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HR/Salary 2007-08
Supplement #1

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

From: Gail Brooks
Associate Vice Chancellor
Human Resources



Subject: Fiscal Year 2006/07 Salary Program for Faculty (Unit 3)

This supplement provides clarification of the implementation instructions in Technical Letter HR/Salary 2007-08 for the following:

❖ **Salary Program Clarification:**

- General Salary Increases (GSI) for Immediate Pay Transactions
- Service Salary Increase (SSI) Pay Adjustments

Detailed Program Information for Salary Provisions:

❖ **GSI for Immediate Pay Transactions – July 1, 2006 Considerations:**

- Excluding payments made for Summer Term employment class codes 2357 and 2457, employees paid via immediate pay transaction (A54) with a last day worked of July 1, 2006 or later (regardless of the effective date of the A54 transaction), are entitled to the GSI. GSI adjustments would include payments to employees in class codes 2322, 2323 and 2402, pursuant to Technical Letter HR/Salary 2007-08.

❖ **Retroactive Salary Adjustment as a Result of SSI Eligibility in Fiscal Year 2006/2007:**

- **Steps for Determining SSI Pay Adjustment for Employees Not Part of the FMI/SSI Settlement, but Who Had Received an FMI(s):**
 1. For fiscal year 2006/2007, a comparison rate must be used for purposes of readjusting the SSI counter and Final Anniversary Date (PIMS Item 958). This is done by subtracting the amount of cumulative FMIs after the retroactive GSI and 2.65% SSI have been applied.
 2. If the comparison rate is below the SSI Maximum rate, then an SSI, up to 2.65%, not to exceed the SSI Maximum rate, must be applied to the base pay as of the 2006/2007 Anniversary Date, and to all subsequent salary adjustments rolling forward.
 3. If the comparison rate is greater than or equal to the SSI Maximum rate, then cumulative FMIs must be added to the SSI Maximum to derive the adjusted salary.
 4. The CRO transaction effective July 1, 2006 should be in alignment with the fiscal year 2006/2007 SSI adjustment.

Refer to the Example in Attachment A for retroactive SSI application details.

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- **Steps for Retroactive SSI Pay Adjustment For Employees Who Were Part of the FMI/SSI Settlement:**
 1. A comparison rate was already determined as part of the Settlement and should not be re-computed.
 2. Refer to Technical Letter HR/Salary 2006-26, Attachment A, for instructions pertinent to the CRO transaction for employees who were part of the FMI/SSI Settlement agreement. The CRO transaction, effective July 1, 2006, is not applicable to employees who were part of the Settlement.

Refer to the Example in Attachment B for retroactive SSI application details.

- **Steps for Retroactive SSI Pay Adjustment For Employees Who Never Received an FMI:**
 1. Current Anniversary Dates will need to be reviewed based upon provisions 31.19, 31.22 (SSI denials) and for non-qualifying pay periods, and must be adjusted accordingly before determining SSI eligibility for 2006/2007.
 2. Refer to "Month Eligible for SSI" chart (page 3 of Technical Letter HR/Salary 2007-08) as a guide to depict how Anniversary Dates are typically rolled forward.
 3. If the salary as of the 2006/2007 Anniversary Date is below the SSI Maximum rate, then an SSI, up to 2.65%, not to exceed the SSI Maximum rate, must be applied to the base pay as of the 2006/2007 Anniversary Date, and to all subsequent salary adjustments rolling forward.
 4. If an employee's salary is greater than or equal to the SSI Maximum in 2006/2007, then Anniversary Date (Item 330) = "99/99" and an SSI would not be awarded.
 5. The CRO transaction effective July 1, 2006 should be in alignment with the fiscal year 2006/2007 SSI adjustment.

Refer to the Example in Attachment C for retroactive SSI application details.

❖ As a reminder, SSI counters should be adjusted, as appropriate, in 2.5% increments.

❖ Campuses must re-establish deductions for employees when the SSI or Anniversary Date change update is out-of-sequence and results in an S70 Correct, if the employee has subsequently returned on FERP status.

