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To: Associate Vice Presidents/Deans of Faculty
Human Resources Directors
Payroll Managers

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Subject: Service Salary Increases for Faculty (Unit 3) Employees - Process Summary and Audit Request

Service Salary Increase (SSI) processing instructions for faculty employees are addressed in this memorandum, as well as processing instructions for correcting SSIs. Errors with some SSI postings were noted during a review of faculty records. To ensure compliance with the faculty Memorandum of Understanding (MOU), campuses are asked to review their faculty SSI records and make corrections, as required. Information is provided below to assist in this process.

Appointment and Promotion:

- When a faculty member is appointed or promoted and the initial salary rate is less than the SSI Maximum, the number of SSIs the employee may be eligible to receive is based on the number of 2.5% salary increases it would take to reach the SSI Maximum, not to exceed 8 SSIs. This number is entered in the SSI Counter field on the database. The Anniversary Date is set at one year after the appointment date. The Final Salary Anniversary Date is set as the appointment date plus the SSI Counter (in years) minus 1.
- SSIs are processed via MSA transaction. When an SSI is awarded, the Anniversary Date is advanced by one year and the Final Salary Anniversary Date remains unchanged. The SSI Counter is decreased by '1' for every SSI granted, regardless of the amount of the SSI. When an SSI is denied, the Anniversary Date

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and Final Salary Anniversary Date are advanced by one year, and the SSI Counter remains unchanged.

- For promoted faculty who were eligible to receive an SSI in the rank before promotion but did not, the SSI should be calculated based upon the employee's salary rate in effect prior to promotion and the SSI Maximum in the rank prior to promotion. Then the SSI should be posted via MSA Transaction in the employee's current rank after the promotion. The Final Salary Anniversary Date and SSI Counter in the promoted rank must be recalculated based upon the salary rate in effect after the SSI has been posted. This procedure applies during years when the payment of the SSI occurred at the end of the fiscal year (i.e., beginning with fiscal year 2001/02).

Temporary Faculty:

- Temporary employees who have completed 24 units on a semester campus, or the equivalent on a quarter campus, in the same department or equivalent unit, shall receive a salary increase equivalent to the percentage of the applicable negotiated SSI provided that Article 31 requirements are satisfied. Effective FY 2000/01, temporary faculty SSI's are processed via MSA transaction.
- For temporary faculty, Anniversary Date Item 330 may be entered with a date or "NONE" as appropriate and Final Salary Anniversary Date and SSI Counter Item 958 = "NONE-0." Anniversary Date Item 330 is "99/99" for temporary faculty employees with no remaining SSI eligibility in their current range and Final Salary Anniversary Date and SSI Counter Item 958 = "9999-0."

FMI, Market and Equity Increases:

- Faculty Merit Increases (FMIs) awarded to an employee in a prior fiscal year (between July 1, 1998 and June 30, 2001) do not impact SSI eligibility within rank, whether or not the FMI award caused the salary rate to exceed the SSI Maximum. The SSI Counter and Anniversary Date are not recalculated after the award of an FMI. These employees continue to be eligible to receive SSIs until their SSI Counter is reduced to zero or until they are promoted.
- The SSI Counter and Final Salary Anniversary Date are recalculated after the award of a market or equity salary increase, whether or not the employee received an FMI previously. If an employee receives a market or equity salary increase that takes the employee's salary up to or above the SSI max, then there is no remaining SSI eligibility in that rank/range.
- If an employee has never received an FMI in the current rank/range, then his/her salary may not exceed the SSI Maximum solely by receiving SSIs (e.g., an employee in this category who is granted an SSI will receive an SSI, up to the SSI maximum or until the SSI Counter reaches zero, whichever occurs first).

SSI Review Guidelines:

- HR-ISA has prepared audit reports to identify tenure track faculty employees with errors in one or more of the following data fields: SSI Counter, Anniversary Date, and Final Salary Anniversary Date. Some faculty have been awarded SSIs in error or were awarded an incorrect amount. In cases where the Final Anniversary Date and Counter are incorrect, campuses need to correct the original transaction. Each subsequent transaction must be evaluated recalculating salaries and Final Anniversary Date and Counter and in some cases changing Anniversary Dates. Invalid MSA transactions need to be voided or corrected as needed. Additional positions, such as Department Chair, will need to be verified and corrected as needed. **Campuses must correct errors in order to be in compliance with the MOU.** Contact your CSU Audits representative for assistance. ***Corrections must be processed as soon as possible, but no later than the end of the January 2004 pay period.*** Additional reviews will take place after that time to verify the accuracy of faculty salary increases.

- Campuses should access the following Compendium reports via CIRS. These reports will be prepared monthly:
 - ✓ D07 – One or more SSI fields contain an error.
 - ✓ D08 – Employee is currently over or projected to go over the SSI maximum; however, no FMI has been posted or no FMI was posted for the current class/rank.
 - ✓ D09 – Transaction history for the employees identified in D08.
 - ✓ D10 – Transaction history for employees who are currently in a Department Chair classification who may have data errors.

- In instances where funding approval is necessary for salary-related corrections that exceed a three-year period (e.g., prior to FY 2000/2001), campuses should contact the systemwide accounting office (gashkar@calstate.edu) for assistance.

General processing guidelines for faculty salary programs may be found on the Web at <http://www.calstate.edu/HRAdm/SalaryProgram/Unit3/index.shtml>. This technical letter is also available via Human Resources Administration's Web page at: <http://www.calstate.edu/HRAdm/memos.shtml>. Thank you.

CR/CO/jb