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Date: October 12, 1999

To: Human Resource Directors
Payroll Managers

From: Cathy Robinson, Senior Director
Human Resources Administration

Subject: FY 1999/00 Salary Program for State University Police Association (SUPA)

The California State University and State University Police Association (SUPA) have ratified the Unit 8 agreement for FY 1999/2000. The salary program is as follows:

- Effective July 1, 1999, salary schedule changes include eliminating step rate 1 from Unit 8 classifications (excluding the Police Officer Cadet class code 8345), shifting the old step rates 2 through 15 to the new step rates 1 through 14, respectively, and adding a new step rate 15 as the new performance-based salary increase (PBSI) maximum step.

- A General Salary Increase (GSI) of 2.74% will be applied to the salary steps and individual salary rates for all employees effective July 1, 1999.

- A one-step Service-based Performance Step Increase (SBSI), based upon service and satisfactory performance, available to SBSI eligible employees up to the SBSI maximum (new Step 11) of the salary range.

- A performance-based salary increase (PBSI) program, expanded to include a one-time lump sum bonus based on a percentage of an employee’s annual gross earnings. The amount of funds dedicated to one-time lump sum bonuses for FY 1999/00, including associated benefits costs, shall be $112,200.

Implementation: Implementation of the contract salary provisions shall be accomplished by manual processes by the State Controller’s Office (SCO), Personnel/Payroll Services Division (PPSD) as follows:

✔ Salary Schedule Restructure:

- Step rate 1 in effect on June 30, 1999 for the Corporal (class code 8365), Police Officer (class code 8350) and Sergeant (class code 8354) classifications will be eliminated effective July 1, 1999. Step rates 2 through 15 in effect on June 30, 1999 will shift to new step rates 1 through 14, respectively, effective July 1, 1999. Step rate 11 will remain as the SBSI maximum rate. A new step rate 15 (an approximate 2.3% differential between steps) will be added to establish a new PBSI maximum salary rate. The restructured salary steps will be increased by the 2.74% GSI.

Distribution: CSU Presidents
Vice Chancellor, Human Resources
Vice Presidents, Academic Affairs
Vice Presidents, Administration
Benefits Officers
Employee Relations Designees
Employment History Processing Items:

- The SCO will manually key employment history transactions from worksheets provided by HR-ISA to incorporate the GSI and to readjust the salary step. The SCO will also correct any out-of-sequence transactions.

For employees active as of June 30, 1999, a “CRO” transaction will be entered to shift employees to their new step, change employees with anniversary dates at “MAX” (step 15 of the salary schedule in effect June 30, 1999) to “9999” on the new salary step 14, and give a 2.74% GSI effective July 1, 1999.

Employees in step rate 1 in effect June 30, 1999, will be shifted to the new step rate 1 in effect July 1, 1999. With this action, the employee will receive a one-step salary increase in addition to receiving the 2.74% GSI. Employees in step rates 2 through 15 in effect June 30, 1999, will be shifted to the new step rates 1 through 14, respectively, with no increase or decrease in salary, prior to receiving the 2.74% GSI.

For employees appointed after July 1, 1999, the appointment will be corrected to include the step changes and include the 2.74% GSI (e.g., A52C, A50C).

- Pursuant to the MOU, each Unit 8 employee on step 1 of the salary schedule in effect on June 30, 1999, will be placed on the new step rate 1 of the salary schedule in effect July 1, 1999. These employees will NOT be eligible for the FY 1999/00 SBSI. For these employees, anniversary dates will be advanced by one year for FY 2000/01 SBSI eligibility and the “CRO” transaction will indicate “No 99/00 SBSI” in Item 215 Employment History Remarks. If the anniversary date is beyond the appointment expiration date, the anniversary date will be set to “NONE”.

Service-based Performance Step Increase (SBSI):

- A one-step SBSI (to be posted via MSA transaction) has been negotiated for FY 1999/00, and is based upon service and satisfactory performance. The SCO will manually post MSA transactions for employees with anniversary dates in July through October 1999 when the SSI monthly update process is run in November 1999 (after “CRO” transactions are posted). Thereafter, SBSI-eligible employees with anniversary dates in December 1999 through the end of FY 1999/00 will be updated via the SSI monthly update process as appropriate.

