

State of California

M E M O R A N D U M

DATE: September 20, 2001

TO: PERSONNEL MANAGEMENT LIAISONS **REFERENCE CODE:** 2001-036

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Officers
Personnel Transactions Supervisors

FROM: Department of Personnel Administration
Classification and Compensation Division

SUBJECT: Military Leave - National Emergency

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This memorandum is to provide departments with guidelines for those employees that have been activated to serve in the military reserve or National Guard in response to the attacks on the World Trade Center and the Pentagon.

Government Code (GC) Section 19775.17 provides an employee the difference between military pay and State pay for up to 180 calendar days for employees ordered to duty for an event authorized pursuant to Sections 12302 and 12304 of Title 10 of the United States Code. Section 12302 authorizes the President or Congress to order reservists to duty for up to 24 months in support of war or national emergency. Section 12304 authorizes the President to order reservists to duty for up to 270 days in support of augmenting active forces for any operations mission. This national emergency qualifies as such an event.

General Procedures

The State provides 30 calendar days of State pay per fiscal year for active military duty for employees who qualify based on GC Sections 19775 and 19775.1. The State also provides 30 calendar days of pay for each emergency military occurrence pursuant to GC Sections 19773 and 19775.1. The 180 calendar days provided by GC 19775.17 are in addition to these payments.

Employees ordered to active duty must notify their employer by providing a copy of their military active duty orders. If an employee is unable to obtain written orders, a verbal order issued by a military authority is considered valid. In addition to a copy of their orders, employees must provide their personnel office with their military pay records and a completed Military Leave Work Sheet (Attachment). 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 his or her military earnings, an estimate of their military pay and allowances will suffice. Once the Military Leave Work Sheet has been completed, the employee keeps a copy, the department retains a copy, and a third copy is forwarded to the State Controller's Office (SCO) for processing. For employees unavailable to complete the work sheet, departments shall be responsible for informing them or their power of attorney of the provisions of GC Section 19775.17 and obtaining completed documents.

In order to issue the adjusted warrant, the Military Leave Work Sheet must be signed by the employee. If the employee is not available and someone else has been provided with power of attorney, his or her signature is acceptable. 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.

The Personnel Office is responsible for computing the adjusted gross State pay, minus all mandatory deductions (taxes, FICA). Retirement contributions are NOT deducted from the State pay. Based on the adjusted net pay, the employee will then determine what, if any, action is needed with regard to discretionary deductions. Any federally sponsored income protection program that may be made available to National Guard personnel or military reserve personnel may reduce compensation received pursuant to GC Section 19775.17. (At this time there is no such income protection program available.)

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. SCO 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.

Upon return from active duty, the employee must provide a copy of his or her 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/accounts.

Salary/Benefit Related Issues

While on short-term military leave, or while receiving benefit of GC 19775.17, an employee will continue to receive any General Salary Adjustments (GEN), Merit Salary Adjustments (MSA), and Special In-grade Salary Adjustments (SISA). While on long-term military leave and no longer eligible for the provision of GC 19775.17, any GEN, MSA, or SISA will be reflected upon the employee's return.

Employees receiving benefit of GC Section 19775.17 will continue to receive State paid health, dental, and vision care benefits. 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. Some other benefits may not be covered while an employee is on active military duty due to contract exclusions.

The difference in pay between military pay and State pay received by employees is not subject to retirement contributions. Employees would receive CalPERS service credit for their military duty under the provisions of GC Section 20990 and 20997. The State is responsible for the payment of the employer and employee contributions as prescribed in GC Section 20997.

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, and any recruitment/retention differentials. Pay differentials such as vanpool pay, diving pay, and out-of-class pay should NOT be included in total pay.

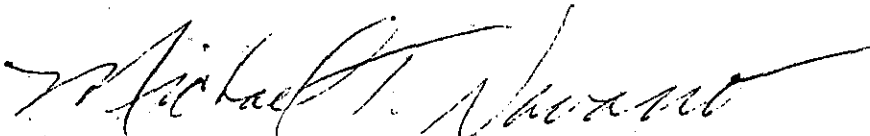
Lump-Sum Payment

Those employees who have been placed on long-term military leaves (regardless of documentation used) are eligible for lump-sum payment for leave credits (at the employee's discretion), other than sick leave they may have at the beginning of their leave. SCO has indicated these payment requests should be submitted on a Form 674. Leave benefits will continue to accrue according to existing provisions for short- and long-term military leave.

Documentation

In order to receive payment pursuant to GC 19775.17, an S51 transaction must be processed. S51 is currently defined as short-term military leave; however, regardless of the length of the leave, an S51 transaction code must be used to allow existing systems at SCO to process the adjusted payments in a timely manner.

All payroll-processing questions and documentation should be addressed to Pam Keegan at SCO at (916) 323-2539. For policy interpretation questions related to military leave have your personnel office staff contact Clarice Pace at the address listed above.



Michael T. Navarro, Chief
Classification and Compensation Division

Attachment

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 and 13 through 15 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 apprised 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 (27.5%) _____

Estimated State Taxes (6%) _____

Estimated Social Security (6.2%) _____

Estimated Medicare (1.45%) _____

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	_____	_____

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 deductions will not be made while on leave status.

Personnel Office

Complete deduction organization codes and amounts.

<u>DEDUCTION</u>	<u>DEDUCTION ORGANIZATION CODE</u>	<u>DEDUCTION AMOUNT</u>
_____ Deferred Compensation	_____	_____
_____ Flex-Elect	_____	_____
_____ United Way	_____	_____
_____ Long-Term Disability Insurance	_____	_____
_____ 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 780 of the Statutes of 1997 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

