


**THE CALIFORNIA STATE UNIVERSITY**  
**Office of the Chancellor**  
**401 Golden Shore, 4<sup>th</sup> Floor**  
**Long Beach, California 90802-4210**  
**(562) 951-4411**

**Date:** August 9, 2001 **Code: TECHNICAL LETTER**  
**HR/SA 2001-10**

**To:** Human Resources Directors  
Payroll Managers

**From:** Cathy Robinson   
Senior Director  
Human Resources Administration

**Subject:** 2001/02 Salary Program for Academic Professionals of California (Unit 4) Employees

During fiscal year 2000/01, the California State University (CSU) reached agreement with the Academic Professionals of California (APC) on a successor Collective Bargaining Agreement for Fiscal Years 2000/01 through 2002/03. This technical letter provides salary program information for fiscal year 2001/02 only. A summary of this year's programs follows:

- ❖ **Salary Increase Programs for 2001/02:**
  - **General Salary Increase (GSI):** Effective July 1, 2001, a 1.00% GSI will be applied to employee salary rates and to the salary ranges of all classifications.
  - **Merit Service Increases (MSI):** Effective July 1, 2001, eligible employees will receive a 0.4% MSI.
  - **Performance-based Salary Increase (PBSI):** Effective July 1, 2001, eligible employees may receive up to a 7.5% PBSI.
  
- ❖ **Other Salary Increase Programs for 2001/02:**
  - **In-Range Progression:** In-range progressions continue to be available to Unit 4 employees, at the discretion of the President.
  
- ❖ **Bonus Programs for 2001/02:**
  - **Long-Term Satisfactory Service Bonus:** Eligible employees will receive a 5.00% lump sum bonus.
  - **Educational Achievement Stipend:** Eligible employees will receive this bonus. Program instructions will be provided in a forthcoming technical letter.
  - **Campus-Funded Bonuses:** Recruitment, retention and critical skills bonuses continue to be available to Unit 4 employees.

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**Distribution:**

CSU Presidents  
Vice Chancellor, Human Resources  
Vice Presidents, Administration  
Vice Presidents, Academic Affairs  
Vice Presidents, Student Affairs

Associate Vice Presidents/Deans of Faculty  
Director, SOSS  
Employee Relations Designees  
Budget Officers

**DETAILED PROGRAM INFORMATION FOR SALARY PROVISIONS:**

We are pleased to provide a new format for processing instructions this year, created as a tool to help campuses process salary actions. These instructions include information on pay scales, employment history (PIMS) and payroll impact, as appropriate, and CMS PeopleSoft baseline impact for Administer Workforce. These instructions are provided in Attachment A.

❖ **Salary Programs for 2001/02:**

**General Salary Increase (GSI):**

- Effective July 1, 2001, a 1.00% GSI will be applied to individual employee salary rates and to the salary ranges of Unit 4 classifications.
- The SCO will not process GSIs for active employees whose appointment expiration date has passed (campus processing instructions for these employees are provided in the SCO's Personnel Letter). In order to assist campuses in identifying these employees, **CIRS Compendium Report F95, Cycle 0108**, is available for campus reference.

The following processing instruction is provided in Attachment A:

- Salary Increase Programs: I – General Salary Increase.

**Merit Service Increase (MSI):**

- Effective July 1, 2001, eligible employees will receive a 0.4% MSI.
- The MSI is in the form of a base salary increase, not to exceed the salary range maximum, and cannot be awarded as a lump sum bonus.
- In order to be eligible for a MSI, employees must have completed the required consecutive months of qualifying service and must have performed in a satisfactory manner during the 12-month period between July 2000 and June 2001. An employee who is deemed ineligible because the service or performance requirements were not met will not receive a MSI.
- If an employee holds multiple separate and distinct appointments (not due to funding source), performance and service are to be evaluated separately for each respective position. If an employee meets the performance and service criteria in one position but not in the other, the MSI is to be awarded only in the eligible position(s).

