

**California Department of Human Resources
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Retired Annuitants and Pay Differentials Eligibility	REFERENCE NUMBER: 2013-011
DATE ISSUED: 03/04/13	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Employee Relations Officers
Personnel Transactions Supervisors**

FROM: California Department of Human Resources
Labor Relations Division

CONTACT: Personnel Services Branch
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Fax: (916) 322-0765
Email: psb@calhr.ca.gov

Senate Bill (SB) 1021 amended Government Code section (GC) 21224 to prohibit the hourly rate of pay for a retired annuitant (RA) from exceeding the maximum monthly base salary paid to other employees performing comparable duties. It also prohibited a RA appointed under GC 21224 from receiving any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate.

Effective March 1, 2013, RAs appointed under GC 21224 are no longer eligible to receive pay differentials.

Departments are instructed to discontinue pay differentials for these RAs by completing the following steps:

- Identify all RAs appointed under GC 21224.
- Identify those RAs receiving a pay differential(s).
- Update the Employment History (EH) for the RA employees with a pay differential(s) locked-in on the Employment History Database (EHDB).
 - Key a 350 Special Pay Personnel Action Request (PAR) transaction to delete the pay differential(s).
 - Key a 345 Shift Differential Personnel Action Request (PAR) transaction to delete the pay differential.

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- Discontinue processing pay differentials through the Payroll Adjustment Notice, form STD 674 and the Payroll Input Process (PIP) via a Time and Attendance (T/A) form 672 or Miscellaneous Payroll/Leave Actions (Misc.) form STD 671.

For questions related to this PML, state department personnel office designated liaisons should contact CalHR's Personnel Service Branch by emailing questions to PSB@CalHR.ca.gov or calling (916) 323-3343.

/s/Mary Sue Paul
Personnel Services Branch