❖ Department Chair Processing Considerations:

- Consistent with previously issued guidelines, department chair stipends are typically included when calculating SSIs or other salary-related transactions during the period the employees serves as the chairperson. When this happens, a salary "windfall" is retained with the employee's base salary. Note, however, that the "windfall" does not apply to the instructional faculty portion of a department chair's appointment, in instances when the position is split into department chair and faculty portions (multiple concurrent positions). The stipend amount should be deducted from the employee's salary effective on the date that the chairperson's assignment ends.

Further, it is not the intent of this contract to prevent an otherwise SSI-eligible department chair from receiving an SSI. In those rare instances when a department chair whose base salary precludes the award of a full SSI percentage as a result of the department chair stipend amount, it would be appropriate for the campus to deduct the employee's department chair stipend amount from the salary rate (and cumulative FMI amounts pursuant to provision 31.19 of the MOU, as appropriate), process the SSI up to the maximum percentage attainable (subject to the SSI maximum), and then add the stipend back (and cumulative FMI, if applicable) onto the employee's new salary rate. After the stipend is added back (and cumulative FMI, if applicable), the salary will exceed the SSI maximum by the amount of the stipend (and cumulative FMI, if applicable).

Refer to Technical Letter HR/Salary 2007-08 for SSI program information and processing instructions at: <http://www.calstate.edu/HRAdm/pdf2007/TL-SA2007-08.pdf>

Questions regarding PIMS processing instructions should be directed to your campus CSU Audits representative at the SCO. Questions regarding CMS Baseline processing instructions should be directed to the CMS liaison for systemwide Human Resources at (562) 951-4418. Questions regarding collective bargaining aspects of this technical letter should be directed to Collective Bargaining at (562) 951-4400. Any other questions regarding this technical letter should be directed to Human Resources Administration at (562) 951-4411. This document is available on Human Resources Administration's Web site at: <http://www.calstate.edu/HRAdm/memos.shtml>.

GB/aj
Attachment

Retroactive SSI Pay Adjustment For Employees Who Were Not Part Of The FMI/SSI Settlement But Who Had Received One or More FMIs

Example 1: Employee receives full SSI

Employee's Salary as of September pay period (GSI was already applied): \$6,180

Item 330, Anniversary Date: 09/2006

Item 958, Final Anniversary Date and Counter: 09/09-4

SSI Maximum: \$6,787

Cumulative FMIs: \$200

Step 1: Determine comparison rate

Salary	Effective Date	Description
\$6,144	September 2006 pay period	<u>Comparison Rate:</u> Salary + 2.65% SSI, less Cumulative FMIs (\$6,180 * 1.0265 = \$6,344 - \$200 = \$6,144)

Step 2: In this example, because the comparison rate is below the SSI maximum rate, the employee receives the full SSI amount.

Determine the amount of the counters by computing the number of 2.5% increments between the comparison rate of \$6,144 and the SSI maximum of \$6,787. In this example the counter should be 5.

Step 3: Process MSA, adjusting Item 958 and correct subsequent transactions for full 2.65%

Salary	Effective Date	Tran Code	Item 330	Item 958	Description
\$6,344	September 2006 pay period	MSA	09/07	09/11-5	Salary + 2.65% \$6,180 * 1.0265
	July 1, 2006	CROC	09/06	09/11-6	The CRO transaction is corrected to reflect one (1) additional Item 958 counter, prior to the fiscal year 2006/2007 MSA being processed.

Example 2: Employee receives partial SSI

Employee's Salary as of September pay period (GSI was already applied): **\$6,840**

Item 330, Anniversary Date: **09/2006**

Item 958, Final Anniversary Date and Counter: **09/06-1**

SSI Maximum: **\$6,787**

Cumulative FMIs: **\$200**

Step 1: Determine comparison rate

Salary	Effective Date	Description
\$6,821	September 2006 pay period	Comparison Rate: Salary + 2.65% SSI, less Cumulative FMIs (\$6,840 * 1.0265 = \$7,021 - \$200 = \$6,821)

Step 2: Since the comparison rate was over the SSI Maximum, add the cumulative FMIs to the SSI Maximum to determine the adjusted September 2006 salary.

Salary	Effective Date	Tran Code	Item 330	Item 958	Description
\$6,987	September 2006 pay period	MSA	99/99	99/99-0	SSI Maximum + Cumulative FMIs \$6,787 + \$200
	July 1, 2006	CRO	09/06	09/06-1	The CRO transaction is not affected.

