

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Excluded Employees Tied to Bargaining Units 5 and 8 - Retirement Contribution, Formula Changes, and Compensation	REFERENCE NUMBER: 2010-026
DATE ISSUED: 10/21/10	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Employee Relations Officer**

FROM: Department of Personnel Administration
Labor Relations Division

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RETIREMENT CONTRIBUTION

Effective November 2, 2010, the employee retirement contribution increases for excluded employees tied to Bargaining Units 5 and 8 will be as follows.

Excluded Employees Tied To	Employee Increased Contribution
BU 5 - Patrol	8% in excess of \$863/mo. plus redirect 2% retiree health prefunding contribution to retirement
BU 8 – CalFire	
Miscellaneous/Industrial/ARP - w/SSI	10% in excess of \$513 w/SSI
Miscellaneous/Industrial - No SSI	11% in excess of \$317 No SSI
Peace Officer/Firefighter	10% in excess of \$238 (PO/FF)
Second Tier	0% Second Tier

RETIREMENT FORMULA

The new retirement formula and method of calculating “final compensation” for excluded employees tied to Bargaining Units 5 and 8 first employed with the State on or after October 31, 2010 with no prior State service will be as follows.

Excluded Employees Tied To	New Employee Retirement Formulas
BU 5 - Patrol	3% at age 55 formula based on 3-year highest compensation
BU 8 – CalFire Miscellaneous/Industrial/ARP	2% at age 60 formula based on 3-year highest compensation
Peace Officer/Firefighter	3% at age 55 formula based on 3-year highest compensation
Second Tier	1.25% at age 65 formula based on 3-year highest compensation

Payroll Processing and Retirement Codes

The State Controller’s Office will be issuing a payroll letter to provide additional instructions along with new retirement codes.

DPA is updating the Alternate Retirement Program (ARP) [Eligibility Worksheet](#) on DPA’s web site (under HR Staff tab). The worksheet assists personnel staff in determining ARP eligibility and which ARP retirement code to apply.

Additional Retirement Information

Retirement contributions are based on bargaining unit agreements. If an employee transfers from one bargaining unit to another, the retirement contribution may be different. Personnel staff can verify the accurate retirement contribution by reviewing the [bargaining contracts](#) located on DPA’s web site.

SPECIAL SALARY ADJUSTMENT

Excluded Employees Tied to Bargaining Unit 5

- Effective January 1, 2012, 2 percent shall be added to the top step salary of CHP excluded employees.

Employees at the old maximum salary range for a minimum of twelve (12) qualifying pay periods shall receive a 2 percent increase. Employees at the old maximum salary rate for less than twelve (12) qualifying pay periods shall receive a new salary anniversary date based on qualifying service. Qualifying service toward the twelve (12) qualifying pay periods shall be in accordance with DPA Rules 599.682(b) and 599.687. All other employees shall retain their salary and merit salary anniversary date (MSA).

Excluded Employees Tied to Bargaining Unit 8

- Effective January 1, 2012, all excluded employees tied to Bargaining Unit 8 subject to POFF retirement shall be adjusted by increasing the maximum of all classifications by 4 percent.

Employees at the old maximum salary range for a minimum of twelve (12) qualifying pay periods shall receive a 4 percent increase. Employees at the old maximum salary rate for less than twelve (12) qualifying pay periods shall receive a new salary anniversary date based on qualifying service. Qualifying service toward the twelve (12) qualifying pay periods shall be in accordance with DPA Rules 599.682(b) and 599.687. All other employees shall retain their salary and merit salary anniversary date (MSA).

- Effective January 1, 2012, all excluded employees tied to Bargaining Unit 8 subject to Miscellaneous/Industrial retirement shall be adjusted by increasing the maximum of all classifications by 5 percent.

Employees at the old maximum salary range for a minimum of twelve (12) qualifying pay periods shall receive a 5 percent increase. Employees at the old maximum salary rate for less than twelve (12) qualifying pay periods shall receive a new salary anniversary date based on qualifying service. Qualifying service toward the twelve (12) qualifying pay periods shall be in accordance with DPA Rules 599.682(b) and 599.687. All other employees shall retain their salary and merit salary anniversary date (MSA).

Personnel staff with questions about the retirement changes should contact Desi Rodrigues at (916) 324-9400 or desirodrigues@dpa.ca.gov. For all other questions contact the Personnel Services Branch at the phone number or email address listed above.

/s/Julie Chapman

Julie Chapman
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