- Campuses are responsible for re-establishing anniversary dates (via CROC) of employees shifted from the old SBSI maximum (step 11 of the salary schedule in effect June 30, 1999) to the new step 10, which puts the employee below the new SBSI maximum (step 11) in effect July 1, 1999. These employees will be eligible for an SBSI in FY 1999/00, subject to the SBSI maximum.

CIRS Compendium Report “X81, Cycle 9910” is available for campuses to review to assist in this effort. Note that campuses must post anniversary dates into the system by November 1, 1999 to ensure that all eligible employees receive their SBSI.

- Employees on leaves of absence without pay must have their anniversary date and salary step rate change updated as appropriate upon return to active pay status.

FY 1999/00 Performance-Based Salary Increase (PBSI) Program:

The PBSI program has been expanded to include a one-time lump sum bonus which will be based on a percentage of the employee’s actual annual gross earnings in the position for which the PBSI is being considered. The FY 1999/00 PBSI program from negotiated systemwide pool funds will
be in the form of a one-time lump sum bonus. Pursuant to Article 21, the decision to grant or deny a PBSI, including the amount of the bonus, is at the discretion of the President.

Each campus will soon receive a joint memo from Employee Relations and Business and Finance identifying its share of the performance pool systemwide funds available. These funds should be expended by March 1, 2000.

PBSIs may be increased by an additional amount from campus funds as determined by and at the sole discretion of the President. Campus-funded PBSIs and available PBSI funds from prior years may be in the form of a base salary increase and may be effective at any time.

**Bonus Payment Instructions:** All bonuses are subject to Section 7(e)(3)(a) of the Fair Labor Standards Act (FLSA) and must be factored into the "regular rate" for overtime calculations over the period for which the bonus was earned. Pursuant to the MOU, this requirement will be satisfied if the bonus is specified as a percentage of an employee's gross earnings (in the applicable position) over the time period for which the bonus was earned. Attachment A contains recommended language to be contained in the Performance Bonus Notification.

Bonuses will be paid via the PIP system. The serial number of the employee's position may be used unless otherwise directed by the campus. The payment may be requested using the Miscellaneous Payroll/Leave Action Form (STD 671) or the Time and Attendance Report Form (STD) 672. Earnings ID “SW” and the gross amount of the bonus must be denoted on the form to request payment (refer to PPM Section G904 for instructions). All bonuses are taxable/reportable income, subject to Medicare taxation and PERS retirement contributions. Bonuses should not be included in ND1 or IDL calculations.

**Base Salary Increases:** PBSIs in the form of a base salary increase will be posted by the campuses via SCR transaction with a Detail Transaction Code of “50”. PBSIs provided may be effective at any time during the FY 1999/00 but must be at the beginning of a pay period. Reference “HR/SA 99-15” in Item 215. The number of steps granted for a PBSI is at the discretion of the President. Employees on an unpaid leave of absence as of July 1 may receive a campus-funded PBSI effective upon their return from leave via A57/A58 transaction.

Campuses may have employees who receive an SBSI and subsequently receive a retroactive (campus-funded) base salary PBSI, causing them to exceed the service maximum in effect prior to the effective date of the SBSI (e.g., an SBSI effective 11/99 followed by a PBSI retroactive to 7/99). In this situation, employees are entitled to retain SBSIs already awarded.

Employment history processing instructions needed to implement the Unit 8 salary program for FY 1999/00 will be issued by the SCO. Questions regarding processing instructions should be directed to your campus CSU Audits representative at the SCO.

Questions regarding other aspects of this technical letter may be directed to Theresa Hines at (562) 951-4412. This technical letter is also available via Human Resources Administration's web page at: [http://www.calstate.edu/tier3/HR-Adm/99SAmemo.html](http://www.calstate.edu/tier3/HR-Adm/99SAmemo.html). Thank you.

CR/dth

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1 PBSIs in the form of a base salary increase must be effective at the beginning of a pay period.
SAMPLE

PERFORMANCE BONUS NOTIFICATION

I AM PLEASED TO AWARD YOU A ONE-TIME LUMP SUM PERFORMANCE BONUS OF

_____%

OF YOUR GROSS EARNINGS FOR THE PERIOD

_____________ TO ____________.

THIS BONUS OF

$________

SHALL BE PROVIDED TO YOU NO LATER THAN

______________. 