

State of California

MEMORANDUM

To: PERSONNEL MANAGEMENT LIAISONS Date: December 10, 1992
Reference Code: 92-126

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Officers
Labor Relations Officers

From: Department of Personnel Administration
Office of the Director

Subject: Personal Leave Program - Cash-outs for Excluded Employees

Department of Personnel Administration (DPA) Rule 599.937 establishes the Personal Leave Program (PLP) for excluded employees. Subsection (d) of this rule provides for PLP credit cash-outs at the State's discretion. As shown in the attached, this part of the rule has been amended (effective immediately) to clarify the central approval requirements for PLP employee cash-outs by excluded employees.

Because the PLP is an essential part of the State's efforts to reduce expenses during these difficult budget times, all PLP cash-outs were made subject to DPA and Department of Finance approval by Management Memo 92-24 (July 28, 1992). Agencies that are exempt from Department of Finance jurisdiction must still obtain DPA approval before cashing-out PLP credits. The attached amendment makes this clear for excluded employees and is consistent with the approach we are taking in administering the corresponding PLP provisions in the collective bargaining agreements covering represented employees.

Questions concerning this rule change and PLP cash-outs should be referred to Clarice Baker in our Personnel Services Branch. Her telephone number is (916) 324-0439 or ATSS 454-0439.


David J. Tirapelle, Director

Attachment

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 appointing power, and subject to the approval of the Department of Personnel Administration 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:

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

(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.

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



(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.