Step 3: Compute the percentage amount of the partial SSI to apply to subsequent transactions.

- SSI Maximum + Cumulative FMIs less Salary with GSI = SSI dollar amount
 $(\$6,787 + \$200) = \$6,987 - \$6,840 = \$147$
- SSI dollar amount / Salary with GSI = SSI percentage
 $\$147.00 / \$6,840 = 2.15\%$

Step 4: Process partial SSI, set Item 958 to zero and correct subsequent transactions for partial SSI amount of 2.15%

CMS Processing Translation

Example 1: Employee receives full SSI

Step 1: N/A

Step 2: N/A

Step 3: Process MSA, adjusting Item 958 and correct subsequent transactions for full 2.65%

Comp Rate (Salary)	Effective Date	Action Reason (Trans Code)	Anniversary Code Anni Month/ Year (Item 330)	Final Anniversary Date and Counter (Item 958)	Description
\$6,344	September 2006 pay period	PAY/SSI (MSA)	Eligible 09/2007	09/11-5	Salary + 2.65% \$6,180 * 1.0265
	July 1, 2006	PAY/MOU ¹ (CROC)	Eligible 09/2006	09/11-6	The CRO transaction is corrected to reflect one (1) additional Item 958 counter, prior to the fiscal year 2006/2007 MSA being processed.

Example 2: Employee receives partial SSI

Step 1: N/A

Step 2: Since the comparison rate was over the SSI Maximum, add the cumulative FMIs to the SSI Maximum to determine the adjusted September 2006 salary.

Comp Rate (Salary)	Effective Date	Action Reason (Trans Code)	Anniversary Code Anni Month/ Year (Item 330)	Final Anniversary Date and Counter (Item 958)	Description
\$6,987	September 2006 pay period	PAY/SSI (MSA)	SSI Max (99/99)	99/99-0	SSI Maximum + Cumulative FMIs \$6,787 + \$200
	July 1, 2006	PAY/MOU (CRO)	Eligible 09/2006	09/06-1	The CRO transaction is not affected.

Step 3: N/A

Step 4: Process partial SSI, set Item 958 (Faculty SSI Remaining) to zero and correct subsequent transactions for partial SSI amount of 2.15%

¹Note: The Action Reason PAY/MOU corresponds to the PIMS CRO transaction. The "C" reflects a correction to this transaction. (Campuses that have previously used "DTA/MOU" (CRO) prior to implementing HR/Salary 2007-08, may continue to do so at this time.)

Retroactive SSI Pay Adjustment For Employees Who Were Part Of The FMI/SSI Settlement

For those employees included in the FMI/SSI settlement, SSI counters were adjusted beginning academic year 2006/2007 based on the final salary adjusted for the SSI grievance that was effective either the December 2006, February 2007, March 2007 or April 2007 pay period <http://www.calstate.edu/HRAdm/pdf2006/TL-SA2006-26.pdf>.

Example 1: Employee receives full SSI

Employee's Salary as of September pay period (GSI was already applied): **\$6,521**

Item 330, Anniversary Date: **09/2006**

Item 958, Final Anniversary Date and Counter: **09/07-2**

SSI Maximum Pre GSI: **\$6,589**

SSI Maximum Post GSI: **\$6,787**

SSI Settlement Effective December 2006 pay period: **\$168**

Cumulative FMIs: **\$200**

Employee's history prior to retroactive GSI:

Salary	Effective Date	Tran Code	Item 330	Item 958	Description
\$6,499	Dec pay period	MSA	09/06	09/07-2	\$168 from SSI Settlement
\$6,331	Sept pay period	CRO	09/06	09/07-2	Establishing Item 330 and 958 at beginning of AY (\$6,499 - \$200 = \$6,299) 2 counters from SSI Maximum of \$6,589

Employee's history after the retroactive 3% GSI:

Salary	Effective Date	Tran Code	Item 330	Item 958	Description
\$6,694	December 2006 pay period	MSAC	09/06	09/07-2	Corrected for retroactive 3% GSI (\$6,499 * 1.03 = \$6,694)
\$6,521	September 2006 pay period	CROC	09/06	09/07-2	Corrected for retroactive 3% GSI (\$6,331 * 1.03 = \$6,521)

