


SUPERCEDED BY HR 2004-21

The California State University
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Date: December 14 , 2001

To: CSU Presidents

From: Jackie R. McClain 
Vice Chancellor
Human Resources

Subject: CSU Military Leave Policy – Difference in Pay

Under the Military and Veterans Code, eligible CSU employees receive up to thirty (30) calendar days of CSU pay for active duty military leave. Additionally, the Military and Veterans Code grants CSU the authority to negotiate supplemental CSU salary and benefits as they pertain to military leave for represented employees. CSU contacted all employee organizations offering a proposal to supplement the 30 calendar days entitlement with “difference in pay” supplemental salary. We are pleased to report that all unions listed below agreed to this proposal:

- Union of American Physicians and Dentists (Unit 1)
- California State Employees’ Association (Units 2, 5, 7, and 9)
- California Faculty Association (Unit 3)
- Academic Professionals of California (Unit 4)
- State Employees’ Trades Council (Unit 6)
- Statewide University Police Association (Unit 8)
- International Union of Operating Engineers (Unit 10)

As a result, all represented employees who meet eligibility requirements for the current 30 calendar day entitlement will be eligible for the supplemental CSU salary and benefits during this current national emergency as outlined in this military leave supplemental policy.

Please note that CSU is pursuing a Title 5 amendment to extend supplemental CSU pay for military leave to nonrepresented employees.

- Over -

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This supplemental CSU “difference in pay” salary component is in effect through September 13, 2003, in conjunction with Executive Order 13223 dated September 14, 2001, and the Declaration of National Emergency by Reason Of Certain Terrorist Attacks dated September 14, 2001.

Please note that any pay and benefits provided under this policy would be applicable towards pay and benefits provided under any subsequent legislation applicable to the CSU for this time period.

CSU Supplemental Salary – “Difference in Pay”

Eligible CSU employees who are on active duty military leave on or after September 11, 2001, who exhaust the thirty (30) calendar days of CSU pay entitlement under statute, shall receive the “difference in pay” between their military pay and their CSU pay for up to 180 calendar days. CSU pay includes the employee’s base salary rate plus shift differential and/or monthly stipend for which the employee was eligible immediately prior to military leave. For Unit 8 employees, the Special Assignment Stipends are excluded for the purpose of determining the CSU pay rate for difference in pay calculations.

Please note that the “difference in pay” salary supplement is in addition to the thirty (30) calendar days of CSU pay for active duty military leave under existing statute. Eligible employees whose CSU pay ended due to being called to active duty shall have the appropriate salary reinstated effective to no earlier than September 11, 2001. If the employee does not return to CSU service within sixty (60) days of being released from active duty, this supplemental compensation shall be treated as a loan payable with interest.

CSU Benefits

Employees on a “difference in pay” salary supplement continue to receive their CSU health, dental, and vision benefits at the current level for the 180 calendar day period. Employees on active military leave who are not on “difference in pay” because their military pay exceeds their CSU pay, continue to receive CSU health, dental, and vision benefits at their option for the 180 calendar day period. If an employee is required to pay a health benefit premium but is not receiving a State-issued paycheck, the CSU will authorize the continued payment of these premiums via an accounts receivable process. CSU-paid supplemental benefits (life insurance, long-term disability etc.) for eligible employees continue as long as CSU pay is generated. Eligible employees, whose CSU benefits lapsed due to being called to active duty, shall have their benefits reinstated effective September 11, 2001, or the appropriate date.

Employees receiving CSU pay through the “difference in pay” salary supplement continue to earn sick leave and vacation credits at the rate they earned prior to being placed on military leave.