**MSI Service Requirements:**

- Service requirements are defined as follows for the 12-month period of July 2001 to June 2002:
  - a. 10-month employees (including those on a 10/12 pay plan schedule) must complete of 10 months of qualifying service in 10 or 12 pay periods, as appropriate;
  - b. 11-month employees (on an 11/12 pay plan schedule) must complete 11 consecutive months of qualifying service in 12 pay periods;

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- c. 12 month employees - completion of 12 months of qualifying service in 12 pay periods;
  - d. Academic Year employee - completion of 1 full academic year of qualifying service.
- **Qualified Month of Service:** For purposes of determining MSI service eligibility, a qualified month of service constitutes 11 days worked in a pay period (or one-half of the number of academic workdays in the pay period for academic year classifications).
  - **Consecutive Months of Qualified Service** is continuous service at the campus. Service can be in another bargaining unit as long as the employee was in Unit 4 as of July 1, 2001. Employees who moved into Unit 4 after July 1, 2001 are not eligible for the MSI in fiscal year 2001/02.
  - **CIRS Compendium Report X80, Cycle 0108**, will be provided for campus reference on September 4, 2001. This report will capture all employees in R04 as of July 1, 2001, regardless of whether or not their service during July 2000 through June 2001 was in Unit 4. The intent of this report is to identify employees potentially eligible for a MSI. Campuses will need to review each employee's record to validate and confirm his/her eligibility.
  - **Leaves of Absence and Qualified Service:** Per Article 22.16, "family care or medical leave shall not constitute a break in service for the purposes of length of service and/or seniority..." This includes Family Medical Leave (FML) that runs concurrently with NDI. FML unpaid leaves of absence also count as qualifying service; however, other unpaid leaves of absence (the employee is not in "active" pay status) do not count as qualifying service.

**MSI Performance Requirements:**

- Employees must have performed satisfactory or better during the 12 month period of July 2000 to June 2001. Employees who have not received a performance evaluation with an overall rating below satisfactory (or its equivalent) for this period, shall be deemed to have performed in a satisfactory manner, and will be eligible for the 0.4% increase.
- If the campus does not have an overall performance rating for the employee or if an employee did not receive a performance evaluation, the employee is deemed to have met the performance criteria for this program.

The following processing instruction is provided in Attachment A:

- Salary Increase Programs: II – Merit Service Increase.

**Performance-based Salary Increase (PBSI):**

- A systemwide pool of \$303,200 (excluding associated benefit costs) is available for the PBSI program. Each campus will receive a joint memo from Labor Relations and Business and Finance identifying its share of the systemwide PBSI funds.
- Campuses with unspent PBSI funds from 2000/01 must rollover these funds into the PBSI pool for 2001/02.
- Pursuant to Article 23.8(g) of the collective bargaining agreement, an individual campus **may** augment its employee performance pay pool with campus funds.
- For FY 2001/02, PBSIs are effective July 1, 2001 regardless of funding source.
- The maximum PBSI and/or performance bonus per employee is 7.5% of the employee's base salary, excluding any MSI award.
- PBSIs are in the form of a base salary increase and/or in the form of a one-time bonus for employees who have reached the maximum rate of the salary range of the classification. As in the past, employees close to the maximum of the salary range may receive both a base salary increase up to the maximum of the range and a one-time bonus for any remaining award, not to exceed an overall 7.5% increase.
- Refer to Article 23.8 of the collective bargaining agreement for further information on the Performance Pay program.

The following processing instructions are provided in Attachment A:

- Salary Increase Programs: III – Performance-Based Salary Increase.
- Bonus/Additional Pay Programs: I – Performance Bonus.

**❖ Other Salary Increase Programs for 2001/02:**

**In-Range Progression:**

- In-range progressions continue to be available to Unit 4 employees, at the discretion of the President. An in-range progression is a salary increase within the existing classification and range. The salary increase amount is at the discretion of the President.

The following processing instructions are provided in Attachment A:

- Salary Increase Programs: IV – In-Range Progression

**❖ Bonus Programs for 2001/02:**

**Long-term Satisfactory Service (LTSS) Bonus:**

- The LTSS bonus is a lump sum award, payable to employees who meet established service and performance criteria. Campuses should continue awarding LTSS bonuses to employees during fiscal year 2001/02.
- In order to be eligible for a LTSS bonus, service and performance conditions must be satisfied, as outlined below. If either of these conditions is not met, the

employee will not be eligible for the LTSS bonus in 2001/02. Eligibility criteria for the LTSS bonus are as follows:

