The California State University
Office of the Chancellor
401 Golden Shore
Long Beach, CA 90802-4210
(562) 951-4412

Date: November 20, 2000

To: Human Resource Directors
Payroll Managers

From: Cathy Robinson, Senior Director
Human Resources Administration

Subject: Overtime and P.O.S.T. Certification and Special Assignment Stipend Payments: May 1995 to May 1998

The California State University (CSU) is providing adjustments to overtime payments to incorporate Peace Officer Standards and Training (P.O.S.T.) Certification and Special Assignment stipends paid to employees between May 1995\(^1\) and May 1998.

To be eligible for the overtime adjustment, the Unit 8 employee had to receive a P.O.S.T. and/or Special Assignment stipend during the same month in which he/she was paid overtime. Overtime payment adjustments will be processed by the State Controller’s Office (SCO) for eligible employees who complete a “Release of all Claims” document (Attachment A) and return it to their respective campus by the specified due date. Warrants will be distributed to the campuses for disbursement to affected employees. Adjustments will be paid by lump sum check for all pay periods in which adjustments are due to each affected employee.

**Adjustment Processing:**
Prior to executing the adjustment process, the State Controller’s Office (SCO) will provide each campus a payment report to verify the adjustments. The report will indicate the gross adjustment due to each affected employee at his/her respective campus for each pay period from May 1995 through May 1998, and will indicate the employee’s current status (active, on leave or separated). Instructions to verify the overtime adjustments are provided in Attachment B. Campuses with payment discrepancies may contact the SCO CSU Payroll unit at (916) 322-7980.

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\(^1\) Unit 8 contract provisions in effect July 1, 1995 specifically excluded P.O.S.T. Certification and Special Assignment stipend payments from the basic rate for the purposes of calculating overtime. Unit 8 contract provisions in effect May and June 1995 were silent on the exclusion. As a result, for campuses that incorporated these stipend payments into overtime calculations during the May and June 1995 pay periods, overtime adjustment payments pursuant to this technical letter will commence with the July 1995 pay period.

**Distribution:**

<table>
<thead>
<tr>
<th>CSU Presidents</th>
<th>Employee Relations Designees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice Chancellor, Human Resources</td>
<td>Director, SOSS</td>
</tr>
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<td>Vice Presidents, Administration</td>
<td>Sam Strafaci</td>
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<tr>
<td>Benefits Officers</td>
<td>Employee Relations Managers</td>
</tr>
<tr>
<td>Budget Officers</td>
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</tbody>
</table>
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Campuses will indicate the total gross adjustment due each employee on the Release of all Claims document prior to sending it to the affected employee for signature. The release document can be signed either in person or via certified mail process. January 31, 2001 is the date designated for the completed “Release of All Claims” document to be returned to the campus. The Chancellor’s Office (CO) will authorize the SCO to execute the overtime adjustment process when all campus acknowledgements are received.

Campus acknowledgements must be submitted to this office by February 5, 2001, and must confirm if all release documents were received. The names of those employees whose release documents are incomplete or not on file at the campus must be identified and will be removed from the overtime adjustment process. Campuses will be held responsible for processing payments for employees whose completed documents are received after the January 31, 2001 deadline.

After the adjustment process is executed, the SCO will provide each campus a summary report identifying the lump sum amount paid to affected employees, including the total federal, state, and employee and employer-paid medicare withholding amounts. All payments are subject to federal and state tax withholdings at the “flat rate” tax method. Because Unit 8 employees are not covered under social security, the stipends are not subject to social security, but are subject to medicare taxation if the employee was initially hired on or after April 1, 1986. The overtime payment adjustment is not subject to PERS retirement withholding.

Payments for authorized employees will be issued by the end of the February 2001 pay period. Blanket serial number “909” will be utilized for this process. The SCO will establish one-time headers for warrants to be issued for employees in positions with obsolete agency and/or reporting units.

Reimbursement Considerations:
The reimbursement process will be coordinated by the systemwide office. Campus overtime adjustment costs, including amounts paid for employer paid medicare, will be reimbursed from systemwide funds up to a systemwide maximum of $173,000. The Chancellor’s Office will utilize summary expenditure data to determine the overtime adjustment costs at each campus. In the event the systemwide costs exceed $173,000, each campus will receive a pro rata of the $173,000, based on its share of the total amount expended to pay for the overtime adjustments. Campuses will be required to fund remaining costs, if any, not offset by systemwide funds.