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Retirement Contributions

Employees on active duty military leave are eligible to earn service credit towards retirement but are not required to make retirement contributions. The California Public Employees' Retirement System (CalPERS) has determined that compensation earned as a result of the "difference in pay" salary component is considered non-reportable income to CalPERS. Therefore, no employee or employer retirement contributions are made on this CSU pay for military leave. Once an employee returns from active military leave, the employee will be required to submit the appropriate paperwork to document his/her absence for military leave. Upon receipt and review of the documents, CalPERS will credit the employee's retirement account with the appropriate service credit at no cost to the employee. CalPERS will make a determination at a future date if an adjustment is required in the employer's retirement contribution rate to fund this cost.

Employees on active military leave with no difference in pay salary component are also eligible to earn CalPERS service credit under the process outlined above.

CalPERS will issue a Circular Letter to employers providing detailed information in order to assist employees with the military leave service credit process upon their completion of active duty military leave and return to full CSU active status.

General Provisions

Any active duty served voluntarily, during and after the end of the current national emergency declared as a result of terrorism, will not be covered by this supplemental "difference in pay" policy.

The CSU will review this policy in the spring of 2002 to determine if employees will be eligible for additional days.

Attachments A and B explain the supplemental CSU pay for military leave procedures in detail and contain a suggested work sheet to assist your Human Resources or Payroll staff and affected employees with this process.

If you have questions, please contact Pamela Chapin in Human Resources Administration at (562) 951-4411. This HR Letter is available on Human Resources Administration's web page at: <http://www.calstate.edu/HRAdm/memos.shtml>.

JRMcC/pc
Attachments

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Attachment A

Military Leave CSU Difference in Pay Procedures

Under current procedures, employees ordered to active duty must notify their employer by providing a copy of their military active duty orders. Current statute provides 30 calendar days of CSU pay for active military duty. Upon the 31st calendar day, represented employees become eligible for the “difference in pay” provided for in HR-2001-25, Supplement 2. At the beginning of the military leave, in addition to a copy of their orders, the affected employees must provide their Human Resources office an estimate (if an exact amount is not known) of their military base pay and allowances in order to estimate their adjusted CSU pay. The Human Resources or Payroll office is responsible for computing the adjusted gross CSU pay, minus all mandatory deductions (taxes, Social Security and Medicare). Retirement contributions are NOT deducted from the CSU pay. Based upon the adjusted net pay, each affected employee will then determine what, if any, action to take regarding his/her discretionary deductions. The employee must also indicate where to forward the adjusted pay warrant. In order to issue the adjusted pay, the Military Leave Work Sheet (Attachment B) must be signed by the employee. If the employee is unavailable and someone else has power of attorney, that signature is acceptable.

This process is designed to be as flexible as possible, realizing that each employee’s situation will be different. In those instances where the employee is unable to document his/her military earnings, an estimate of the military pay and allowances will suffice. Upon return from active duty, the employee must provide a copy of actual military pay records to determine if money is owed the individual or the CSU. For those employees who have already reported for active duty, employees can opt to continue with their current arrangements or follow the outlined procedures.

Once the Military Leave Work Sheet has been completed, the employee receives a copy, the campus retains a copy and a third copy is forwarded to the State Controller’s Office (SCO) with a Form 674 for processing. (The SCO will issue a Payroll Letter shortly with instructions.) An adjusted warrant is issued monthly to the employee’s campus, which is then responsible for dispersing the warrant pursuant to the employee’s request. Each campus is responsible for monitoring the amount of time the employee receives adjusted CSU pay.

For those employees who have already been called to active duty and are unavailable to complete the work sheet, campuses will be responsible for informing them or the power of attorney of the provisions under HR 2001-25, Supplement 2 and obtaining completed documents. Without the necessary signature or authorization, the adjusted CSU pay cannot be issued and will have to be adjusted upon the employee’s return. However, campuses must still take the necessary action to ensure the employee’s CSU-provided benefits will be continued at their current levels, even if they are unable to obtain a signature on the work sheet. Further, campuses must notify dependents that their medical, dental, and vision coverage has been reinstated effective no earlier than September 11, 2001, or the appropriate date based on the employee’s leave situation, unless the employee opted to discontinue benefits.

