

State of California

MEMORANDUM

To: PERSONNEL MANAGEMENT LIAISONS

Date: July 16, 1992
Reference Code: 92-82

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Officers
Labor Relations Officers

From: Department of Personnel Administration
Office of the Director

Subject: 1992-95 Salaries and Benefits for Excluded Employees

This memorandum describes the 1992-95 salary and benefit program for employees who are excluded from collective bargaining under the Ralph C. Dills Act. This includes managerial, supervisory, confidential, other excluded, and exempt employees whose salaries are set by the Department of Personnel Administration (DPA).

SUMMARY

- . Effective July 1, 1992, the salary ranges for managerial and supervisory classifications will be restored to their June 30, 1991 levels; individual salary rates will be determined as if the 1991-92 range reductions had not occurred.
- . Effective July 1, 1992, all excluded employees will participate in the Personal Leave Program for 18 months, which will result in a one day per month reduction in earnings (from the updated salary rate). Managerial and supervisory employees who received a 1991-92 pay cut will be given credit for the period of their salary cut and retroactive leave credit.
- . At the end of the 18-month period, employees' earnings will be restored to their full salary rate. In addition, employees will receive a five percent general salary increase on January 1, 1994 and a three to five percent increase on January 1, 1995.
- . The State's contribution toward health benefit premiums will be raised effective with the July 1992 pay period and eight hours of personal leave will be granted to employees who were eligible for the reduced contribution in 1991-92.
- . Employee copayment for Delta Dental will be postponed until January 1, 1993.
- . The State will continue fully paid vision benefits.
- . Effective January 1, 1993, employees will receive a \$21 transit subsidy.



- . The survivors of excluded employees who die before reaching retirement age will be able to receive a lifetime monthly allowance in lieu of a lump sum payment.
- . Effective November 1, 1992, there will be a voluntary Annual Leave Program for supervisory, confidential and excluded employees.

I. PERSONAL LEAVE PROGRAM

Effective July 1, 1992, excluded employees will be placed on a Personal Leave Program (PLP) which parallels the PLPs being implemented for represented employees. For a period of 18 months, employees will receive one day of personal leave (eight hours for full-time employees) in lieu of one day of pay. Time during which most managerial and supervisory employees had their salary rate reduced during 1991-92 will count toward their 18 months on the Personal Leave Program and will qualify for PLP credits. PLP credits shall be used the same as vacation credits. Additional information is provided in DPA Rule 599.937 (attached).

A. Salary Range and Rate Adjustments

To avoid any double-reductions, salary ranges for managerial and supervisory classifications are being restored to their June 30, 1991 levels, effective July 1, 1992. On and after that date, the individual salary rates of employees serving in these classifications will be determined as if the 1991-92 salary range reductions had not occurred. The salary reductions for the PLP will be made from these rates. Following are examples of how this will occur.

Example One: An employee was serving in a supervisory class on September 30, 1991 and had a salary rate reduction on October 1, 1991. His/her salary rate will be restored to its September 30, 1991 level prior to the implementation of the PLP. Therefore, the employee's earnings under the PLP will be very close to his/her 1991-92 monthly earnings.

<u>9/30/91</u>	<u>10/1/91</u>	<u>7/1/92</u> (Salary Restoration)	<u>7/1/92</u> (PLP)
\$4,415	\$4,205	\$4,415	\$4,205/\$4,214
\$4,237	\$4,035	\$4,237	
\$4,035	\$3,843	\$4,035	
\$3,843	\$3,660	\$3,843	
\$3,660	\$3,486	\$3,660	



The \$4,415 salary rate would be used to determine the employee's reduced earnings under the PLP. In a 22-working-day month, it would be \$4,214 (\$4,415 - \$201); in a 21-working-day month, it would be \$4,205 (\$4,415 - \$210).

Example Two: This employee promoted from a represented class to a supervisory class on February 1, 1992. Because: 1) the salary range for the employee's prior class had not been reduced; and 2) the employee was able to receive the normal five percent promotional increase upon movement to the supervisory class, he/she has not been impacted by the 1991-92 manager/supervisor salary reductions. Therefore, under DPA Rule 599.937.1 (attached), his/her salary rate would not change on July 1, 1992. This means that the employee's earnings would be reduced by about five percent when he/she begins the PLP on July 1, 1992.