Step 1: Process SSI and reduce Item 958 by 1

Salary	Effective Date	Tran Code	Item 330	Item 958	Description
\$6,694	September 2006 pay period	MSA	09/07	09/07-1	Salary + 2.65% (\$6,521 * 1.0265)

Step 2: Correct subsequent transactions for 2.65% SSI and new counter

Salary	Effective Date	Tran Code	Item 330	Item 958	Description
\$6,871	December 2006 pay period	MSAC	09/07	09/07-1	Salary + 2.65% (\$6,694 * 1.0265 = \$6,871)

CMS Processing Translation

Example 1: Employee receives full SSI

Employee's history prior to retroactive GSI:

Comp Rate (Salary)	Effective Date	Action Reason (Trans Code)	Anniversary Code Anni Month/ Year (Item 330)	Final Anniversary Date and Counter (Item 958)	Description
\$6,499	Dec pay period	PAY/SSI (MSA)	Eligible 09/2006	09/07-2	\$168 from SSI Settlement
\$6,331	Sept pay period	PAY/MOU (CRO)	Eligible 09/2006	09/07-2	Establishing Item 330 and 958 at beginning of AY (\$6,499 - \$200 = \$6,299) 2 counters from SSI Maximum of \$6,589

Employee's history after the retroactive 3% GSI:

Comp Rate (Salary)	Effective Date	Action Reason (Trans Code)	Anniversary Code Anni Month/ Year (Item 330)	Final Anniversary Date and Counter (Item 958)	Description
\$6,694	December 2006 pay period	PAY/SSI ¹ (MSAC)	Eligible 09/2006	09/07-2	Corrected for retroactive 3% GSI (\$6,499 * 1.03 = \$6,694)
\$6,521	September 2006 pay period	PAY/MOU ² (CROC)	Eligible 09/2006	09/07-2	Corrected for retroactive 3% GSI (\$6,331 * 1.03 = \$6,521)

Step 1: Process SSI and reduce Item 958 by 1

Comp Rate (Salary)	Effective Date	Action Reason (Trans Code)	Anniversary Code Anni Month/ Year (Item 330)	Final Anniversary Date and Counter (Item 958)	Description
\$6,694	September 2006 pay period	PAY/SSI (MSA)	Eligible 09/2007	09/07-1	Salary + 2.65% (\$6,521 * 1.0265)

Step 2: Correct subsequent transactions for 2.65% SSI and new counter

Comp Rate (Salary)	Effective Date	Action Reason (Trans Code)	Anniversary Code Anni Month/ Year (Item 330)	Final Anniversary Date and Counter (Item 958)	Description
\$6,871	December 2006 pay period	PAY/SSI ¹ (MSAC)	Eligible 09/2007	09/07-1	Salary + 2.65% (\$6,694 * 1.0265 = \$6,871)

¹ Note: The Action Reason PAY/SSI corresponds to the PIMS MSA transaction. The "C" reflects a correction to this transaction.

² Note: The Action Reason PAY/MOU corresponds to the PIMS CRO transaction. The "C" reflects a correction to this transaction. (Campuses that have previously used "DTA/MOU" (CRO) prior to implementing HR/Salary 2007-08, may continue to do so at this time.)

Retroactive SSI Pay Adjustment For Employees Who Never Received an FMI

Example 1: Employee receives full SSI

Employee's Salary as of September pay period (GSI was already applied): \$6,521

Item 330, Anniversary Date: 09/2006

Item 958, Final Anniversary Date and Counter: 09/07-2

SSI Maximum: \$6,787

Cumulative FMIs: \$0

Step 1: Process MSA, reduce Item 958 counter by 1 and correct subsequent transactions for full 2.65%

Salary	Effective Date	Tran Code	Item 330	Item 958	Description
\$6,694	September 2006 pay period	MSA	09/07	09/07-1	Salary + 2.65% (\$6,521 * 1.0265)

CMS Processing Translation

Step 1: Process MSA, Item 958 counter will reduce by 1 and correct subsequent transactions for full 2.65%

Comp Rate (Salary)	Effective Date	Action Reason (Trans Code)	Anniversary Code (Item 330)	Final Anniversary Date and Counter (Item 958)	Description
\$6,694	September 2006 pay period	PAY/SSI (MSA)	Eligible 09/2007	09/07-1	Salary + 2.65% (\$6,521 * 1.0265)