

State of California

MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS                      DATE: April 6, 1995  
REFERENCE CODE: 95-015

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Labor Relations Officers  
Personnel Officers

FROM: Department of Personnel Administration  
Classification and Compensation Division

SUBJECT: Mid-Management Reduction Red Circle Benefits

CONTACT: Departmental Classification and Compensation Division Analyst  
(916) 324-9381, CALNET 454-9381

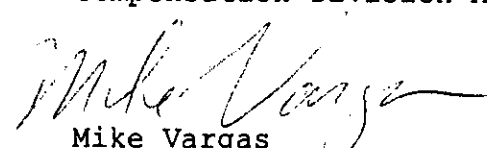
The concept of granting red circle benefits to managers and supervisors who demote as part of the mid-management reductions was implemented in PML Memorandum 94-20 of April 8, 1994. The content of PML Memorandum 94-74 of December 29, 1994 explained that the red circle benefits would not be frozen as are red circle salaries, because this would create an administrative nightmare. Instead, a manager or supervisor whose benefits were red circled would receive the current and future benefits of managers or supervisors.

Some departments have asked for a list of the benefits that can be red circled. The following is a list of those benefits.

- Annual Leave Program Participation
- Dental Insurance (Enhanced)
- Health Benefits
- Leave Credits Already Earned
- Leave Credit Accumulation Rate
- Life Insurance
- Long Term Disability
- Nonindustrial Disability Insurance Payments (Current and Future)
- Sale of Residence Claim Time Limit (2 years)
- Survivor Benefit (Enhanced 1959)
- Vacation Buy Back

It is essential to remember that red circle benefits may be offered only to participants in the mid-management reduction program which ends on June 30, 1995, and that they must be approved in advance by the Department of Personnel Administration (DPA).

If you have any questions, please contact your Classification and Compensation Division Analyst at the DPA.

  
Mike Vargas  
Program Manager