



Office of the State Comptroller
PAYROLL BULLETIN

Subject 1990-91 Salary Withholding and Lump Sum Payment Program	Bulletin No. P-679
	Date January 2, 1991

Chapter 947 of the Laws of 1990, the Deficit Reduction Legislation, provides for the withholding of salary for 5 days from all employees in 1990-91 and payment for this period at the time of separation from service.

The payment dates for payrolls will remain the same. In each of 5 consecutive payroll periods, beginning with Institution 20-Lag, 21-Current and Administration 21-Lag and 22-Current, payment will be for 9 defined days, as specified in the attached chart. At the end of the fifth payroll period, the payroll will revert to the previously established procedure, with payment on the regular previous schedule.

As a result of this procedure, one week will remain unpaid as defined below:

- Institutions-Lag - February 28-March 6, 1991
- Institutions-Current - March 14-March 20, 1991
- Administration-Lag - March 7-March 13, 1991
- Administration-Current - March 21-March 27, 1991

Employees will have salary due to them for time worked or charged to leave credits during this one week period.

The program applies to all Departments and agencies of the Executive Branch, including the State University of New York and the Senior Colleges of the City University of New York and, by election, to all employees of the Senate, the Assembly and all Joint Legislative Employers. The program does not apply to the Unified Court System or to authorities (15900, 21750, 28990, 55030).

The following groups of employees or types of payments are excluded from the withholding process:

- a. all employees paid an hourly rate of less than \$4.23 per hour.
- b. all seasonal employees paid at an hourly rate.
- c. all students at the colleges of the State University or City University of New York.
- d. adjuncts and summer session payments in the colleges of the State University or City University of New York.
- e. all extra service payments, either in an agency different from the employee's full-time employment or in the same agency.

You should continue to pay these employees all salary due for each pay period using the regular pay period dates.

IMPLEMENTATION OF THE WITHHOLDING FOR CURRENT EMPLOYEES

The salary withheld is regular salary only-basic annual salary plus all annual additional salary factors-location pay, inconvenience, geographic differential, shift differential, premium overtime and occupational pay differentials. All other salary-such as pre-shift briefing, overtime, holiday pay, hazardous duty pay and CUNY Bonus-will not be withheld and is to be paid in full as earned.

The payment for nine-days for annual-salaried and biweekly salaried employees will be accomplished by changing the calculation of Normal Gross to a 9-day factor as described below. The Normal Gross for employees currently on the Workers' Compensation Supplemental System will also be changed automatically.

<u>Pay Basis Pay</u>	<u>9-Day Factor</u>
ANN, CAL, 8AN, CYF	.034520
21P, CYP	.042857
10M	.041583
BIW	.90

For Part-time employees the calculation is annual salary (including annual salary factors) X 9-Day Factor X PT%.

The Normal Gross on your Payroll Register for Institution Period 19-Lag, 20-Current and Administration Period 20-Lag, 21-Current will be calculated using these factors. This is the amount that will be paid in the following period if no PR-75 is submitted.

Employees paid an hourly or daily rate who are subject to the withholding are to be paid for all hours or days worked during the nine days included in each payroll period.

Preparation of PR-75's

Salary and Status Changes

All salary and status changes are reported in the payroll period in which it occurs (using the new payroll period dates on the attached chart) and the Gross (Add) is calculated based on the full (10-day Normal) daily rate of salary owed for each of the nine days being paid in the period.

Miscellaneous Payments

All payments of overtime, holiday pay, pre-shift briefing pay, etc., should be paid in full in the usual manner. For transactions which use a daily rate, (e.g. holiday pay or lost time) you must use the biweekly computed at the 10-day factor. In computing the Gross (Add) for the period, use the 9-day Normal Gross from the previous payroll and add or subtract the amounts of the miscellaneous transactions.

Payroll Deductions

The reduction in salary may affect employees who receive a small net check. Many of these employees have large credit union deductions. These employees may wish to change their deduction, or to enroll in direct deposit instead, if they are eligible. We are, however, changing the order of cancellation of deductions to drop credit union deductions before any others.

Return to Normal 10-Day Payment

The Normal Gross Salary on the payroll for Institution 24-Lag, 25-Current and Administration 25-Lag, 26-Current will automatically revert to the 10-day factor. Use the 10-day Normal Gross for preparation of payrolls for Institution 25-Lag, 26-Current and Administration 26-Lag, 1-Current.

IMPLEMENTATION OF THE WITHHOLDING FOR NEW EMPLOYEES

Employees hired after Institution Period 20-L/21-C or Administration 21-L/22-C will also have one week's pay withheld. The employee will be paid for 9 days in each of the first five payroll periods.

These employees should be reported initially with the appropriate appointment code and the additional transaction code LAG BASIS. The Normal Gross will automatically be computed with the 9-Day Factor.

Group 1 Complete blocks #01 through #06 and the following:

Class B #07 Transaction Code - enter the appropriate appointment transaction code and complete the block requirements for that code

23 Gross (Add)

26 Time Paid

45 Addt'l Trans Code - enter LAG BASIS

In the sixth payroll period after appointment, the transaction code REM LAG must be reported. This will restore the Normal (Gross) calculation back to the 10-day factor.

