THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
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Date: September 22, 1999
Code: TECHNICAL LETTER
        HR/SA 99-08
        Supplement # 2

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

From: Cathy Robinson
        Senior Director
        Human Resources Administration

Subject: Faculty (Unit 3) Revised Salary Program for Fiscal Year (FY) 1998/1999 – SSI Corrections

In the course of implementing the FY 1998/99 Service-based Salary Increase (SSI) program for Faculty, a small percentage of employees eligible to receive the SSI were overpaid due to a systems programming error. Affected employees received the full 2.4% SSI increase effective with their FY 1998/99 anniversary date, even though it advanced their base salary above the SSI maximum. As a result, these employees, including temporary faculty subject to Article 12.9 of the Memorandum Of Understanding (MOU), were overpaid generally between $1.00 to $5.00 of their monthly base salary. The earliest effective date of an overpayment would be the September 1998 pay period.

To remain in compliance with the MOU, the following actions will be implemented to make the necessary corrections to an affected employee’s salary and to recover overpayment amounts:

1. To preclude future overpayments from an affected employee’s salary warrant, PPSD has processed employment history transactions to make the necessary corrections to set the base salary at the SSI maximum. Base salary corrections have been made on an affected employee’s September 1999 warrant (October 1 issue date).

2. The Chancellor’s Office will authorize the State Controller’s Office (SCO) to establish an accounts receivable (A/R) via payroll deduction to an affected employee’s October 1999 salary warrant (November 1 issue date) to recover the overpayment. It will not be necessary for campuses to take any further action to authorize this transaction.

Commencing with an affected employee’s FY 1998/99 anniversary date (or temporary appointment effective date as appropriate), an A/R will be established

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Chancellor Reed                   Vice Presidents, Administration
Vice Chancellor, Human Resources Vice Presidents, Student Affairs
CSU Presidents                   Budget Officers
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to recover the overpayment amount in each pay period through August 1999, unless another transaction during that period prompts the A/R to stop (e.g., separation, promotion, reassignment, performance increase).

Overpayments also will be recovered from separated employees who were subsequently appointed at another CSU campus, and who are on active payroll status in the October 1999 pay period. The overpayment amount (based upon the FY 1998/99 anniversary date through the effective date of separation at the previous campus) will be recovered in the new appointment via an A/R.

Generally, the total overpayment amount will not exceed $60.00 (gross) for an affected employee. Payroll Deduction code “035” will be used to identify the overpayment adjustment.

3. Campuses will be responsible for initiating collection activities for other separated employees, as they deem appropriate.

4. HR-ISA will provide a report to each campus that lists the affected employee’s social security number, position number, the transaction code and effective date of the transaction that created the overpayment, total salary amount for the pay period, the SSI maximum, the amount exceeding the SSI maximum (the red circle amount), full-time equivalent (FTE), the overpaid amount prorated by the FTE, step, and class range. Access CIRS compendium report X83, Cycle 9909, in the Special Reports category under Campus Detail.

5. Please be reminded that a pay history extract can provide details on an affected employee’s payroll adjustment after the A/R has been processed. We anticipate that this will occur in mid-October.

6. Attachment A provides a sample notice that must be given to each affected employee on your campus. This notice should be provided in a timely manner, preferably mailed to the employee’s address of record (certified). Please be prepared to discuss this information with the affected employee so that he/she will understand the changes made to their base salary in the September 1999 salary warrant, as well as the payroll deduction that will be recovered in their October 1999 salary warrant.

We apologize for any inconvenience this may have caused. Please contact your CSU Audits representative if you have any questions regarding employment history. Contact the campus payroll liaison for questions regarding the A/R. Thank you.

CR/CO/dth
SAMPLE NOTICE

DATE: SEPTEMBER XX, 1999

TO: AFFECTED EMPLOYEES

SUBJECT: FISCAL YEAR (FY) 1998/99 SERVICE-BASED SALARY INCREASE (SSI) OVERPAYMENTS

You are receiving this notice because your FY 1998/99 SSI amount was paid in excess of the SSI maximum of the salary range due to a systems programming error.

The Faculty FY 1998/99 Memorandum of Understanding (MOU) authorized a 2.4% SSI, subject to the SSI maximum of the respective salary range. Included with a small percentage of employees, you received the full 2.4% increase effective with your FY 1998/99 anniversary date even though it advanced your base salary above the SSI maximum, contrary to MOU provisions. Additionally, some temporary faculty subject to Article 12.9 of the MOU who were eligible for a salary increase equivalent to the percentage of the negotiated SSI were appointed in error at salary rates above the SSI maximum.

To adhere to the MOU, it is necessary that actions be implemented to make the necessary corrections to your base salary and to recover any overpayments provided you in error. The overpayment amounts are minimal, generally between $1.00 to $5.00 per month of your monthly base salary, and the earliest effective date of an overpayment would be the September 1998 pay period, based upon your FY 1998/99 anniversary date or your temporary appointment date, as appropriate. It is anticipated that the total overpayment amount will not exceed $60.00 (gross) for an affected employee.

⇒ First, to preclude future overpayments, transactions will be processed to correct your base salary to be set at the SSI maximum. The correction will be reflected on this month’s salary warrant (September 1999 pay period, October 1, 1999 issue date).

⇒ Second, we have authorized the State Controller’s Office to withhold the amount that you were overpaid, in your October 1999 pay period salary warrant (issue date November 1, 1999). The overpayment amount will be identified on your earnings statement as “ACCT RCVBL”.

We apologize for any inconvenience this may have caused, and thank you for your cooperation.

Sincerely,

Campus Payroll Officer