


Date: June 26, 2017

Code: TECHNICAL LETTER
HR/Salary 2017-06

To: Human Resources Officers
Payroll Managers

From: Evelyn Nazario 
Associate Vice Chancellor
Human Resources Management

Subject: **FY 2016/17 Salary Program Provision Effective Close of Business on June 30, 2017 for California State University Employees Union (CSUEU – Units 2, 5, 7 and 9) Employees**

Summary:

We are pleased to provide information regarding the remaining salary program provision agreed between the California State University and the California State University Employees Union for fiscal year 2016/17.

Action Item(s):

Implement salary provision effective close of business on June 30, 2017.

Affected Employee Group(s)/Unit(s):

Eligible CSUEU (Units 2, 5, 7 and 9) employees

Details:

The April 22, 2016 Memorandum of Understanding (MOU) reached between the California State University (CSU) and the California State University Employees Union (CSUEU – Units 2, 5, 7, and 9), in full and complete satisfaction of the August 26, 2014 Side Letter of Agreement #3, provides salary program provisions for FY 2016/17. This salary technical letter addresses information on the salary program provision effective close of business (COB) on June 30, 2017.

- Salary Program effective COB on June 30, 2017:
 - 2% General Salary Increase
 - Salary range maximums will be increased by 2%

Detailed Information for Salary Provision:

- ❖ General Salary Increase (GSI):
 - Effective COB on June 30, 2017, the State Controller's Office (SCO) will post a 2% GSI via mass update to the individual salary rates of bargaining unit members who are:
 - In active pay status, or on leave, as of June 30, 2017.
 - The increase shall be paid pro-rata for employees who are less than full time.
 - Hourly and per diem employees will receive the 2% increase on their base pay.
 - The SCO will post the GSI increases via SCR transaction during the mass update process scheduled to occur the week of July 17, 2017.
 - Base salary increases will be reflected in the July 2017 pay period warrant (August 1, 2017, issue date).
 - Due to salary schedule (payscale) updates that will occur for the mass update process, and to preclude employment history transactions from adversely affecting this process, we are asking campuses to refrain from keying transactions into the PIMS database that are applicable to Units 2, 5, 7, and 9 employees, beginning the close of business, July 14, 2017, through the date of the mass update occurring the week of

Distribution:

CSU East Bay President
Cal Maritime Academy President
Vice Chancellor, Human Resources

All Campus Vice Presidents
Budget Officers
State Controller's Office/PPSD

July 17, 2017. Campuses will be able to resume keying transactions in the PIMS database that are applicable to Units 2, 5, 7, and 9 employees the day after the mass update occurs.

- Manual processing by the campuses may occur in the following situations:
 - GSI increases needed for other eligible employees in non-pay status as of June 30, 2017 (e.g., on leave), effective the date the employee returns to active pay status.
 - For retroactive GSI salary adjustments. Note that such adjustments may typically issue within five or more business days from the date the salary transaction is keyed.
 - For payments that are based upon a percentage that require recalculating the payment amounts of affected employees based upon the new salary in effect as a result of the GSI increase (e.g., stipend payments for temporary project coordination or lead work functions).
 - For employees on Military Leave, receiving a Military Difference in Pay CSU salary supplement, who need to have the difference between the CSU salary and military pay recalculated based on the employee's new salary rate. Please refer to [HR 2017-05](#) for information on employees on Military Leave receiving a Military Difference in Pay.
 - To accurately reflect temporary appointment statuses in the employment history database prior to the close of business on July 14, 2017.
- Employees appointed after the mass update must be appointed under the new salary schedules.
- Please note that all newly hired CSUEU employees appointed at the campus on or after July 1, 2017, are not eligible to receive the GSI unless the offer of appointment includes contingency language calling for the application of any negotiated salary increase.
- Employees with only temporary appointments with expiration dates of June 29, 2017, or earlier are not eligible to receive the GSI. CIRS Compendium Report G06, Cycle 1706 (available June 16, 2017, before the mass update is run) and Cycle 1707 (available July 24, 2017, after the mass update is run), lists employees with expired appointment expiration dates that are not eligible to receive the GSI.
- Separated temporary appointments with expiration dates of June 29, 2017, or earlier are not eligible to receive the GSI. Note however, that should an employee have additional active positions that are eligible for the GSI, the mass update will apply the GSI in all positions, including temporary appointment(s) with a June 29, 2017, or earlier expiration date if the temporary appointment has not been separated. CIRS Compendium Reports H50, Cycle 1707, and tab delimited file H80, Cycle 1707 (available July 18, 2017, after 9 a.m.), lists employees that will receive the GSI in expired temporary appointments for campus reference and verification. It is important that temporary appointment statuses are accurately reflected in the employment history database prior to the close of business on July 14, 2017.