**LTSS Bonus Service Requirements:**

- To meet service requirements, the employee must have completed a minimum of 10 years of service and must have reached a five-year increment anniversary milestone (e.g., 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, 25<sup>th</sup>, 30<sup>th</sup>) during the 12-month period between July 1, 2001 and June 30, 2002. For example, if between July 1, 2001 and June 30, 2002, an employee has 15 years of continuous employment and has 15 years of qualified service, he/she would be eligible for the LTSS bonus. An employee with 16 years of continuous employment but only 15 years of qualified service (perhaps due to an unpaid leave of absence) would also be eligible for this bonus in 2001/02.
- **Qualified Month of Service:** For purposes of determining LTSS bonus service eligibility, a qualified month of service constitutes 11 days worked in a pay period (or one-half of the number of academic workdays in the pay period for academic year classifications).
- **Consecutive Months of Qualified Service** is continuous service at the campus. Service can be in another bargaining unit as long as the employee was in Unit 4 at the time of his/her anniversary milestone. One year of service is defined as follows:
  - a. 10-month employees (including those on a 10/12 pay plan schedule) - completion of 10 months of qualifying service in 10 or 12 pay periods, as appropriate;
  - b. 11-month employees (on an 11/12 pay plan schedule) – completion of 11 consecutive months of qualifying service in 12 pay periods;
  - c. 12 month employees - completion of 12 months of qualifying service in 12 pay periods;
  - d. Academic Year employee - completion of 1 full academic year of qualifying service.
- **Leaves of Absence and Qualified Service:** Per Article 22.16, “family care or medical leave shall not constitute a break in service for the purposes of length of service and/or seniority...” This includes Family Medical Leave (FML) that runs concurrently with NDI. FML unpaid leaves of absence also count as qualifying service. Other unpaid leaves of absence (the employee is not in “active” pay status) do not count as qualifying service. Note that being placed on an unpaid leave will not forfeit the qualified service an employee may have already attained prior to the unpaid leave of absence.
- **CIRS Compendium Report G94** (Campus Detail, Bonus/Stipend) is available for campus reference, and will be updated monthly, to assist campuses in identifying eligible employees based on service. This report will contain relevant employment history transactions for Unit 4 employees with a minimum of 10 years of service. Please note that the 10 years of

service do not take into consideration any non-qualified months, breaks in service and leaves. Campuses will need to carefully review transactions to determine months and years of qualified service.

**LTSS Bonus Performance Requirements:**

- During the five year period of campus employment immediately preceding the employee's appropriate 5<sup>th</sup> year anniversary, the employee must not have received a performance evaluation with an overall rating below satisfactory or equivalent.
- If the campus does not have an overall performance rating for the employee or if an employee did not receive a performance evaluation, the employee is deemed to have met the performance criteria for this program.

**LTSS Bonus Calculation Instructions:**

- The bonus amount shall be equal to five percent (5%) of the employee's monthly salary rate (exclusive of overtime and other premium payments) as of the employee's 5<sup>th</sup> year anniversary increment, multiplied by 12, and expressed as a percentage of the employee's previous calendar year gross earnings (W-2 related earnings).

**Example:**

A Student Service Professional II-12 Month (class 3082) attains his/her 10<sup>th</sup> year anniversary in March 2002. In that pay period, the employee's base monthly salary is \$3,825. The employee's gross earnings were reported at \$43,560 for calendar year 2001.

Bonus Amount =  $\$3,825 \times 5\% = \$191.25 \times 12 = \mathbf{\$2,295}$   
Expressed As: **5.26%** ( $\$2,295 / \$43,560$ )

- Eligible employees on other pay plan schedules (e.g., 10 month) shall receive an appropriate pro-rata amount by taking the employee's monthly salary rate (exclusive of overtime and other premium payments) as of the employee's 5<sup>th</sup> year anniversary increment, and multiplying that amount by the pay plan schedule frequency (e.g., 10). This amount shall be expressed as a percentage of the employee's previous calendar year gross earnings.

**Example:**

A Student Service Professional I-10 Month (class 3078, Range A) attains his/her 10<sup>th</sup> year anniversary in March 2002. In that pay period, the employee's base monthly salary is \$2,824. The employee's gross earnings were reported at \$29,840 (some of which was attributed to overtime) for calendar year 2001.

