

NEW YORK STATE
OFFICE OF THE STATE COMPTROLLER

BULLETIN

DIVISION OF AUDITS AND ACCOUNTS

BULLETIN NO. P-257

March 9, 1981

To : All State Departments and Agencies

Subject: Preparation for Payment of Deferred Lump Sum
COLA adjustment to employees in the CSEA
and Security Negotiating Units and to
Management/Confidential Employees

The contracts negotiated by the CSEA and Council 82 as implemented in Chapter 307 of the Laws of 1979 and the salary plan provided for management/confidential employees under the Budget Director's Rules and Regulations and Chapter 474 of the Laws of 1980 provide for deferral of part of the salary increases granted for fiscal year 1980-81 and payment of this deferred amount in a lump sum during the first quarter of 1981-82. This bulletin contains an explanation of this process and preliminary instructions for these payments.

CSEA and Council 82 Units (NU 02,03,04,01,61)

The CSEA and Council 82 agreements provided for a 3.5% increase in basic annual salary effective October 1, 1980, an additional salary increase effective April 1, 1981 of an amount necessary to bring the total increase for 1980-81 to 7%, and a lump sum payment, to be paid after April 1, 1981, of the difference between what an employee received in salary in 1980-81 and what would have been paid if the full 7% salary increase had been effective on April 1, 1980. The deferred lump sum payment is computed on basic annual salary and on any other payments which are based on basic annual salary (such as overtime). Excluded from this calculation are all additional salary factors (such as location pay) and performance awards. The lump sum payment will be calculated as 7% of the adjusted gross earnings for the first period and 3.38% of the adjusted gross earnings for the second period as listed below.

	<u>Administration Salary</u>	<u>Institution Salary</u>
7% of Adjusted Gross for	Payroll Periods 1 to 13 (3/27-9/24/80)	Payroll Periods 1 to 13 (4/3-10/1/80)
3.38% of Adjusted Gross for	Payroll Periods 14 to 26 (9/25/80-3/25/81)	Payroll Periods 14 to 26 (10/2/80-4/1/81)

A separate bulletin will be issued for the April 1, 1981 Salary Increase.

The lump sum payment for the Council 82 units will be paid in a separate check in the latter part of April. The payment for the CSEA units will be paid in a separate check in June.

Management/Confidential Employees (NU 06,13,46,47,18,66)

The salary plan for management/confidential employees provided for a 3.5% increase in basic annual salary effective July 1, 1980, an additional increase effective January 1, 1981 of the amount necessary to bring the total increase for 1980-81 to 7%, and a lump sum payment, to be paid after April 1, 1981 of the difference between what an employee received in salary for 1980-81 and what would have been paid if the full 7% salary increase had been effective on April 1, 1980. The deferred lump sum payments are computed on basic annual salary and on any other payments which are based on basic annual salary (such as overtime). Excluded are all additional salary factors (such as location pay), performance awards and vacation exchange payments. The lump sum payment will be calculated as 7% of adjusted gross earnings for the first period and 3.38% of adjusted gross earnings for the second period as listed below.

	<u>Administration Salary</u>	<u>Institution Salary</u>
7% of Adjusted Gross for	Payroll Periods 1 to 7 (3/27-7/2/80)	Payroll Periods 1 to 6 (4/3-6/25/80)
3.38% of Adjusted Gross for	Payroll Periods 8 to 20 (7/3-12/31/80)	Payroll Periods 7 to 19 (6/26-12/24/80)

The lump sum payment will be paid in a separate check in the latter part of April.

Eligibility for Payment

Under the union agreements and the management/confidential salary plan, employees who are active on the payroll on March 31, 1981 or who retired or died prior to that date are eligible to receive the lump sum payment. Employees who are on a leave of absence or who have separated from service prior to March 31, 1981 will not receive the payment unless they return to service. Employees who return to service, including seasonal employees, will become eligible to receive the payment at the time they return. Employees who have transferred between agencies or moved from a position in one negotiating unit to a position in another unit or from or to a management/confidential position are entitled to receive the appropriate lump sum payment for the period served in each position and/or agency.

Preparation for Payment

In preparation for the deferred lump sum payments, the Department of Audit and Control has been accumulating the adjusted gross biweekly earnings for each employee for the appropriate time periods. Included in the adjusted gross salary are all payments for base annual salary and any amounts paid for overtime, out-of-title overtime, premium overtime, holiday pay, standby, extra time, extra service and lump sum payments. Excluded from the accumulation are all payments for location pay, inconvenience pay, intermittent inconvenience pay, pre-shift briefing pay, performance awards and vacation exchange.

The adjusted gross salary was accumulated as follows:

1. If no PR-75 was submitted for an employee, the biweekly payment minus any amounts attributable to additional salary factors was accumulated automatically.
2. If a PR-75 was submitted reporting a change in basic annual salary or any of the special payments to be included in the adjusted gross (e.g. overtime) and the inclusive dates of the payment were within one of the appropriate time periods, the biweekly payment amount minus any amount attributable to additional salary factors was accumulated automatically.
3. If a PR-75 was submitted reporting a change in basic annual salary or one of the special payments to be included in the adjusted gross and the inclusive dates span more than a single time period, the accumulated gross for each of the appropriate time periods was adjusted manually by the Department of Audit and Control.
4. If an AC-230 was submitted, the amount of the refund minus any amount attributable to additional salary factors was subtracted automatically from the accumulated gross.

