


**THE CALIFORNIA STATE UNIVERSITY**  
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**Date:** December 1, 2004 **Code:** **TECHNICAL LETTER**  
**HR/Salary 2004-25**

**To:** Human Resources Directors  
Payroll Managers **Reference:** HR/Salary 2004-20

**From:** Cathy Robinson   
Assistant Vice Chancellor  
Human Resources

**Subject:** **Clarification on Per Diem Employees in CSEA Unit 2 and Unit 9**

In light of the new FLSA "White Collar" exemption regulations, it was determined that the exempt Per Diem class (7940) was no longer appropriate as employees who are paid on an hourly basis do not meet FLSA's Salary Basis exemption test.<sup>1</sup> This technical letter provides clarification on appointing and calculating pay for Per Diem (hourly) employees in Unit 2 and Unit 9. This clarification updates the campus instructions provided in technical letter HR/Salary 1999-14 and Supplement #1.

➤ **Background**

In 1999/2000, the California State University (CSU) and the California State Employees' Association (CSEA) agreed that employees in designated classifications who were hired on an hourly/intermittent basis would receive an additional 29% above their regular hourly base rate. Pursuant to provision 2.12(f) in the CSU/CSEA collective bargaining agreement (CBA), these employees are defined as "Per Diem" employees. The list of classifications eligible to receive the additional 29% Per Diem rate is provided in Appendix B of the CBA. In order to accommodate the additional 29% rate for Per Diem employees, two classifications were created in Unit 2, one for non-exempt classes (7930) and another for exempt classes (7940). In addition, a non-exempt Unit 9 Per Diem class was created (7931) for Interpreters in Unit 9.

➤ **Per Diem Classifications**

In order to provide a mechanism to pay employees 29% more than their base salary rate without going over the maximum of the salary range, two Per Diem classifications are provided, one to appoint eligible Per Diem employees in Unit 2, and another to appoint eligible Per Diem employees in Unit 9. The salary range for each Per Diem classification is determined by taking the lowest minimum and the highest maximum of all Per Diem classifications in the bargaining unit, converting those rates to an hourly equivalent, and increasing the lowest minimum and highest maximum by 29%. For example, the lowest minimum of all

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<sup>1</sup> Class code 7940 will be abolished once vacated. Refer to HR/Salary 2004-20 for more information.

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Per Diem Unit 2 classifications is the Licensed Vocational Nurse (LVN) and the highest maximum is the Pharmacist. This minimum and maximum were converted to an hourly rate and then each increased by 29% creating the Per Diem salary range. CSEA Per Diem classifications are listed below, along with their corresponding classifications.

Unit 2 - Per Diem Non-Exempt Health Care (Class Code 7930)			
Salary Range: \$18.63-\$55.91 Per Hour (as of 10/1/04)			
Encompasses the following classes:			
7927	Clinical Lab Technician I	7996	Radiological Technologist II
7926	Clinical Lab Technician II	8150	Registered Nurse I – 10 Month
8134	Licensed Vocational Nurse	8151	Registered Nurse I – 12 Month
8165	Nurse Practitioner– 10 Month	8153	Registered Nurse II – 10 Month
8166	Nurse Practitioner – 12 Month	8154	Registered Nurse II – 12 Month
8130	Nutritionist	8156	Registered Nurse III – 10 Month
7991	Pharmacist – 10 Month	8157	Registered Nurse III – 12 Month
7992	Pharmacist – 12 Month	7976	Speech Pathologist
7995	Radiological Technologist I		

Unit 9 - Per Diem Non-Exempt Technical (Class Code 7931)	
Salary Range: \$12.80-\$56.72 Per Hour (as of 10/1/04)	
Encompasses the following classes:	
7170	Interpreter/Transliterator I
7169	Interpreter/Transliterator II

➤ **Calculating Per Diem Pay**

To determine the appropriate salary rate for an employee placed in a Per Diem classification, campuses are required to:

- 1) Identify the appropriate classification (e.g., Pharmacist, Licensed Vocational Nurse);
- 2) Refer to the 12-month salary range of the classification identified in #1 above to determine the appropriate equivalent base rate of pay (if the incumbent were full-time). This rate must be within the classification’s salary range;
- 3) Convert the monthly rate to the hourly/intermittent rate (Base Rate / 173.33 = Hourly Rate);
- 4) Once the hourly rate is determined, add a 29% differential to the hourly rate. (Hourly Rate X 1.29 = Per Diem Hourly Rate); and,
- 5) Appoint incumbent to appropriate Per Diem classification (code 7930 for Unit 2 employees, code 7931 for Interpreter/Transl iterators). As a reminder, Per Diem employees are hired on a temporary basis (A52 appointment transaction) and have an intermittent timebase (PIMS Item 405 = “INT”).

**Example:** A campus needs to hire an hourly Per Diem registered nurse. Following the steps above, the campus 1) selects the Registered Nurse II (RN II) as the appropriate classification; 2) identifies the full-time equivalent rate of \$4500<sup>2</sup> per month which is within the 12-month RN II salary range of \$3481 - \$5222 per month;<sup>3</sup> 3) converts the monthly rate to an hourly rate of \$25.96 ( $\$4500 / 173.33 = \$25.96$ ); adds the 29% Per Diem differential increasing the hourly rate to \$33.49 ( $\$25.96 \times 1.29 = \text{Per Diem hourly rate}$ ); temporarily appoints the incumbent to class code 7930 at a rate of \$33.49 per hour.

➤ **General Employment Provisions for Per Diem Employees**

Pursuant to Article 2, Per Diem employees are excluded from Articles 14 (Vacation and Holiday), 15 (Leave of Absence with Pay), 16 (Leaves of Absence Without Pay), 21.1- 21.4, and 21.6 (Benefits) and 22 (Professional Development).

Pursuant to the FLSA, all Per Diem employees are considered non-exempt; therefore, work hours must be tracked and the employee is eligible for overtime in the event he/she works over 40 hours in a workweek.

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

CR/gc

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<sup>2</sup> \$4500 is an example base salary rate between the salary range minimum and maximum.

<sup>3</sup> Range is as of 10/1/2004.