

State of California

MEMORANDUM

DATE: June 27, 1996

TO: PERSONNEL MANAGEMENT LIAISONS

REFERENCE CODE: 96-032

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Officers  
Labor Relations Officers

FROM: Department of Personnel Administration  
Classification and Compensation Division

SUBJECT: Payment Procedures for Out-of-Class Compensation

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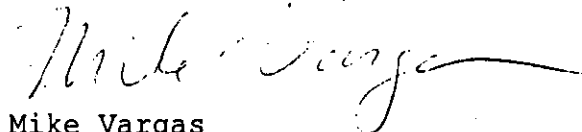
This memo revises the instructions for completing documentation relevant to the out-of-class payment procedures.

Previously, departments were instructed to submit completed documentation to the Department of Personnel Administration (DPA) and the Department of Finance (DOF) to pay an out-of-class claim/grievance. This payment package included: the "Out-of-Class Claim Approval" form which has been signed by DOF and indicates the amount of the claim, a separate sheet whereon the department indicates the calculations and the time period upon which the total claim amount is based, and the "Release of All Claims" form which must be signed by the claimant/grievant.

Departments will continue to send out-of-class payment documentation to DPA and DOF. Effective immediately, departments will also be required to complete the Std. Form 674, "Payroll Adjustment" as part of the completed payment package that is submitted to the State Controller's Office.

A copy of the revised payment package is attached for your convenience.

If you have questions about the revised out-of-class payment process or forms, please contact Sara Hull at (916) 324-9416 or Calnet 454-9416.



Mike Vargas  
Program Manager

Attachments



# OUT-OF-CLASS GRIEVANCE PAYMENT PROCESSING GUIDELINES

## BARGAINING UNITS: 01, 03, 04, 06, 07, 09, 11, 12, 14, 15, 17, 20 & 21

Reimbursement approved by the Department of Personnel Administration (DPA) for out-of-class grievances filed by employees is paid through the Controller's Claim Audit Unit. The following guidelines are to be used by departments for processing out-of-class grievance payments.

1. Any dispute arising from lower level decisions on an out-of-class grievance must be reviewed and approved by DPA as a final level of decision before it can be processed for payment. DPA will certify the classification appropriate for the out-of-class work and the time period for which payment may be authorized.

When this certification is completed, an "Out-of-Class Grievance Approval" payment form is initiated by DPA and sent to the personnel office in the employee's department for calculation of the correct amount for the out-of-class payment.

The payment is calculated by the claimant's department according to the employee's appropriate Bargaining Unit Contract/Memorandum of Understanding. If an employee works out of class for more than 15 days, the employee receives 5% over their normal rate of pay for any period in excess of the 15 days.

If an employee is worked in a higher class for more than 30 consecutive calendar days, the employee would be paid 5% over their average daily rate\* of the class to which they are appointed from the first day of the assignment.

If the out-of-class assignment exceeds 120 consecutive calendar days, the employee shall be entitled to receive the difference between his/her salary and the salary of the higher class at the same rate the employee would receive if the employee were to be promoted to that class, for that period in excess of the 120 consecutive calendar days.

In each instance, general salary increases and MSAs in the higher class are included. The amount of the claim should be the difference between the gross of the paid salary and the hypothetical gross of the higher class salary (a sample of payment calculations is attached).

In accordance with Government Code Section 19818.16 (a), no employee can be compensated for more than one (1) year of out-of-class work from the date the grievance is filed for any one assignment.

2. The out-of-class grievance forms package must be forwarded to:
  - a. The appointing authority's Chief of Administration for certification of funds on the "Out-of-Class Grievance Approval" form.
  - b. The employee for signature on the "Release of All Claims" form. The claimant's signature must have proof of authenticity (have the current supervisor's signature affixed).
3. Once the documents/forms (Claim Approval, Release of All Claims and payment calculations) are completed by the appointing authority, and the employee, they must be returned to DPA for review and approval.
4. After a review of the forms for completeness and accuracy of amount of payment, they are returned to the department for processing to the Controller's Office for payment. The following items should be sent to the Controller's Office:
  - DPA's "Release of All Claims" form signed by the claimant.
  - DPA's "Out-of-Class Grievance Approval" form.
  - Copy of cause of action (employee claim form).
  - Breakdown on the calculation of payment amount.
  - Std. Form 674, "Payroll Adjustment Notice".

The above documents are forwarded in a Remittance Advice Envelope to: State Controller's Office, Premium Pay Unit, 300 Capitol Mall, 5th Floor, Sacramento, CA 95814.

[Any questions regarding the payment process may be directed to DPA's Out-of-Class Review Unit at (916) 324-9381.]

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\*Based on a 21.667 pay period (for calculation purposes).