During the week of March 9, 1981 you will be receiving preliminary listings of employees who, as of now, are eligible to receive the lump sum payments with the amount of the adjusted gross salary which have been accumulated to date. The listings include all eligible employees who worked in your agency during the fiscal year, since employees will receive a deferred payment check in each agency in which they worked during the year. The accumulated gross salary includes only payments in your agency. These listings were produced at the end of Payroll Period 23. There will be four separate listings—one for employees in CSEA positions, one for employees in Council 82 positions, one for employees in management/confidential positions and one for employees who have moved between bargaining units during the year. Excluded from the listings are employees not entitled to the payment because they are no longer employed in any State agency. (Employees who appear on these listings, of course, will only receive a payment if they are still eligible on March 31.)

The preliminary listings are provided for your information and review. Final listings of eligible employees showing the accumulated gross through Period 26 and the calculated lump sum payment amount will be prepared at the end of Payroll Period 26 and distributed the week of March 30. Another payroll bulletin will be issued with instructions on submitting corrections to the accumulated gross and lump sum payment amount. However, at this time you should begin to review the following:

1. Management/Confidential Employees

Since the lump sum payment covers the period through December 31, 1980 only, the accumulated gross salary shown on the preliminary listing is complete. You should review these records. There are some employees for whom the preliminary listing will be incomplete or incorrect. The major categories are described below:

1. Employees entitled to an adjustment for a reconstructed promotion salary effective prior to January 1, 1981 as explained in Bulletin P-248 issued February 3, 1981.

If PR-75's are submitted between now and Payroll Period 26 to pay adjustments due to these employees, the Department of Audit and Control will adjust the accumulated gross salary for the appropriate periods. Corrected amounts will appear on the Final Listings.

2. Employees who appear on the preliminary listings who are not entitled to a full lump sum payment.

Employees who had all or part of the July 1980 or January 1981 salary increases withheld by the Director of the Budget are not entitled to the deferred lump sum payment unless specific approval is issued by the Director of the Budget. You will be issued instructions concerning these employees by the Department of Audit and Control.

3. Employees in SUNY management/confidential positions (NU 13) and State Police management/confidential positions (NU 18).

Employees in these negotiating units do not appear on the listing. Special instructions will be issued to the Division of State Police and the State University for these employees.

2. Employees who moved between negotiating units during the year.

The records of all employees who moved between certain negotiating units must be reviewed to determine the actual adjusted gross and deferred payment amount.

NOTE: Employees are only included on this listing if they moved between negotiating units which have different deferred payment provisions or from or to a position in a negotiating unit which has no deferred payment. For instance, an employee who moved from a CSEA position to a management/confidential position will appear on this listing. An employee who moved from one CSEA unit to another would not appear on this list but would appear on the CSEA list, and salary in both positions would be included in the accumulated adjusted gross on this listing since the deferred payment rules are the same for both positions.

Employees who moved between units are entitled to a deferred payment for each period of service in a position for which there is a deferred payment provision. The accumulated gross salary on the listing may or may not be correct.

3. Employees in the Council 82 units.

Since employees in the Council 82 units will be paid in April, you should review this listing even though it is incomplete. Because there have been few retroactive transactions reported for these employees, the accumulated adjusted gross salary for most of them should be accurate. An exception, however, are employees paid on an hourly basis, as described in the next paragraph. You should review the records for these employees carefully.

4. Employees paid on an hourly or daily basis.

The adjusted gross salary for employees paid on an hourly or daily basis has been accumulated as follows:

A. Employees on regular payrolls.

The biweekly gross salary was accumulated for each payroll period as it was paid, regardless of the period covered by the payment.

B. Employees on Special 'G' payrolls.

The biweekly gross salary was accumulated for these payrolls on a one-period lag. For example, for an employee represented by Council 82 and paid on a 'G' payroll, the first six-month total will include all payments made on payrolls processed with Payroll Period 2 (either administration or institution cycle) through Payroll Period 14.

Because of the method used to accumulate the adjusted gross salary for these employees, some of the totals may be incorrect. This is particularly true if the employees were being paid in April and October.

Also, effective January 1, 1981 certain employees who had been receiving less than \$3.35 per hour, the new minimum wage, were raised to that amount (See Budget Bulletin G-1016). However, the April 1, 1981 salary increase will be applied to the hourly rate prior to the increase to the minimum wage, and the amount of the deferred COLA for the period January 1 through Period 26 must be offset by the amount the employee received as a result of advancing to the minimum wage.

As stated previously a separate bulletin will be issued in the future containing instructions for submitting corrections for these payments. However, if you have questions about the listings, call the Payroll Planning Unit at (518) 474-1246 or 474-1247.

