

HUMAN RESOURCES MEMORANDUM: 10:024

Expiration Date: Until Superseded

Issue Date: October 28, 2010

To: Managers and Supervisors, Personnel Liaisons and Attendance Clerks

Subject: Excluded and Exempt Pay Program

Purpose The purpose of this memorandum is to inform employees of the changes in the pay program for excluded and exempt employees.

Effective November 2, 2010

Who is Affected Excluded and Exempt Employees

Retirement Contributions Executive Order S-15-10 and signed legislation (Assembly Bill 1625) increases excluded and exempt employee retirement contributions an additional three (3) percent effective November 2, 2010. The increase also applies to new employees.

Retirement Categories	New Contribution Rates
Miscellaneous/Industrial w/SSI	8% in excess of \$513/mo.
Miscellaneous/Industrial no SSI	9% in excess of \$317/mo.
State Safety	9% in excess of \$317/mo.
Second Tier	0% for Second Tier

Retirement Formulas for New Employees The following chart reflects the retirement formula and method for calculating final compensation for new excluded and exempt employees with no prior state service.

Prior state service includes any state service that can be purchased as CalPERS service credit. This includes part time, seasonal or temporary employment.

Employees that are currently in State service and employees that return to State service following a break in service are not affected by the following new formulas.

Retirement Categories	New Employee Retirement Formula
Miscellaneous/Industrial/ARP	2% at age 60 formula based on 3-year highest compensation
State Safety	2% at age 55 formula based on 3-year highest compensation (Safety)
Second Tier	1.25% at age 65 formula based on 3-year highest compensation

Additional Retirement Information

If an employee transfers between an excluded/exempt position and a rank-and-file position, the retirement contribution may be different. Personnel staff can verify the accurate retirement contribution by reviewing the bargaining contracts located on the Department of Personnel Administration's (DPA) website; <http://www.dpa.ca.gov/bargaining/contracts/index.htm>.

Furlough Program The Temporary Furlough Program that began August 2010 ends November 1, 2010.

Personal Leave Program 2010 (PLP 2010) Effective November 2, 2010, excluded and non-statutory exempt employees, including employees that were in departments previously excluded from the furlough program, will be subject to a 12-month personal leave program pursuant to DPA Rule 599.937.4, Mandatory Personal Leave – Excluded Employees.

EXCLUDED EMPLOYEES AND NON-STATUTORY EXEMPT EMPLOYEES

Full-Time Employees

Full-time employees shall have a reduction in pay equal to 4.62% and eight (8) hours of leave will be credited to the employee's PLP 2010 leave balance.

Part-Time Employees

Part-time employees shall be subject to the same conditions as full-time employees, on a pro-rated basis. The pro-ration shall be determined based on the employee's time base consistent with the following:

<u>Time Base</u>	<u>PLP 2010 Credit</u>	<u>Time Base</u>	<u>PLP 2010 Credit</u>
1/10.....	1	3/5.....	5
1/8.....	1	5/8.....	5
1/5.....	2	7/10.....	6
1/4.....	2	3/4.....	6
3/10.....	3	4/5.....	7
3/8.....	3	7/8.....	7
2/5.....	4	9/10.....	8
1/2.....	4		

Intermittent Employees

Intermittent employees PLP credit shall be prorated based upon the number of hours worked in the monthly pay period as reflected below:

<u>Hours Worked During Pay Period</u>	<u>PLP 2010 Credit</u>
0 to 10.9	0
11 to 30.9	1
31 to 50.9	2
51 to 70.9	3
71 to 90.9	4
91 to 110.9	5
111 to 130.9	6
131 to 150.9	7
151 or over	8

PLP Usage

PLP 2010 credits must be used before any other leave with the exception of furlough and sick leave. Employees may elect to use PLP 2010 credits in lieu of sick leave. PLP 2010 credits shall be requested and used by the employee in the same manner as vacation/annual leave and in accordance with departmental policies. PLP 2010 credits shall have no cash value and may not be cashed out. Employees have until they separate from State service to use their PLP 2010 credits.

PLP Reporting in PAL

PLP 2010 usage must be reported in PAL using one of the appropriate PLP 2010 aliases. The Global Leave Alias list has been updated to reflect the PLP 2010 aliases and is available to view at the PAL webpage; <http://pal.dgs.ca.gov/default.htm>.

NDI and Worker's Compensation

Employees on NDI, ENDI, IDL, EIDL, or Worker's Compensation for the entire monthly pay period are excluded from the PLP 2010 Program for that pay period. Employees off for partial months shall receive PLP 2010 credits based on the intermittent chart above.

Additional Information

During the PLP 2010 period, excluded and exempt employees will not be subject to furloughs.

Employees newly hired on or after November 2, 2010 into an excluded classification while the PLP 2010 is in effect will be subject to this program for its duration.

Participation in the PLP 2010 will be based on the classification an employee moves to when transferring between classifications/bargaining units that have different PLP ending dates. An employee shall have no more than 12 months of PLP 2010 participation.

Example: If an excluded employee in an excluded classification transfers to a BU 12 classification on December 1, 2010, the employee shall continue to participate in the PLP 2010 until August 31, 2011.

Statutory Exempt Employees and PLP 2010	Effective November 2, 2010, statutory exempt employees shall have their salary reduced by the equivalent of one day of pay per month during the period the PLP 2010 is in effect. Statutory exempt employees will not earn PLP leave credits.
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Holidays	Lincoln's Birthday and Columbus Day are no longer paid state holidays consistent with GC 19853.
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Professional Development Day (PDD)	The State shall provide to all employees two days per fiscal year for activities such as professional association activities, professional and/or personal development seminars, etc., to promote professional and/or personal growth and to enhance professional and/or personal goals. These activities are at the employee's expense and therefore the choice of activity is at the employee's discretion. Supervisors shall not request documentation for this time.
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This time shall be requested and approved in the same manner as vacation/annual leave. PDD must be used within the fiscal year it is granted. It is not accumulated and cannot be cashed out. PDD must be used in whole day increments. PDD will be available for the 2010/2011 fiscal year as of November 2, 2010.

PDD and PAL Reporting

Use the PDD-USE PAL alias when reporting PDD usage.

Special Salary Adjustment	Effective July 1, 2013, excluded and exempt classifications shall be adjusted by increasing the maximum step of the pay range by 3%. Employees at the old maximum salary range for a minimum of 12 qualifying pay periods shall receive a 3% increase. Employees at the old maximum salary rate for less than 12 qualifying pay periods shall receive a new salary anniversary date based on qualifying service. Qualifying service toward the twelve 1 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 (MSA) date.
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Questions Direct questions to your assigned Personnel Analyst or Personnel Specialist.

/s/
JILL ELLWOOD, Manager
Labor Relations and Program Improvement
Office of Human Resources

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