

HUMAN RESOURCES MEMORANDUM: 10:025

Expiration Date: Until Superseded

Issue Date: October 27, 2010
 To: Managers and Supervisors, Personnel Liaisons and Attendance Clerks
 Subject: Retirement Contributions and Formulas, Holiday Compensation, and the Furlough Program - Bargaining Units 2, 9, 10, and 13

PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES

Purpose The purpose of this memorandum is to inform employees of the status of retirement contributions and formulas, holiday compensation, and the Furlough Program for employees in Bargaining Units (BU) 2, 9, 10, and 13.

Who is Affected Represented employees in BUs 2, 9, 10, and 13 with the collective bargaining identifier (CBID) R02, R09, R10 and R13.

Retirement Contribution The current retirement contribution will remain as follows for members in BUs 2, 9, 10, and 13.

Retirement Categories	Employee Retirement Contribution
<u>Bargaining Units 9, 10, and 13</u> Miscellaneous/Industrial/ARP - w/SSI Miscellaneous/Industrial/ARP - No SSI State Safety	5% in excess of \$513 6% in excess of \$317 6% in excess of \$317
<u>Bargaining Unit 2</u> Miscellaneous/Industrial/ARP - w/SSI Miscellaneous/Industrial/ARP - No SSI State Safety	6% in excess of \$513 7% in excess of \$317 7% in excess of \$317

Retirement Formula The new retirement formula and final compensation for members in BUs 2, 9, 10, and 13 first employed with the State on or after January 15, 2011 with no prior service will be as follows.

Retirement Categories	New Retirement Formulas
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

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.

The Department of Personnel Administration (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; <http://www.dpa.ca.gov/bargaining/contracts/index.htm>.

Holidays Lincoln’s Birthday and Columbus Day are no longer paid State holidays. An employee who works on a holiday is entitled to receive straight-time pay and eight hours of holiday credit as provided by GC Section 19853, and PML 2009-040 (<http://www.dpa.ca.gov/personnelpolicies/pmls/2009/html/2009040.htm>).

Furlough Program The current Furlough Program for employees in Bargaining Units 2, 9,10, and 13 shall remain in effect until:

- Legislative approval of a new Memorandum of Understanding with these bargaining units that addresses the subject of furloughs; or

- Certification by the Director of the Department of Finance that there is sufficient cash to allow the State to meet its obligations to pay for critical and essential services to protect public health and safety and to meet its payment obligations protected by the California Constitution and federal law.

Effective November 2, 2010, furloughs will be self-directed. All State agencies and departments must ensure that employees take their three furlough days off within the pay period their total compensation is adjusted.

As a reminder, all employees covered by the furlough must use their accrued furlough days prior to using vacation, annual leave, personal holiday, holiday credit, personal leave program (PLP) credit, and compensating time off (CTO). With regard to sick leave, employees and their supervisor must approve the use of furlough in lieu of using sick leave.

Questions	Direct questions to your assigned Personnel Analyst or Personnel Specialist.
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/s/
JILL ELLWOOD, Manager
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