Payments for active or on-leave employees will be charged to the employee’s current campus. If a currently active employee is due an adjustment at a campus where he/she previously worked, payments will be charged to the current campus. Payments for employees separated from all CSU campuses will be charged to the campus where the employee last worked. Reimbursements will not be made to campuses until the Chancellor’s Office can reasonably determine the actual systemwide costs for the overtime adjustments.

If you have any questions regarding administrative information, please contact Theresa Hines in Human Resources Administration at (562) 951-4412 or via e-mail at thines@calstate.edu. For Employee Relations issues, please contact Joel Block at (562) 951-4406 or via e-mail at jblock@calstate.edu. For reimbursement issues, please contact Beth Ryan at (562) 951-4420 or via e-mail at bryan@calstate.edu.
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This technical letter is also available on Human Resources Administration’s web site at: http://www.calstate.edu/tier3/HR-Adm/memos.html. Thank you.

CR/dth
attachments
RELEASE OF ALL CLAIMS

By __________________________ (EMPLOYEE CLAIMANT)

In consideration of the agreed upon gross payment amount, $ __________, I, the EMPLOYEE CLAIMANT on behalf of my heirs, successors, administrators, executors, attorneys and assigns hereby release, acquit and forever discharge the State of California, the Board of Trustees of the California State University and its officers, agents and employees (CSU) of all demands, claims, rights, damages, costs, loss of service, expenses and compensation whatsoever which I now have or which may hereafter accrue on account of or in any way growing out of the issues of dispute concerning the proper amount of compensation, including overtime, interest and any other payment or value which may be owed by CSU to me for services performed between May 1995 to May 1998.

I understand and agree that this Release is the compromise of a claim and that the payment made is not to be construed as an admission of liability or waiver of Eleventh Amendment or other immunities and defenses on the part of CSU.

I further understand and agree that I am waiving all rights under section 1542 of the California Civil Code. Section 1542 reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him would have materially affected his settlement with the debtor.

I further understand and agree that the payment amount of $ ____________ is a gross amount. A statement of overtime adjustment gross amounts is available to me. I agree to be responsible for all taxes or other obligations that may be owed by me as a result of this payment.

I declare and represent that no promise, inducement or agreement not expressed in this Release has been made to me. This Release contains my entire agreement with CSU and its terms are contractual. I have been provided the opportunity to have this Release reviewed by counsel or other representative of my choice.

I have read this Release and fully understand it. I agree to be bound by its terms.

Executed this __ day of______, 2000, in the County of __________, California.

By: __________________________
Incorporating P.O.S.T. Certification and Special Assignment Stipend Payments
With Overtime Payments - May 1995 to May 1998

(FOR VERIFICATION PURPOSES ONLY)

Valid Earnings ID’s used between May 1995 and May 1998:
8ST1 = Intermediate P.O.S.T Certification Stipend @ $100/month
8ST2: = Advanced P.O.S.T Certification Stipend @ $150/month
8ST3: = Both Intermediate and Advanced P.O.S.T. Certification Stipend @
          $250/month
8ST4: = Special Assignment Stipend @ $100/month

Valid Stipend Payment Combinations between May 1995 and May 1998:
$100/month: 8ST1 or 8ST4
$200/month: 8ST1 + 8ST4
$250/month: 8ST2 + 8ST1 or 8ST3
$350/month: 8ST3 + 8ST4 or 8ST1 + 8ST2 + 8ST4

Calculating the Adjustment:
Choose the appropriate overtime rate for the corresponding stipend amount from the overtime grid
provided below and multiply that rate by the number of overtime hours the employee worked in
each affected pay period. Total all affected pay periods to determine the gross payment amount.
The stipend’s overtime hourly rate equivalent rate is calculated by dividing the stipend amount by
173.33 hours.

<table>
<thead>
<tr>
<th>OT Factor²</th>
<th>$100/month</th>
<th>$200/month</th>
<th>$250/month</th>
<th>$350/month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Straight Time</td>
<td>.58</td>
<td>1.15</td>
<td>1.44</td>
<td>2.02</td>
</tr>
<tr>
<td>1.5x</td>
<td>.87</td>
<td>1.73</td>
<td>2.16</td>
<td>3.03</td>
</tr>
</tbody>
</table>

² Typically, the overtime earnings id will be “OT5” for straight time or “OT6” for time and one-half. If a different
overtime rate code is appropriate (e.g., double-time), use that factor (e.g., 2x’s) to recalculate the stipend’s hourly
rate equivalent.