voluntary deductions, he/she will need to re-enroll upon reinstatement to State service before coverage can begin.

Should you have any further questions regarding SB 1899 provisions, you may contact Nancy Bither at 324-9394 or ATSS 454-9394.



Robert K. Painter
Section Manager

State of California

MEMORANDUM

Date: April 12, 1991

Reference Code: 90-68B

To: PERSONNEL MANAGEMENT LIAISONS

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Employee Relations Officers
Personnel Officers

From: Department of Personnel Administration
Classification and Compensation Division

Subject: SB 1899 - Military Leave -- Update

This is the second PML update memo issued regarding the provisions and procedures of SB 1899.

1. Retirement Contributions

Retirement contributions have been deducted from the adjusted salaries issued under SB 1899 provisions. However, it has been recently determined that there is no need to withhold retirement contributions while on a military leave of absence as a result of this crisis. Therefore, effective immediately, retirement contributions will no longer be deducted. Further, beginning in mid-April, checks will be issued by Controller's Office to refund those contributions already withheld. Please notify any affected employees the basis of this refund. Departments do not need to submit any additional documentation for these purposes. Further, when completing the Military Leave Work Sheets, do not include any retirement contribution in calculating the adjusted salary rate. (Note: This change does not impact the employees service credit toward their retirement.)

2. Total State Pay

Total State pay is to be based on the salary for the class the employee was in prior to military leave, plus any pay differentials/supplemental pay they were receiving as a result of the duties they were performing on a continuous basis in their position. This would include such things as bilingual pay, physical fitness pay, shift pay, educational pay, AR 40 pay and any recruitment/retention differentials. Further, those receiving a uniform allowance would continue to accrue qualifying pay periods while under SB 1899. Such pay differentials as van pool, diving pay and out of class should not be included in total pay.

3. Reinstatement

Government Code Section 19880 allows for reinstatement to the former position within six months after termination of military service under a long-term military leave and ten days after termination of military service under a short-term military leave. Section 395.4 of the Military and Veterans Code provides for reinstatement within 90 days after the termination of military leave whenever the United States is engaged in war. Therefore, employees called to active duty due to the Iraq-Kuwait crisis for 180 days or less shall be entitled to reinstatement within 90 days after termination of active duty orders. Benefits provided pursuant to SB 1899 will terminate at the expiration of the active duty date or reinstatement, whichever occurs first. Should an employee not return to work immediately following termination of active duty status, the department may place the employee on either paid (if reinstated) or non-paid leave status. If an employee's release date differs from the original orders, a correcting 674 needs to be completed. Controller's has indicated the original S51 transaction will cover those employees who wish to continue on non-paid leave status following the termination of SB 1899 provisions.

4. Calculating Proper Adjusted State Pay

Upon an employee's return from military leave, payments made under the provision of SB 1899 are to be reviewed in terms of possible over- or under-payments. To calculate the correct amount the employee should have received, the gross military pay minus any mandatory deductions needs to be compared to the gross State pay minus any mandatory deductions. Refer to Controller's Payroll Letter 91-02 for payment method.

5. Lump Sum Payment

Those employees who have been placed on long-term military leaves (regardless of the documentation used) are eligible for lump sum payment for any leave credits they may have at the beginning of their leave. Controller's has indicated these payment requests should be submitted on a Form 674. (Lump sum payment is not mandatory for those placed on long-term military leave.)

Should you have any further questions regarding this information, you may contact Nancy Bither at 324-9394 or ATSS 454-9394.



Robert K. Painter
Section Manager

State of California

MEMORANDUM

Date: August 6, 1991

Reference Code: 90-68 C

To: PERSONNEL MANAGEMENT LIAISONS

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Employee Relations Officers
Personnel Officers

From: Department of Personnel Administration
Classification and Compensation Division

Subject: SB 1899 - Military Leave -- Update

This is the third PML update memo issued regarding the provisions and procedures of SB 1899.

Probationary Period Extensions:

This is to provide clarifying information regarding probationary periods and range changes for employees who have been on military leave.

1. A probationary employee who is returning from a military leave will have their probationary period extended pursuant to State Personnel Board Rule 321 (California Code of Regulations-Title 2, Division 1, Chapter 1, Section 321).
2. Service in the armed forces will be credited as experience toward meeting minimum qualifications from examinations and deep class alternate range criteria on exactly the same basis as if the employee had remained in the position held at the time he or she went on the military leave.

Questions regarding extensions of probationary period, deep class alternate range criteria, and meeting minimum qualifications for examinations should be directed to the State Personnel Board.

Should you have any further questions regarding this information, you may contact Nancy Bither at 324-9394 or ATSS 454-9394.



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Personnel Program Manager

ccd/C05983