## OUT-OF-CLASS CLAIM PAYMENT PROCESSING GUIDELINES

Reimbursement approved by the Department of Personnel Administration (DPA) for out-of-class claims filed by employees are paid through the Controller's Claim Audit Unit. The following guidelines are to be used by departments for processing claims.

1. An out-of-class claim must be reviewed and approved by DPA as a final level of review before it can be processed for payment. DPA will certify the classification appropriate for the out-of-class work and the time period for which payment may be authorized.

When this certification is completed, an "Out-of-Class Claim Approval" payment form is initiated by DPA and sent to the personnel office in the employee's department for calculation of the correct amount for the out-of-class payment.

The payment is calculated by the claimant's department according to the salary rules. In general terms, the calculation is based upon a hypothetical promotion to the claimed class. What the employee actually earned between the approved out-of-class dates is subtracted from what the employee would have earned if he/she had been appointed to the higher class during the approved dates. General salary increases and MSAs in the higher class are included. The amount of the claim should be the difference between the gross of the paid salary and the hypothetical gross of the higher class salary.

2. The Out-of-Class Claim forms package must be forwarded to:
  - a. The appointing authority's Chief of Administration for certification of funds on the "Out-of-Class Grievance Approval" form, and then to the Department of Finance for certification of availability of funds.
  - b. The employee for signature on the "Release of All Claims" form. The claimant's signature must have proof of authenticity (have the current supervisor's signature affixed).
3. Once the documents/forms (Claim Approval, Release of All Claims and payment calculations) are completed by the appointing authority, the employee, and the Department of Finance, they must be returned to DPA for review and approval.
4. After a review of the forms for completeness and accuracy of amount of payment, they are returned to the department for processing to the Controller's Office for payment. The following items should be sent to the Controller's Office:
  - DPA's "Release of All Claims" form signed by the claimant.
  - DPA's "Out-of-Class Grievance Approval" form. (*Available in your*
  - Copy of cause of action (employee claim form). (*Accounting Office*)
  - Breakdown on the calculation of payment amount.
  - Std. Form 674, "Payroll Adjustment Notice".

The above documents are forwarded in a Remittance Advice Envelope to: State Controller's Office, Claims Audit Unit, 300 Capitol Mall, 5th Floor, Sacramento, Ca. 95814.

[Any questions regarding the payment process may be directed to DPA's Out-of-Class Review Unit at (916) 324-9381.]



OUT-OF-CLASS CLAIM APPROVAL

TO:

DATE:

FROM: Department of Personnel Administration
Out-of-Class Claim Review Unit

The out-of-class claim for the individual listed below has been approved for payment by the Department of Personnel Administration:

Name Current Class
Class of Out-of-Class Duties Period of Out of Class

.....

(TO BE PROCESSED BY DEPARTMENT)

Based upon the above information, please compute the dollar amount owed to the claimant.
Amount of Claim \$

In the space provided below, please identify the chapter and item of your current year budget to be used for payment. All payments must be from this fiscal year and from the same fund the employee would have been paid from had the out-of-class work been a proper assignment of duties. If monies are not available to cover the full amount needed, please indicate how much is available. (Please obtain the appropriate Department of Finance authorization of the availability of funds.)

Funding Sources: Chapter Item

Prog/Sched Amount available (if less than full amount): \$

Certification of Availability of Funds

Chief of Administration Date Telephone Number
Department of

Confirmation of Availability

Department of Finance Analyst Date Telephone Number

Upon completion of the information on the first page, return this document along with the completed "Release of All Claims" form to the Out-of-Class Review Unit, Classification and Compensation Division. The Out-of-Class Claim Manager will authorize payment and return the forms to the department.

Authorization for Payment

Out-of-Class Claim Coordinator Date Telephone Number
Classification and Compensation Division



RELEASE OF ALL CLAIMS

Upon receipt of payment of \_\_\_\_\_  
DOLLARS (\$ \_\_\_\_\_), \_\_\_\_\_  
does hereby, and for his/her heirs, executors, administrators, and successors,  
agree to release and discharge the State of California, its officers, agents,  
and employees from release and discharge the State of California, its offi-  
cers, agents, and employees from any and all liability arising from and under  
the matters recited in his/her out-of-class claim filed with the Department of  
Personnel Administration, and from any and all claims and demands which he/she  
now has or may hereafter have against the State of California, or any officer,  
agent, or employee thereof for damages of any nature arising out of the  
matters alleged in his/her claim.

This release has been read by the undersigned, is understood and has been  
freely and voluntarily entered into, without any promises or inducements not  
herein expressed. Executed on this \_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_.

\_\_\_\_\_  
Claimant's Signature Date

\*\*\*\*\*  
(Supervisor's Verification of Signature)

I hereby swear that the above affixed signature is that of the claimant who  
is personally known to me and whose signature was executed in my presence  
this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Supervisor's Signature Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Work Location

11  
12  
13