Bonus Amount =  $\$2,824 \times 5\% = \$141.20 \times 10 = \mathbf{\$1,412}$   
Expressed As: **4.73%** ( $\$1412 / \$29,840$ )

- A sample communication letter is provided in Attachment B.

The following processing instruction is provided in Attachment A:

- Bonus/Additional Pay Programs: II – Long-Term Satisfactory Service Bonus.

**Campus-Funded Bonus Programs:**

- Pursuant to Article 23.13 of the collective bargaining agreement, the following bonuses are available for Unit 4 employees, at the discretion of the President, and may be awarded at any time:
  - a. **Recruitment Bonus:** may be offered to a candidate as an inducement to commit to employment with the CSU.
  - b. **Retention Bonus:** may be awarded to an employee for staying with the CSU and who is in a position in a classification that is critical to the ongoing operations of the CSU, is in short supply in the labor market, and is a difficult to recruit for classification.
  - c. **Critical Skills Bonus:** may be awarded to an employee who possesses and uses skills that are necessary and critical to the ongoing operations of the CSU.

The following processing instruction is provided in Attachment A:

- Bonus/Additional Pay Programs: III – Campus-Funded Bonuses.

**Educational Achievement Stipend:**

- Employees who received a masters or doctoral degree from an accredited institution during their current employment with the CSU will be eligible for Educational Achievement stipend. Employees with doctoral degrees will receive a stipend 25% above the amount paid to employees who hold a masters degree.
- The actual amount of the stipend is determined by dividing the available Stipend Program funds by the number of eligible employees.
- This stipend cannot be paid until after the actual systemwide expenditures of the Long-Term Satisfactory Service (LTSS) bonus program for both 2000/01 and 2001/02 are determined. After all LTSS bonuses are paid for 2000/01 and 2001/02, campuses will be instructed to submit expenditures to systemwide Human Resources. It is possible that Educational Achievement stipends for 2001/02 may not be paid until fiscal year 2002/03.
- Campuses will be asked to collect the number of eligible employees and will be asked to provide this to systemwide Human Resources. Specific instructions will be forthcoming at a later date.

**Reporting Requirements:**

- In order to meet the requirements outlined in Article 23.13 of the collective bargaining agreement, campuses will be receiving under separate cover reporting requirements for Unit 4 expenditures including expenditures from 2000/01.

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Questions regarding this technical letter should be directed to Human Resources Administration at (562) 951-4411. This technical letter is available on Human Resources' web page at: <http://www.calstate.edu/HRAdm/memos.shtml>.

CR/gc

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ATTACHMENT A**

<p><b>PROCESSING INSTRUCTIONS</b> <b>Salary Increase Programs</b></p> <p><b>I. GENERAL SALARY INCREASE (GSI)</b></p>
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<b>FUNDING INFORMATION:</b>	
Funding Source:	Systemwide
Pool Supplemented by Campus:	No

<b>PAY SCALES IMPACT:</b>	
Change Summary:	Increase the minimums and maximums of the ranges by 1.00%.
Class Code(s):	All Unit 4 classifications
CBID:	R04
Pay Scales Effective Date:	07/01/01
Date in Production:	08/13/01
Pay Letter:	2001-02 (To be released at a later date.)

<b>EMPLOYMENT HISTORY (EH)/PAYROLL IMPACT:</b>	
Processing Responsibility:	The SCO will key increases into the PIMS database.
Processing Date(s):	08/14/01 through 08/22/01
Effective Date:	07/01/01
PIMS Transaction:	GEN
Detailed Transaction Code (Item 719)	N/A
EH Remarks (Item 215)	HR/SA 2001-10
Pay Amount:	1.00%
Pay Form:	Base salary increase
Lump Sum Earnings ID:	N/A
Employees on Leave:	<ul style="list-style-type: none"> <li>• Increases are effective 07/01/01 for employees on NDI supplementing with Catastrophic Leave (S49 Transaction, Item 957= 40) on 07/01/01.</li> <li>• Increases for other employees on leave (non-pay status) are to be keyed by the campus via a GEN Transaction, effective the date the employee returns to pay status.</li> </ul>
Additional Information:	<ul style="list-style-type: none"> <li>• All employees who are active as of 07/01/01 will receive the GSI via a GEN Transaction, with the exception of those employees whose appointment expiration date is prior to 07/01/01.</li> <li>• The SCO will correct the appointment record for appointments posted between 07/02/01 and 08/10/01.</li> <li>• Campuses must correct the transactions posted after 08/10/01.</li> </ul>
SCO Personnel Letter:	<a href="http://www.sco.ca.gov/ppsd/scoltrs/">http://www.sco.ca.gov/ppsd/scoltrs/</a>

