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Date: February 25, 2000 **Code:** TECHNICAL LETTER
HR/SA
To: Human Resources Directors 2000-02
Payroll Officers
From: Cathy Robinson, Senior Director
Human Resources Administration
Subject: Management Personnel Plan (MPP) Merit Bonus Program Processing Instructions

Pursuant to HR 2000-04, the MPP merit salary program has been expanded to include a merit bonus program. MPP bonus funding may come from either the annual MPP merit salary increase pool or the pool may be augmented by an amount not to exceed one percent (1%) of the MPP salary base using campus funds. The bonus is not a permanent increase to the employee's base salary (e.g., will not be reflected in employment history), and may not exceed fifteen percent (15%) of the annualized base salary of the MPP position for which the bonus is being provided.

Bonuses will be paid via the PIP system using the serial number of the employee's position. The payment may be requested using the Miscellaneous Payroll/Leave Action Form (STD 671) or the Time and Attendance Report Form (672):

- ⇒ Earnings ID "S6" and the gross amount of the bonus must be denoted on the form to request payment (refer to PPM section G904 for instructions).
- ⇒ The bonus is taxable/reportable income, subject to Social Security and Medicare taxation and PERS retirement contributions. The bonus should not be included in the calculation of NDI or IDL.

Please refer to HR 2000-04 for additional information on MPP merit bonus program provisions. For payroll-related inquiries, please contact Theresa Hines at (562) 951-4412. For inquiries on the MPP bonus program, please contact Pamela Chapin at (562) 951-4414. Thank you.

CR/dth

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