Date: March 7, 2012

To: Human Resources Officers
    Payroll Managers

From: Evelyn Nazario
    Assistant Vice Chancellor
    Human Resources Management

Subject: Compensatory Time Off (CTO) Payout Processing Instructions

Overview

Audience: Human Resources Officers, Payroll Managers, and/or campus designees responsible for processing Compensatory Time Off (CTO) payments.


Affected Employee Group(s)/Unit(s): Affected CSU employees

Summary

Human Resources Officers, Payroll Managers, and/or campus designees that are responsible for processing CTO payments should review the remainder of this Technical Letter.

Pursuant to HR Letter 2012-01, CSU policy requires campuses to pay out Compensatory Time Off (CTO) balances of employees appointed in positions that are not CTO-eligible. Campuses must ensure that CTO payouts are in accordance with the provisions of the respective policy, MOU or FLSA. The deadline for campuses to payout the CTO balances of affected employees is March 31, 2012.

The following processing instructions are provided in Attachment A:

⇒ CTO Balances Payout

Please direct questions regarding this technical letter as follows:

- PIP processing instructions: CSU Audits representative at the SCO
- CMS Baseline processing instructions: CMS liaison for Systemwide HR at (562) 951-4418
- Collective bargaining aspects: Labor Relations at (562) 951-4400
- All other questions: Human Resources Management at (562) 951-4411


EN/vk
Attachment

Distribution:

CSU Presidents
Associate Vice Presidents/Deans of Faculty
Vice Chancellor, Human Resources
Benefit Officers
All Campus Vice Presidents
HR Professionals
### PROCESSING INSTRUCTIONS

**I. CTO Balance Payout**

#### PIP PROCESSING INFORMATION:

<table>
<thead>
<tr>
<th>Processing Responsibility:</th>
<th>Campuses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processing Date(s):</td>
<td>By March 31, 2012</td>
</tr>
<tr>
<td>Earnings ID:</td>
<td>OF5/OF6</td>
</tr>
<tr>
<td>Amount:</td>
<td>Varies by employee</td>
</tr>
<tr>
<td>Subject to Retirement Withholdings:</td>
<td>No</td>
</tr>
<tr>
<td>Taxable/Reportable:</td>
<td>Yes</td>
</tr>
<tr>
<td>Subject to Medicare/Social Security:</td>
<td>Yes</td>
</tr>
<tr>
<td>Included in Calculation for Overtime:</td>
<td>No</td>
</tr>
<tr>
<td>Included in the Calculation for NDI/IDL Payments:</td>
<td>No</td>
</tr>
<tr>
<td>Earnings Statement Description:</td>
<td>FLSA OVERTIME</td>
</tr>
</tbody>
</table>
| Additional Information:     | • Payments are to be keyed in the current classification and pay period utilizing the last salary rate in effect of the CTO-eligible position prior to the new (i.e., current) assignment.  
  • Employee’s hourly rate is manually calculated and entered on the PIP.  
  • OF5 = 1.0 Factor  
  • OF6 = 1.5 Factor |

#### CMS PROCESSING INFORMATION:

| Workforce Administration: | N/A |
| Benefits: | N/A |
| Time and Labor: | • Earnings ID: OF5/OF6  
  o Process via PIP  
  o Amount: varies |
| Leave Accounting: | N/A |
| Absence Management: | N/A |
| Labor Cost Distribution: | N/A |
| Additional Instructions: | N/A |