<u>1/31/92</u>	<u>2/1/92</u>	<u>7/1/92</u> (Salary Restoration)	<u>7/1/92</u> (PLP)
		\$4,415	
	\$4,205	\$4,237	
	<u>\$4,035</u>	<u>\$4,035</u>	
<u>\$3,843</u>	\$3,843	\$3,843	<u>\$3,843/\$3,852</u>
\$3,660	\$3,660	\$3,660	
\$3,486	\$3,486		
\$3,320			
\$3,162			

The \$4,035 salary rate would be used to determine the employee's reduced earnings under the PLP. In a 22-working-day month, it would be \$3,852 (\$4,035 - \$183); in a 21-working-day month, it would be \$3,843 (\$4,035 - \$192).

B. Duration of Personal Leave Program

As specified in DPA Rule 599.937(m), excluded employees will spend 18 months under the PLP. Only time during which a manager or supervisor had an actual salary rate or earnings reduction will be credited toward this. At the end of the 18 months, employees will be restored to their full salary rate. Examples of how this will be applied are shown below.

Example One: A managerial employee who had the full (approximately five percent) salary reduction during all of 1991-92 would receive 12 days of personal leave credit (96 hours for full-time employees) on July 1, 1992 and would remain on the PLP for six more months. On January 1, 1993, the employee would begin receiving his/her full salary rate.



Example Two: A supervisory employee has had the full reduction since October 1, 1991. On July 1, 1992, he/she would receive nine days of personal leave credit and would remain on the PLP for nine more months. On April 1, 1993, the employee would begin receiving his/her full salary rate.

Example Three: An employee promoted to a supervisory class on March 1, 1992 and, because of the salary range reduction for the "to" class, he/she received only half of the normal promotional increase. Therefore, this employee experienced half of the full range reduction for four months. He/she would receive two days of personal leave on July 1, 1992 and would remain on the PLP for 16 additional months. On November 1, 1993, he/she would begin receiving the full salary rate.

Example Four: An excluded employee has not had any reduction in his/her salary rate prior to July 1, 1992. He/she would be on the PLP from July 1, 1992 through December 31, 1993.

The PLP will end for all excluded employees no later than December 31, 1993. However, PLP credits retained by the employee after that date may still be used as provided in DPA Rule 599.937.

C. Exceptions

Seasonal and temporary employment classifications are exempt from the PLP. This avoids requiring departments to reduce an employee's salary for a few months and then have to immediately cash them out when they separate. A list of these classes is attached.

II. SALARY INCREASES

Salary ranges for excluded employee classifications will be increased as follows:

- . by five percent on January 1, 1994; and
- . on January 1, 1995, by an amount equal to the increase in the Consumer Price Index, provided that the increase shall be no greater than five percent and no less than three percent.



III. HEALTH BENEFITS

Effective with the July 1992 pay period, the State employer's contribution toward health benefits premiums will be raised to the following levels:

One-Party Coverage	\$174
Two-Party Coverage	\$323
Three-Party Coverage	\$410

These rates will remain in effect until further notice.

Employees identified by the PERS board who live in rural areas where PERS has determined there is no available health maintenance organization (HMO) and a fee-for-service health plan is the only option will be eligible for the following State contributions:

<u>Plan</u>	<u>Employee Only</u>	<u>Employee + 1</u>	<u>Employee + 2 or More</u>
PERS-Care	\$234.00	\$443.00	\$590.00
CPFA	\$175.00	\$325.00	\$410.00
PORAC	\$210.17	\$371.18	\$521.30
CAHP	\$193.00	\$359.00	\$470.00
CCPOA	\$191.43	\$364.11	\$489.47

The "rural subsidy rates" will remain in effect only through June 30, 1993. Subsequently, the State contribution for employees in rural areas will be the same as that in effect for non-subsidized employees.

In recognition of the lower State contribution for health benefits in 1991-92, excluded employees who were eligible for this lower contribution will receive an additional eight hours of personal leave credit effective July 1, 1992 (see DPA Rule 599.937.2).

IV. DENTAL BENEFITS

For excluded employees, the monthly copayment for the Delta Dental plan will be deferred until January 1, 1993. Beginning on that date, this copay will be \$6.70 for one-party coverage, \$12.05 for two-party coverage and \$17.59 for three-party coverage.

Employees who are enrolled in one of the prepaid dental plans (PMI, CDHP and DentiCare) are still not required to pay any copay. Employees who wish to change their enrollment from Delta Dental to one of the prepaid plans may do so during the September Open Enrollment Period.



NOTE: All excluded employees will be automatically enrolled in the Premium Only Plan (POP), at no additional cost to the employees, in order for the State Controller to process all health and dental copayment amounts on a pre-tax basis. If an employee wishes to have the deduction taken on a post-tax basis, he/she must request a POP disenrollment form from his/her personnel office.