❖ Salary Ranges:

- The salary range maximums for all CSUEU classifications will be increased by the General Salary Increase amount effective COB on June 30, 2017.
- The updated salary schedule will be available on the CSU web site (<http://www.calstate.edu/hr/compensation/SalarySchedule/salary.aspx>) after the mass update has been completed the week of July 17, 2017.

❖ Mass Update Considerations:

- When mass updates are run, all subsequent salary transactions are increased accordingly by the GSI.
- When mass updates are run, a small number of payments may suspend from the automated process, (e.g., "out of service" records), resulting in further analysis; such payments may require additional time for manual processing by the SCO.

❖ Salary Increase Rounding Considerations:

- Monthly based-on salary rates must be rounded to the nearest whole dollar. **Campuses are responsible for ensuring that the manually processed increases are applied uniformly and consistently by using the same rounding logic.** To assist campuses in this effort, the SCO's mass update program logic has been adopted for this purpose. The program adds fifty cents to the existing dollar amount and then truncates the cents in order to create a new whole dollar amount. Actual salary rates are derived by the payroll system by

multiplying the based-on salary rate by the time base fraction, which (based upon the time base fraction), could cause individual actual monthly salary rates to result in amounts with dollars and cents. Examples for processing the 2% GSI are provided as follows:

<p>Example #1: $\\$4,040 \times 1.02 = \\$4,120.80$ $+ \quad \underline{\quad .50}$ $= \\$4,121.30$ New monthly based-on rate = \$4,121.00* (*cents are truncated to create whole dollar amount)</p>	<p>Example #2: $\\$5,065 \times 1.02 = \\$5,166.30$ $+ \quad \underline{\quad .50}$ $= \\$5,166.80$ New monthly based-on rate = \$5,166.00* (*cents are truncated to create whole dollar amount)</p>
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- The SCO's GSI mass update program rounds individual hourly rates to two decimal places from the whole dollar amount. **Campuses are responsible for ensuring that manually processed GSI's are applied uniformly and consistently by using the same rounding logic.** Examples for processing the 2% GSI for hourly rates are provided as follows:

<p>Example #1: $\\$15.00 \times 1.02 = \\15.30 $= \\$15.30$</p>	<p>Example #2: $\\$15.85 \times 1.02 = \\16.167 $= \\$16.17$</p>
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The following processing instructions are provided in **Attachment A**:

⇒ **Salary Increase Program I – General Salary Increase (GSI)**

Please direct questions regarding this technical letter as follows:

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| <ul style="list-style-type: none"> ➤ PIMS processing instructions ➤ CMS Baseline processing instructions ➤ Collective bargaining aspects ➤ All other questions | <ul style="list-style-type: none"> CSU Audits representative at the SCO CMS liaison for Systemwide HR at (562) 951-4418 Labor Relations at (562) 951-4400 Human Resources Management at (562) 951-4411 |
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This document is available on the Human Resources Management's Web site at:
<https://cyou.calstate.edu/Policies/HRPolicies/Forms/Default.aspx>.

EN/vk

Attachment

PROCESSING INSTRUCTIONS

SALARY INCREASE PROGRAM I – General Salary Increase (GSI)

PAY SCALES IMPACT:

Change Summary:	<ul style="list-style-type: none"> • Increase the salary range maximums by 2% • Increase the individual salary rates of employees by 2% • Increase will be applied pro-rata for employees who are less than full-time • Hourly and per diem employees will receive the 2% increase on their base pay
Class Code(s):	All Unit 2,5,7 and 9 classifications
CBID:	R02, R05, R07 and R09
Pay Scales Effective Date:	COB on 06/30/17
Date in Production:	Week of July 17, 2017
Pay Letter:	2017-03

EMPLOYMENT HISTORY (EH)/PAYROLL IMPACT:

Processing Responsibility:	<ul style="list-style-type: none"> • The SCO will post increases into PIMS database via mass update. • Campuses are responsible for manually processing increases for eligible employees after the mass update is run or upon return from leave, as appropriate.
Processing Date(s):	Week of July 17, 2017
Effective Date:	COB on 06/30/2017
PIMS Transaction:	SCR
EH Remarks (Item 215):	N/A
Pay Amount:	• 2% , subject to SCO rounding as a result of the mass update process
Pay Form:	Base salary increase
Lump Sum Earnings ID:	N/A
Employees on Leave/Inactive Payroll Status:	<ul style="list-style-type: none"> • Increases are effective COB 06/30/17 for employees on NDI supplementing with Catastrophic Leave (S49 Transaction, Item 957 = 40) on COB 06/30/17. • Increases for other employees on leave (non-pay status) are to be keyed by the campus via SCR transaction, effective the date the employee returns to active pay status. Post the SCR transaction subsequent to (e.g., on top of) the reinstatement from leave transaction. • Refer to HR 2017-05 for information on employees on Military Leave receiving a Military Difference in Pay.
Additional Information:	<ul style="list-style-type: none"> • All employees who are active as of 06/30/17 will receive the GSI via SCR transaction. • The GSI will be applied pro-rata for employees who are less than full-time. • Post the SCR transaction subsequent to (e.g., on top of) the return from inactive payroll status or reappointment transaction, as appropriate. • Campuses to key correction transactions to any subsequent salary increase transactions as appropriate. • Employees hired on or after 07/01/17 are not eligible for the GSI increase unless specifically stated in the appointment offer letter.

	<ul style="list-style-type: none"> • The SCO mass update program applies the GSI to all positions if an employee has an active position. This includes employees with temporary appointments with an expiration date prior to 06/30/2017, <u>if the appointment has not been separated</u>. In order to assist campuses in identifying these employees, CIRS Compendium Report H50, Cycle 1707 and tab delimited file H80, Cycle 1707, will be available July 18, 2017, after 9 a.m. for campus reference and verification. Campuses are responsible for ensuring that temporary appointment statuses are accurately reflected in the employment history database prior to the close of business on July 14, 2017. • In order to assist campuses in identifying employees whose appointment expiration date is June 29, 2017 or earlier, <u>who will not receive the GSI</u>, CIRS Compendium Report G06, Cycle 1706 (available June 16, 2017), and Cycle 1707 (available July 24, 2017), is provided for campus reference and verification. • Payments based upon a percentage (e.g., temporary project coordination or lead work functions) may require recalculating the payment amounts of affected employees based upon the new salary in effect as a result of the GSI increase. • Docks, salary overpayments, and/or overtime payments may be impacted by the mass update. Campuses are responsible for making appropriate adjustments.
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CMS PROCESSING INFORMATION:	
Workforce Administration:	<ul style="list-style-type: none"> • Salary Schedule Load provided by HR Data Operations to CMS on June 30, 2017. • Campus L15 file will be available for download on July 18, 2017, after 9:00 a.m., Cycle 2222. (The file will load the SCR (PAY/GS2) transactions processed by the SCO as well as corrections). • Campuses should process the SCR (L15 file) transaction, then use "correction-mode" to validate and manually correct all subsequent salary rows as needed. • Action Reason: PAY/GS2 (SCR: Pay Rate Change/General Salary Increase 2) • Effective Date: COB 06/30/17 • Union Code: R02, R05, R07 and R09 • Empl History Remarks (Item 215): HR/SA 2017-06 <ul style="list-style-type: none"> ○ Add Empl History Remarks to the inserted increase row only. This can be added via the run control for the L15 file review.
Temporary Faculty:	N/A
Benefits:	N/A
Time and Labor:	N/A
Absence Management:	N/A
Labor Cost Distribution:	N/A
Additional Instructions:	<p>Employees on Leave:</p> <ul style="list-style-type: none"> • Increases are effective COB 6/30/17 for employees on NDI supplementing with Catastrophic Leave (S49 Transaction, Item 957 = 40 (Action/ Reasons: STD/ND3-Short Term Disability with Pay, NDI, Catastrophic Leave or STD/ND4-Short Term Disability with Pay, New NDI Period, Cat Leave) on COB 6/30/17.

	<ul style="list-style-type: none">• Increases for other employees on leave (non-pay status) are to be keyed by the campus via SCR (PAY/GS2) transaction, effective the date the employee returns to active pay status. Post the SCR (PAY/GS2) transaction subsequent to (e.g., on top of) the reinstatement from leave transaction. <p>Additional Information:</p> <ul style="list-style-type: none">• All employees who are active as of 6/30/17 will receive the GSI via SCR (PAY/GS2) transaction.• The GSI will be applied pro-rata for employees who are less than full-time.• Post the SCR (PAY/GS2) transaction subsequent to (e.g., on top of) the return from inactive payroll status or reappointment transaction, as appropriate.
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