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Date:       June 22, 1999
To:         Human Resource Directors
            Payroll Managers
From:       Cathy Robinson, Senior Director
            Human Resources/Administration

Subject:    CSEA Information Technology Series Settlement Implementation

Human Resources Technical Letter HR/SA 98–16 provided campuses with information pertaining to the implementation of the CSEA Information Technology (IT) Series. The Technical Letter contained IT settlement provisions and payment processing guidelines for eligible CSEA employees.

HR/SA 99-07 updates technical letter HR/SA 98–16 by revising settlement pay eligibility to include employees who were moved to new IT classifications during the April 1, 1996 through June 30, 1997, implementation period but separated from CSU employment on or before June 30, 1998. This memorandum contains the following information to assist campuses with identifying eligible separated employees and processing payments:

♦ Revised eligibility requirements for separated employees
♦ List containing potentially eligible separated employees
♦ Payment guidelines and processing instructions

Costs associated with the settlement agreement including the newly eligible group were included in the compensation pool for fiscal year 1998/99. Campuses are responsible for paying the costs for eligible employees that separated from CSU employment for the timeframe that they were employed at the respective campus. It is recommended that settlement requirements be completed during the July 1999 pay period or before the start of the Fall term. When completed, please provide the Chancellor’s Office with a list of the names of employees, the dates employees were moved into the new IT classifications, the dates employees separated, and the settlement pay for each employee. Please provide the names of any employees that you are unable to locate.

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Distribution:  CSU Presidents
               Vice Chancellor, Human Resources
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               Vice Presidents, Administration
               Vice Presidents, Information Systems
               Benefits Officers
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Revise Employee Eligibility Requirements for Separated Employees
Guidelines contained in HR/SA 98–16 specified that only employees on "active" and "on leave" payroll status effective the close of business June 30, 1998 were eligible for settlement pay – if the employee was part of the IT implementation and received a salary increase of 2.99% or less.

Eligibility has now been expanded to include employees that were part of the IT implementation but separated from CSU service on or before the close of business June 30, 1998 (separation includes: termination of employment, resignation, retirement, or death). These former employees are eligible for adjustment pay calculated from the time they were moved to their new IT classification until their separation from the CSU. Beneficiaries are entitled to settlement pay in the event the former employee is deceased.

List Containing Potentially Eligible Separated Employees
Two CIRS reports have been placed in the Special Reports category, Campus Detail division. CIRS Compendium Report X69 Cycle 9905 identifies employees who: 1) moved to an IT classification between April 1, 1996 and June 30, 1997; 2) received less than the 3% increase; and 3) separated from CSU employment on or before the close of business June 30, 1998. Report X70 Cycle 9905 is the associated detail information for the employees found on X69. These reports are provided for assistance only. Campuses are ultimately responsible for determining employee eligibility.

Payment Guidelines and Processing Instructions
"Movement" to one of the new IT classifications was generally accomplished through one of three employment history transaction types: Reclassification (A63); Reassignment (A60); or Promotion (A64). These transaction types may not be all-inclusive and campuses must review the transactions used during the IT implementation period to ensure that all eligible employees meeting the new eligibility requirements are identified.

Employment History Corrections
Campuses are to correct employment history and key corrected salary rates on eligible separated employees from the point of movement into the IT series through subsequent transactions for which the employee is eligible. Base salary adjustments of up to 3% begin at the point of IT implementation, but the determining percentage will not always be applied across subsequent transactions to the last transaction for a given employee. (Please note: the adjustment of up to 3% at the time of implementation may exceed the SBSI maximum for the career and expert skill levels. Because the SBSI maximum and the performance maximum salary rates are the same at the foundation level, the adjustment may not exceed the SBSI maximum or top of the salary range for this position skill level.) The adjustment stops based upon what should have occurred in employment history if the transactions were processed on a prospective basis. Employment history corrections stop:

- during periods when the employee was not in a CSEA classification
- when the employee reached the SBSI or PBSI maximum, contingent upon his/her original placement on the salary range when placed into the new IT classification
- when the employee separated from CSU employment.
Employment history corrections are appropriate only at the campus where the IT Series was implemented. This would include employees in multiple positions at differing campuses if s/he was moved to a new IT classification from an old data processing classification. However, the agreement does not cover the continuance of settlement pay at another campus if employment is terminated from the campus where the IT implementation took place.

Please refer to Technical Letter 98-16, Attachments B and C to assist in processing.

✓ Back Pay and Retirement Calculation Requirements

Adjustment warrants will be issued based upon the changes made to employment history. Since these pay periods are out-of-history (prior to 12 months), these adjustments will require manual processing by Personnel/Payroll Services Division’s Payroll Unit. Retirement calculations will be automatically revised and sent to PERS by the SCO.

Campuses will be responsible for sending an IT payment notice (Attachment A) to separated employees at their last known address. Once the separated employee or beneficiary of the employee contacts the campus to verify his/her current mailing address, the campus may send the adjustment warrant. Campuses must contact other agencies such as PERS, EDD and CSEA to obtain valid addresses for employees whose notices are returned. Warrants not claimed by the separated employee or beneficiary of the deceased within 90 days from the notice must be returned to the State Controller’s Office in accordance with State Administrative Manual Sections 8580.5 and 18420 through 18424.7.

PERS will adjust the retirement benefit payments (within limits set by the PERS Board) for retired and deceased employees who receive the lump sum back pay if the additional compensation affects the determination of their highest 12 months of compensation.

If you have any questions regarding this information, please contact Pamela Chapin (562) 951-4414 or Theresa Hines (562) 951-4412. Thank you.
Date

Employee Name
Employee Address

Dear Employee:

Last September, The California State University (CSU) and the California State Employees’ Association reached agreement on implementation of the Information Technology (IT) Series. This Agreement has been expanded to include employees who were moved into a new IT classification during the implementation period of April 1, 1996 through June 30, 1998, but separated from employment prior to June 30, 1998. Separated employees include those who retired, resigned, or were terminated from employment. Beneficiaries of deceased employees who meet the eligibility criteria are to receive the back pay award.

The terms of the Settlement are as follows:

- Employees who received an increase of three percent (3%) or more at the time of the implementation shall receive no additional compensation.
- Employees who received no increase shall receive a three percent (3%) adjustment.
- Employees who received between zero and three percent (3%) shall receive the additional percentage required to provide the three percent (3%) increase.
- The increases shall be effective retroactive to the date the incumbent’s position was reclassified to the new IT classification.

In order to receive your adjustment warrant, please contact _______________ at _______ to make the appropriate arrangements.

PERS Information

If you are a retiree, the adjustment warrant may result in an increased retirement benefit. PERS is responsible for making this determination and PERS will notify you if an adjustment is warranted. If upon separation you withdrew your PERS retirement contributions, please contact PERS to make arrangements to receive the additional contributions taken out of this settlement pay. Please contact PERS at (916) 326-3848 or (800) 352-2238.

If you have questions regarding the settlement, please call _______ at _______.

Sincerely,