

State of California

M E M O R A N D U M

TO: PERSONNEL MANAGEMENT LIAISONS **DATE:** August 4, 2004
REFERENCE CODE: 2004-037

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Labor Relations Officers
Personnel Officers
Personnel Transactions Supervisors

FROM: Department of Personnel Administration
Labor Relations Division

SUBJECT: Personal Leave Program and Voluntary Personal Leave Program -
Excluded and Exempt Employees

CONTACT: Personnel Services Branch
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The mandatory Personal Leave Program (PLP) terminated effective June 30, 2004, for excluded and exempt employees. Excluded and exempt employees will realize a 5% increase in salary effective July 1, 2004, thru September 30, 2004. Effective October 1, 2004, the retirement relief for excluded employees will end and the 5% increase will then be offset by the employees' normal retirement reduction.

At the expiration of the mandatory PLP a voluntary PLP is available to employees. With the mandatory program ending, we expect some employees will want to continue participating in the voluntary PLP. To the extent your operational needs permit, we encourage you to allow voluntary participation in the PLP. Employees who elect to participate in the Voluntary Personal Leave Program (VPLP) shall notify their personnel office of their participation. Employees may make their selection by any method/process established by each department.

Excluded and exempt employee participation in VPLP shall be consistent with the provisions of the Department of Personnel Administration Rule 599.737.5 and Personnel Management Liaisons (PML) memo 2003-046. Previously the VPLP was treated as a

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dock; however, as of July 1, 2004, the VPLP will be administered by a percent deduction of either a one or two day equivalent of the monthly salary rate (may vary due to rounding).

Those employees that have been participating in the dock VPLP shall be converted to the percent deduction effective July 1, 2004. The change to a percent deduction will provide consistency between the administration of the rank-and-file and excluded VPLP programs.

A Pay Letter will be issued establishing a VPLP Pay Differential for excluded and exempt employees. Use the State Controller's Office Personnel Letter #03-021 and Payroll Letter #03-023 for the VPLP employment history and payroll processing information/instructions. For departments participating in the California Leave Accounting System (CLAS), a Leave Accounting Letter will be issued for the VPLP procedures.

We have attached a sample letter you may wish to use for communicating these changes to your excluded and exempt employees.

If personnel office staff has any questions regarding this memorandum, they may contact the Personnel Services Branch within the Policy and Operations Division at the above phone number and e-mail address.

David Gilb
Chief of Labor Relations

Attachment

SAMPLE LETTER

To: Exempt Employees, State Managers, Supervisors, Confidentials, and other Excluded Employees

As you know, last year the State implemented a mandatory Personal Leave Program (PLP) in lieu of a 5% pay raise. The savings generated by this action has helped the State through its fiscal crisis.

Effective July 1, 2004, excluded and exempt employees will no longer be required to participate in the mandatory PLP. That means instead of accruing an extra day of leave each month, the 5% raise will be reflected in your paycheck. Your July paycheck reflected a PLP reduction; however, a salary adjustment will be issued to restore the PLP reduction. There will be no crediting of the PLP leave day for the July pay period. Your August and September paychecks will reflect the 5% raise.

However, you may still participate in PLP voluntarily. The 5% raise would still be counted as part of your salary for retirement calculation purposes, but you would continue to receive leave time in lieu of taxable cash in your paycheck. If this interests you, please check with your personnel office.

We also want to make you aware that effective October 1, 2004, normal employee retirement contributions will resume. As you recall, for most of the past three years, this money was not deducted from your paycheck and instead was included in your take-home pay. Once these automatic deductions resume, which equal roughly 5% of your salary, it will largely offset the 5% pay raise that took effect July 1, 2004.