<b>COMMON MANAGEMENT SYSTEMS (CMS) INSTRUCTIONS:</b>	
Pay Scales Impact:	Salary Schedule Load provided by HR-ISA to SOSS on 08/13/01.
GSI/SSI Load Impact:	Yes. Refer to Business Process Guide for instructions.
Action/Reason:	Pay Rate Change/General Salary Increase (Pay Rt Chg/GSI)
Baseline Instructions:	<a href="http://www.calstate.edu/hrpims/awppm/awppm.htm">http://www.calstate.edu/hrpims/awppm/awppm.htm</a>

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<p><b>PROCESSING INSTRUCTIONS</b> <b>Salary Increase Programs</b></p> <p><b>II. MERIT SERVICE INCREASE (MSI)</b></p>
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<b>FUNDING INFORMATION:</b>	
Funding Source:	Systemwide
Pool Supplemented by Campus:	N/A

<b>PAY SCALES IMPACT:</b>	
Change Summary:	N/A
Class Code(s):	N/A
CBID:	N/A
Pay Scales Effective Date:	N/A
Date in Production:	N/A
Pay Letter:	N/A

<b>EMPLOYMENT HISTORY (EH)/PAYROLL IMPACT:</b>	
Processing Responsibility:	Campus
Processing Date(s):	At the discretion of the President.
Effective Date:	07/01/01
PIMS Transaction:	MSA
Detailed Transaction Code (Item 719)	N/A
EH Remarks (Item 215)	N/A
Pay Amount:	0.4% of the employee's base pay, not to exceed the salary range maximum.
Pay Form:	Base salary increase
Lump Sum Earnings ID:	N/A
Employees on Leave:	<ul style="list-style-type: none"> <li>• Increases are effective 07/01/01 for employees on NDI supplementing with Catastrophic Leave (S49 Transaction, Item 957= 40) on 07/01/01.</li> <li>• Increases for other employees on leave (non-pay status) are effective the date the employee returns to pay status.</li> </ul>
Additional Information:	<ul style="list-style-type: none"> <li>• MSI Denials must be posted via a 330 Transaction for employees deemed ineligible, with an effective date of 07/01/01 (or later, if the employee was on leave). Indicate "MSI Denial" in Item 215.</li> <li>• For new hire employees, Anniversary Date (Item 330) = "NONE" (or "MAX" if employee is hired at the range maximum). Entry in Item 330 is no longer required; however, campuses may choose to retain this date.</li> <li>• Refer to Article 23 of the collective bargaining agreement.</li> <li>• Transactions with the same effective date must be processed in the following sequence:               <ol style="list-style-type: none"> <li>1. GEN Transaction for GSI (keyed by SCO)</li> <li>2. MSA Transaction for MSI (keyed by campuses)</li> <li>3. SCR Transaction for PBSI (keyed by campuses)</li> </ol> </li> </ul>
SCO Personnel Letter:	<a href="http://www.sco.ca.gov/ppsd/scoltrs/">http://www.sco.ca.gov/ppsd/scoltrs/</a>

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<b>COMMON MANAGEMENT SYSTEMS (CMS) INSTRUCTIONS:</b>	
Pay Scales Impact:	N/A
GSI/SSI Load Impact:	N/A
CMS Action/Reason for MSI:	Pay Rate Change/Service Salary Increase (Pay Rt Chg/SSI)
CMS Action/Reason for MSI Denial:	Data Change/SSI Denial (Data Chg/DNS)
CMS Baseline Instructions:	<a href="http://www.calstate.edu/hrpims/awppm/awppm.htm">http://www.calstate.edu/hrpims/awppm/awppm.htm</a>