Group 3 Complete blocks #01 through #06 and the following:

Class B #07 Transaction Code - enter REM LAG

12 Transaction

Effective Date - enter the first day of the period

23 Gross (Add)

24 Normal (Deduct)

26 Time Paid

DETERMINATION AND REPORTING OF DAYS DUE

Employees will receive payment for any days due for the one week period of withholding at the time of separation.

In order to prepare for this future payment agencies must determine the actual days, in full time equivalent days, due to each employee for the one-week period of salary withholding. Employees must have worked, or charged time to leave credits, in order to be entitled to payment. For example:

1. A full-time employee who worked all days during the period will be due 5 days pay.
2. A half-time employee who worked all days during the period will be due 2.5 days pay.
3. An employee on sick leave at half-pay for the period will be due 2.5 days pay.
4. A full-time employee who worked 3 days in the period and had 2 days lost time will be due 3 days pay.
5. An hourly employee who worked 40 hours during the period will be due 5 days pay.
6. An employee working 80% who was on vacation and charged leave credits for the entire period will be due 4 days pay.

Payroll Offices must be sure to accumulate accurate and complete time reports for all employees for the week of salary withholding. OSC is developing procedures for reporting this information to us. You will receive further information on this process.

PAYMENT UPON SEPARATION FROM SERVICE

When an employee separates from service (resignation, termination, retirement, death, etc.), the employee will be paid for the days withheld at the salary (basic annual and annual salary factors) received at the time of separation. A new transaction code - SALARY LSP - has been established to report this payment.

Transaction Code: SALARY LSP

Group 3 Complete blocks #01 through #06 and the following:

Class B #07 Transaction Code - enter SALARY LSP. If this block is filled use the first available Addt'l Trans Code block.

23 Gross (Add)

24 Normal (Deduct) - if applicable

49 Misc Block A - enter number of days due for the withholding period in full days for both full time and part-time employees.

50 Misc Block B - enter the amount of the payment based on 1/10th of the biweekly salary computed on basic annual and annual salary factors X number of days.

Questions concerning this bulletin should be directed to your Audit Supervisor.

SALARY DEFERRAL PROGRAM
9-DAY PAYROLL SCHEDULE

Lag Payrolls

<u>Pay Period</u>	<u>Submission Date</u>	<u>Check Date</u>	<u>New Pay Period Dates</u>	<u>Regular Pay Period Dates</u>
<u>Institutions</u>				
20-L	Jan 10	January 24	Dec 27-Jan 8	Dec 27-Jan 9
21-L	Jan 25	February 7	Jan 9-Jan 21	Jan 10-Jan 23
22-L	Feb 7	February 21	Jan 22-Feb 2	Jan 24-Feb 6
23-L	Feb 22	March 7	Feb 3-Feb 14	Feb 7-Feb 20
24-L	March 8	March 21	Feb 15-Feb 27	Feb 21-March 6
*25-L	March 21	April 4		March 7-March 20

*Return to Normal 10-day payment on a two-week lag.
February 28 to March 6, 1991 remains unpaid.

Administration

21-L	Jan 18	January 30	Jan 3-Jan 15	Jan 3-Jan 16
22-L	Feb 1	February 13	Jan 16-Jan 28	Jan 17-Jan 30
23-L	Feb 14	February 27	Jan 29-Feb 9	Jan 31-Feb 13
24-L	March 1	March 13	Feb 10-Feb 21	Feb 14-Feb 27
25-L	March 15	March 27	Feb 22-March 6	Feb 28-March 13
*26-L	March 29	April 10		March 14-March 27

*Return to Normal 10-day payment on a two-week lag.
March 7 to March 13, 1991 remains unpaid.

SALARY DEFERRAL PROGRAM
9-DAY PAYROLL SCHEDULE

Current Payrolls

<u>Pay Period</u>	<u>Submission Dates</u>	<u>Check Date</u>	<u>New Pay Period Dates</u>	<u>Regular Pay Period Dates</u>
<u>Institutions</u>				
21-C	Jan 10	January 24	Jan 10-Jan 22	Jan 10-Jan 23
22-C	Jan 25	February 7	Jan 23-Feb 4	Jan 24-Feb 6
23-C	Feb 7	February 21	Feb 5-Feb 16	Feb 7-Feb 20
24-C	Feb 22	March 7	Feb 17-Feb 28	Feb 21-March 6
25-C	March 8	March 21	March 1-March 13	March 7-March 20
*26-C	March 21	April 4		March 21-April 3

*Return to Normal 10-Day Payment on a current basis.
March 14 to March 20, 1991 remains unpaid.

Administration

22-C	Jan 18	January 30	Jan 17-Jan 29	Jan 17-Jan 30
23-C	Feb 1	February 13	Jan 30-Feb 11	Jan 31-Feb 13
24-C	Feb 14	February 27	Feb 12-Feb 23	Feb 14-Feb 27
25-C	March 1	March 13	Feb 24-March 7	Feb 28-March 13
26-C	March 15	March 27	March 8-March 20	March 14-March 27
* 1-C	March 29	April 10		March 28-April 10

*Return to Normal 10-Day Payment on a current basis.
March 21 to March 27, 1991 remains unpaid.