


THE CALIFORNIA STATE UNIVERSITY
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Date: December 18, 2006

Code: TECHNICAL LETTER
HR/Salary 2006-25

To: Human Resources Directors
Payroll Managers

From: Gail Brooks 
Associate Vice Chancellor
Human Resources Administration

Subject: **Training and Certification Allowances - Update**

Following a review of the requirements needed to demonstrate completion for the maintenance and/or renewal of State Employee's Trade Council (SETC – Unit 6) and the International Union of Operating Engineers (IUOE – Unit 10) certifications and allowances for Asbestos Training, Hazardous Material Handling, Backflow Testing, Water Treatment Operation, Pesticide Application and Welding, it was concluded that the resulting payments are includable compensation when determining the regular rate of pay to calculate overtime under the Fair Labor Standards Act. When overtime is worked in the pay period that a training and/or certification allowance stipend payment is made, the stipend amount must be incorporated into the regular rate of pay for the purposes of calculating overtime for that pay period. The following allowances are subject to this change:

<u>Description:</u>	<u>Earnings ID:</u>
Asbestos/Hazardous Material Training Allowance	SC1
Asbestos/Hazardous Material Certification Allowance	SC2
Backflow/Water Treatment Certification Allowance	SC3
Backflow/Water Treatment Certification Renewal	SC4
Welding Certification	SD
Certification Bonus	SD

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Prior Payment Considerations: Timelines associated for overtime payment adjustments cover a maximum two-year retroactive period. Adjustments will be tied to the pay period that the stipend payment was issued versus the pay period(s) the employee demonstrated completion of the requirements to receive the stipend payment. The “look back” timeline is a rolling two-year period and adjustment payments should be made within the two-year limit. For example, if an employee worked overtime and received a stipend payment in January 2005, the overtime adjustment payment should be made in January 2007. The earliest “look back” pay period for these purposes is December 2004 for adjustment payments made in December 2006.

HR-ISA has provided a report to assist campuses with identifying employees who received the Certification/Allowance since December 2004 by pay period. The report also indicates the total overtime paid for a given pay period. If an allowance payment was made in the same pay period that overtime was paid, a recalculation of the overtime payment may be warranted. The Compendium Report can be accessed via code **W71, Cycle 0611** using the **Express Function (F1)**. The report will be available on CIRS until February 28, 2007.

If you have any questions, please call Human Resources Administration at (562) 951-4411. This technical letter is available on the Human Resources Administration’s web site at: <http://www.calstate.edu/HRAdm/memos.shtml>.

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