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<b>PROCESSING INSTRUCTIONS</b>
<b>Salary Increase Programs</b>
<b>III. PERFORMANCE-BASED SALARY INCREASE (PBSI)</b>

<b>FUNDING INFORMATION:</b>	
Funding Source:	Systemwide
Pool Supplemented by Campus:	Yes

<b>PAY SCALES IMPACT:</b>	
Change Summary:	N/A
Class Code(s):	N/A
CBID:	N/A
Pay Scales Effective Date:	N/A
Date in Production:	N/A
Pay Letter:	N/A

<b>EMPLOYMENT HISTORY (EH)/PAYROLL IMPACT:</b>	
Processing Responsibility:	Campus
Processing Date(s):	At the discretion of the President.
Effective Date:	07/01/01
PIMS Transaction:	SCR
Detailed Transaction Code (Item 719)	50
EH Remarks (Item 215)	N/A
Pay Amount:	Maximum of 7.5% of the employee's base pay, not to exceed the salary range maximum.
Pay Form:	Base salary increase or lump sum if employee is at the max.
Lump Sum Earnings ID:	"SF" – For non-exempt employees "S6" – For exempt employees Refer to Bonus/Additional Pay Processing Instructions
Employees on Leave:	<ul style="list-style-type: none"> <li>• Increases are effective 07/01/01 for employees on NDI supplementing with Catastrophic Leave (S49 Transaction, Item 957= 40) on 07/01/01.</li> <li>• Increases for other employees on leave (non-pay status) are to be keyed by the campus effective the date the employee returns to pay status.</li> </ul>
Additional Information:	<ul style="list-style-type: none"> <li>• Refer to Article 23 of the collective bargaining agreement.</li> <li>• Transactions with the same effective date must be processed in the following sequence:               <ol style="list-style-type: none"> <li>1. GEN Transaction for GSI (keyed by SCO)</li> <li>2. MSA Transaction for MSI (keyed by campuses)</li> <li>3. SCR Transaction for PBSI (keyed by campuses)</li> </ol> </li> </ul>
SCO Personnel Letter:	<a href="http://www.sco.ca.gov/ppsd/scoltrs/">http://www.sco.ca.gov/ppsd/scoltrs/</a>

<b>COMMON MANAGEMENT SYSTEMS (CMS) INSTRUCTIONS:</b>	
Pay Scales Impact:	N/A
GSI/SSI Load Impact:	N/A
CMS Action/Reason:	Pay Rate Change/ Merit/Perf Increase (Pay Rt Chg/MER)
CMS Baseline Instructions:	<a href="http://www.calstate.edu/hrpims/awppm/awppm.htm">http://www.calstate.edu/hrpims/awppm/awppm.htm</a>

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<p><b>PROCESSING INSTRUCTIONS</b> <b>Salary Increase Programs</b></p> <p><b>IV. IN-RANGE PROGRESSION</b></p>
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<b>FUNDING INFORMATION:</b>	
Funding Source:	Campus
Pool Supplemented by Campus:	N/A

<b>PAY SCALES IMPACT:</b>	
Change Summary:	N/A
Class Code(s):	N/A
CBID:	N/A
Pay Scales Effective Date:	N/A
Date in Production:	N/A
Pay Letter:	N/A

<b>EMPLOYMENT HISTORY (EH)/PAYROLL IMPACT:</b>	
Processing Responsibility:	Campus
Processing Date(s):	At the discretion of the President.
Effective Date:	At the discretion of the President however, the effective date must be the beginning of a pay period.
PIMS Transaction:	SCR
Detailed Transaction Code (Item 719)	51
EH Remarks (Item 215)	N/A
Pay Amount:	At the discretion of the President, not to exceed the salary range maximum.
Pay Form:	Base salary increase
Lump Sum Earnings ID:	N/A
Employees on Leave:	N/A
Additional Information:	Refer to Article 23 of the collective bargaining agreement.
SCO Personnel Letter:	<a href="http://www.sco.ca.gov/ppsd/scoltrs/">http://www.sco.ca.gov/ppsd/scoltrs/</a>

<b>COMMON MANAGEMENT SYSTEMS (CMS) INSTRUCTIONS:</b>	
Pay Scales Impact:	N/A
GSI/SSI Load Impact:	N/A
CMS Action/Reason:	Pay Rate Change/In-Range Progression (Pay Rt Chg/IRP)
CMS Baseline Instructions:	<a href="http://www.calstate.edu/hrpims/awppm/awppm.htm">http://www.calstate.edu/hrpims/awppm/awppm.htm</a>