V. VISION

Vision benefits will continue to be fully employer paid.

VI. TRANSIT PASS SUBSIDY

Effective January 1, 1993, the maximum transit pass subsidy for excluded employees will be \$21 per month in all areas of the State. With the recent change in federal tax law, all of this will be tax exempt.

VII. PRE-RETIREMENT DEATH BENEFIT

Legislation which was included in the MOU ratification bill also extended a pre-retirement death benefit to the eligible survivors of excluded employees who have at least 20 years of service and die on or after January 1, 1993 but prior to attaining the minimum age for retirement. This is a new benefit which permits the eligible survivor to choose a lifetime monthly allowance in lieu of the lump sum death benefit, which was previously the only benefit payable. In addition, the eligible survivor, if enrolled in the member's health and dental plan at the time of death, will be permitted to continue in the group plan by paying both the member and employer share of the premium plus a two percent administrative fee.

VIII. ANNUAL LEAVE

Effective November 1, 1992, current supervisors, confidential and excluded employees will be eligible to participate in the Annual Leave Program on a voluntary basis. This is the same program which has been available to managerial employees since 1985. A memo with more information on this program will be provided at a later date.



Lillian Rowett
Chief Deputy Director

Attachments

599.937 Personal Leave Program -- Excluded Employees

(a) This Personal Leave program is being established to achieve savings in excluded and related exempt employee salary costs for the period beginning on July 1, 1992 and ending on December 31, 1993. Effective July 1, 1992, it shall apply to:

(1) all excluded employees, as defined in Section 3527(b) of the Government Code, except those in temporary employment classifications exempted by the department and those serving under emergency appointments with no right to return to a former position;

(2) all non-civil service (exempt) officers and employees, except those who are in temporary employment positions or whose salary is below the salary previously authorized for their position.

(3) any nonelected member of a board or commission whose annual salary is fixed by law and who elects to receive a salary no greater than that allowed by law for his or her position on December 31, 1990.

(b) Each full-time employee subject to this program shall be credited with eight (8) hours of personal leave on the first day of the following monthly pay period for each month in the Personal Leave program. The Personal Leave program shall not affect an employee's salary range or rate; however, each full-time employee shall continue to work his/her assigned work schedule and unless the employee is a board or commission member who has already reduced his or her pay as specified in a(3), the



employee shall have a reduction in pay equal to one day of pay (8 hours) for each monthly pay period the employee is in the Personal Leave program.

(c) Personal leave shall be requested and used by the employee in the same manner as vacation or annual leave. Requests to use personal leave must be submitted in accordance with departmental policies on vacation or annual leave.

(d) At the discretion of the State, all or a portion of unused personal leave credits may be cashed out at the employee's salary rate in effect when such payment is made; this may occur during or after the conclusion of this Personal Leave program. The application of this cash out provision may differ from department to department and from employee to employee. Upon termination from State employment, the employee shall be paid for unused personal leave credits in the same manner as vacation or annual leave. Cash out or lump sum payment for any personal leave credits shall not be considered as "compensation" for purposes of retirement.

(e) An employee may not use any kind of paid leave such as sick leave, vacation, or holiday time to avoid a reduction in pay resulting from the Personal Leave program.

(f) An employee in the Personal Leave program shall be entitled to the same level of State employer contributions for health, vision, dental, flex-elect cash option, and enhanced survivors benefits he or she would have received had the Personal Leave program not occurred.



(g) The Personal Leave program shall not cause a break in State service, or a reduction in the employee's accumulation of service credit for the purposes of seniority and retirement, leave accumulation, and merit salary adjustments.

(h) Reductions in pay resulting from the Personal Leave program shall neither affect the employee's final compensation used in calculating State retirement benefits nor reduce the level of State death or disability benefits the employee would otherwise receive or be entitled to receive nor shall it affect the employee's ability to supplement those benefits with paid leave.