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Attachment B

CSU "Difference in Pay" Military Work Sheet

This work sheet must be completed by both the employee and the Human Resources/Payroll office prior to reporting for active duty. The employee completes numbers 1 through 6, 13 and 14; the campus completes numbers 7 through 10. Numbers 11 and 12 require completion by both parties. The employee should be apprised of and complete any additional documentation as a result of necessary discretionary deduction changes.

- 1) NAME _____ 2) SO. SEC. # _____
- 3) CSU CAMPUS _____ ACADEMIC YEAR EMPLOYEE? (Y/N) _____
- 4) MILITARY RANK _____
- 5) DATE MILITARY LEAVE BEGINS _____ ENDS _____
- 6) MILITARY GROSS PAY:
BASE PAY: _____
ALLOWANCES:
BAQ: _____
Hazardous Duty: _____
Flight Pay: _____
Foreign Duty: _____
Diving Pay: _____
Clothing Allowance: _____
Foreign Language Proficiency: _____
Medical/Dental Officers: _____
Active Duty Reserve Medical Officers: _____
Other: _____
Other: _____
Other: _____
TOTAL GROSS MILITARY PAY: _____
- 7) CURRENT CSU GROSS SALARY: _____
- 8) ADJUSTED CSU GROSS SALARY: _____
(CSU gross salary minus military gross pay)
- 9) ESTIMATED MANDATORY DEDUCTIONS:
Estimated Federal Taxes (27.5%): _____
Estimated State Taxes (6%): _____
Estimated Social Security (6.2%): _____
Estimated Medicare (1.45%): _____
Total Mandatory Deductions: _____

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10) ADJUSTED NET CSU SALARY: _____

11) MAINTAINED PAYROLL CSU DEDUCTIONS:
(These deductions will be maintained automatically.)

Employee:

Check those deduction(s) you wish maintained.

Human Resources/Payroll Office:

Complete all deduction organization codes and deduction amounts.

<u>DEDUCTION</u>	<u>DEDUCTION ORGANIZATION CODE</u>	<u>CSU CONTRIBUTION AMOUNT</u>	<u>EMPLOYEE DEDUCTION</u>
_____ Health Benefits	_____	_____	_____
_____ Dental	_____	_____	n/a
_____ Vision	_____	_____	n/a
_____ Life Insurance	_____	_____	n/a
_____ Long Term Disability	_____	_____	n/a

12) DISCRETIONARY CSU DEDUCTIONS:

Employee:

Check those deductions you wish maintained, providing there are sufficient funds. If there are insufficient funds, it is your responsibility to make the appropriate arrangements.

Human Resources/Payroll Office:

Complete all deduction organization codes and employee deduction amounts.

<u>DEDUCTION</u>	<u>DEDUCTION ORGANIZATION CODE</u>	<u>DEDUCTION AMOUNT</u>
_____ Deferred Compensation	_____	_____
_____ United Way Supplemental	_____	_____
_____ Sanders & Assoc. Insurance	_____	_____
_____ Standard Voluntary Life	_____	_____
_____ A+ Auto Ins.	_____	_____
_____ Parking	_____	_____
_____ Union Dues	_____	_____
_____ Union-Offered Insurance	_____	_____
_____ Credit Union Deductions	_____	_____
_____ Spousal/Child Support	_____	_____
_____ Other - (List)	_____	_____

NOTE: The employee is responsible for contacting the appropriate source for any changes to discretionary deductions.

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- 13) IF YOU HAVE DIRECT DEPOSIT, DO YOU WISH TO CONTINUE? _____ YES _____ NO
(If no, submit Form 699 to cancel.)
- 14) FORWARD MY WARRANT TO:

I understand the provisions afforded me under HR 2001-25, Supplement 2. I further understand that it is my responsibility to document/estimate my military pay allowance for purposes of determining my adjusted State pay, and that I am responsible for returning to the California State University any overpayments made to me.

SIGNATURE

DATE

COPIES FOR:

Employee
Campus
State Controller's Office