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<b>PROCESSING INSTRUCTIONS</b>
<b>Bonus/Additional Pay Programs</b>

<b>GENERAL BONUS INSTRUCTIONS:</b>
<ul style="list-style-type: none"> <li>• For non-exempt employees, all bonus awards must be based on a percentage of the annual gross salary (earnings). As this amount may include miscellaneous payments from shift and overtime, the FLSA requirement to factor the bonus into the “regular rate” for overtime calculations will be satisfied.</li> <li>• For exempt employees, bonuses can be expressed as a flat dollar amount or a percentage of income.</li> <li>• Bonuses will be paid via the PIP system using the serial number of the employee’s position or other serial number as designated by the campus. The payment may be requested using the Miscellaneous Payroll/Leave Action Form (STD. 671) or the Time and Attendance Report Form 672. The appropriate Earnings ID and the gross amount of the bonus must be denoted on the form to request payment (refer to PPM section G904 for instructions).</li> </ul>

**I. PERFORMANCE BONUS:**

<b>PIP PROCESSING INFORMATION:</b>	
Processing Responsibility:	Campus
Processing Date(s):	At the discretion of the campus President.
Earnings ID:	“SF” – For non-exempt employees “S6” – For exempt employees
Amount:	Not to exceed 7.5% of the employees’ base pay, including any base salary increase.
Subject to PERS Withholdings:	Yes
Taxable/Reportable:	Yes
Subject to Medicare/Social Security	Yes
Subject to FLSA Regulations:	Yes
Included in the Calculation for NDI/IDL Payments:	No
Funding Source:	Systemwide
Pool Supplemented by Campus:	Yes
Additional Information:	Refer to Article 23 of the collective bargaining agreement.

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**II. LONG-TERM SATISFACTORY SERVICE BONUS:**

<b>PIP PROCESSING INFORMATION:</b>	
Processing Responsibility:	Campus
Processing Date(s):	Following the employee's anniversary milestone
Earnings ID:	"GR"
Amount:	5% of the employee's actual monthly salary
Subject to PERS Withholdings:	No
Taxable/Reportable:	Yes
Subject to Medicare/Social Security	Yes
Subject to FLSA Regulations:	Yes
Included in the Calculation for NDI/IDL Payments:	No
Funding Source:	Campus
Pool Supplemented by Campus:	N/A
Additional Information:	Refer to Article 23 of the collective bargaining agreement.

**III. CAMPUS-FUNDED BONUSES (Recruitment, Retention and Critical Skills)**

<b>PIP PROCESSING INFORMATION:</b>	
Processing Responsibility:	Campus
Processing Date(s):	At the discretion of the President.
Earnings ID:	"GL" – For non-exempt employees "GK" – For exempt employees
Amount:	At the discretion of the President.
Subject to PERS Withholdings:	No
Taxable/Reportable:	Yes
Subject to Medicare/Social Security	Yes
Subject to FLSA Regulations:	Yes
Included in the Calculation for NDI/IDL Payments:	No
Funding Source:	Campus
Pool Supplemented by Campus:	N/A
Additional Information:	Refer to Article 23 of the collective bargaining agreement.

## SAMPLE EMPLOYEE COMMUNICATION

### LONG TERM SATISFACTORY SERVICE BONUS NOTIFICATION

Dear [employee name],

Congratulations on achieving your [10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, etc.] anniversary at [campus name]. In accordance with provision 23.7(b) of the agreement between the CSU and the Academic Professionals of California, you will receive a one-time lump sum bonus amount of \$[amount] which shall be provided to you on [date].

This bonus amount was calculated per Article 23.7(b) as follows:

$\$[\text{_____}]$  (actual monthly salary as of your [10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, etc.] anniversary) x 5% x [\_\_\_\_\_] (# months in work year) =  $\$[\text{_____}]$  (bonus amount).

This bonus amount is [\_\_\_\_\_] % of your gross earnings for the [\_\_\_\_\_] calendar year.

If you have questions regarding this bonus, please contact [insert campus representative name].