(i) Part-time employees shall be subject to the same conditions as stated above, on a prorated basis regardless of the number of hours in the pay period consistent with the chart below:

<u>Time Base</u>	<u>Salary Reduction in Hours</u>	<u>Personal Leave Credits</u>
<u>1/10</u>	<u>1</u>	<u>1</u>
<u>1/8</u>	<u>1</u>	<u>1</u>
<u>1/5</u>	<u>2</u>	<u>2</u>
<u>1/4</u>	<u>2</u>	<u>2</u>
<u>3/10</u>	<u>3</u>	<u>3</u>
<u>3/8</u>	<u>3</u>	<u>3</u>
<u>2/5</u>	<u>3</u>	<u>3</u>
<u>1/2</u>	<u>4</u>	<u>4</u>
<u>3/5</u>	<u>5</u>	<u>5</u>
<u>5/8</u>	<u>5</u>	<u>5</u>
<u>7/10</u>	<u>6</u>	<u>6</u>
<u>3/4</u>	<u>6</u>	<u>6</u>
<u>4/5</u>	<u>7</u>	<u>7</u>
<u>7/8</u>	<u>7</u>	<u>7</u>
<u>9/10</u>	<u>8</u>	<u>8</u>



(j) The reduction in pay for permanent intermittent employees shall be prorated based upon the number of hours worked in the monthly pay period as stated in the chart below.

<u>Hours Worked During Pay Period</u>	<u>Salary Reduction In Hours</u>	<u>Personal Leave Credit</u>
<u>0 - 10.99</u>	<u>0</u>	<u>0</u>
<u>11 - 30.99</u>	<u>1</u>	<u>1</u>
<u>31 - 50.99</u>	<u>2</u>	<u>2</u>
<u>51 - 70.99</u>	<u>3</u>	<u>3</u>
<u>71 - 90.99</u>	<u>4</u>	<u>4</u>
<u>91 - 110.99</u>	<u>5</u>	<u>5</u>
<u>111 - 130.99</u>	<u>6</u>	<u>6</u>
<u>131 - 150.99</u>	<u>7</u>	<u>7</u>
<u>151 or over</u>	<u>8</u>	<u>8</u>

(k) The Personal Leave program shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office.

(l) Employees on Enhanced Industrial Disability Leave, Non-industrial Disability Insurance, Industrial Disability Leave, or Worker's Compensation Temporary Disability for the entire monthly pay period shall be excluded from the Personal Leave program for that month.

(m) Employees shall remain in the Personal Leave program until December 31, 1993 or until they have completed 18 months of salary reduction, whichever is sooner. Time during which the employee received a lower salary because of the 1991-92 salary range reduction for managerial and supervisory classifications, as well as time spent in any State personal leave program, shall count toward the 18 months of salary reduction. Personal leave credit for 1991-92 salary reduction time shall be granted to the employee on a month-for-month basis on the date the Personal

Leave program becomes applicable to the employee. Employees whose 1991-92 salary rate reduction was less than the 1991-92 salary range reduction shall receive salary reduction and personal leave credit on a prorated basis for any such period.

NOTE: Authority cited: Section 3539.5, Government Code.

Reference: Section 19996.3, Government Code.

599.937.1 Salary Rate Adjustments Related to Personal Leave Program -- Excluded Employees

Effective July 1, 1992, the salary rates for employees in this Personal Leave program shall be determined as if the 1991-92 salary range reductions had not occurred.

NOTE: Authority cited: Section 3539.5, Government Code.

Reference: Section 19996.3, Government Code.

599.937.2 Personal Leave Credits -- Excluded Employees

Any excluded employee or related exempt employee who was eligible for the State's 1991-92 excluded employee health benefit contribution shall receive an additional 8 hours of personal leave credit, effective July 1, 1992.

NOTE: Authority cited: Section 3539.5, Government Code.

Reference: Section 19996.3, Government Code.



CLASSIFICATIONS EXEMPT FROM THE PERSONAL LEAVE PROGRAM

Senior Park Aid/Seasonal
Park Aid Seasonal
Maintenance Aid Seasonal
Archeological Project Leader - Seasonal
Park Interpretive Specialist - Seasonal
Archeological Specialist - Seasonal
Seasonal Clerk
Temporary Clerk
Exposition Assistant III
Exposition Assistant II
Exposition Assistant I
Examination Proctor
Assistant Examination Proctor
Exhibit Superintendent III
Exhibit Superintendent I
State Fair Activity Supervisor
Expert Examiner
Survey Interviewer
Youth Aid
Lead Snow Gauger
Snow Gauger
Disaster Worker Clerical Services Various Disasters
License Inspector (Seasonal)
Athletic Inspector
Foster Grandparent Field Supervisor
Student Aid
Agricultural Aid (Seasonal)
Agricultural Survey Interviewer I
Agricultural Survey Interviewer II
Agricultural Survey Interviewer III
Election Official, PERB
Park Aid (Seasonal) (Angel Island)
Special Consultant
Supervising Park Interpretive Specialist Seasonal
Survey Interviewer
All Casual Employment (Trade Rate) Classes

