

BULLETIN NO. P-301

February 25, 1982

To : All State Departments and Agencies

Subject: Instructions for the 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 by Chapter 1028 of the Laws of 1981 provide for deferral of part of the salary increases granted for fiscal year 1981-82 and payment of this deferred amount in a lump sum during the first quarter of 1982-83. This bulletin contains an explanation of this process and eligibility requirements for the 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, 1981, an additional salary increase effective April 1, 1982 based on the increase in the Consumer Price Index, and a lump sum payment, to be paid after April 1, 1982, of the difference between what an employee received in salary in 1981-82 and what would have been paid if the full salary increase had been effective on April 1, 1981. 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 amount of the April 1, 1982 salary increase has not yet been determined, and therefore the actual percentages to be applied for the COLA adjustment are not available. However, the COLA will be calculated as a percentage of adjusted gross earnings for the first period and a percentage of adjusted gross earnings for the second period, as defined below.

	<u>Administration Salary</u>	<u>Institution Salary</u>
First Period	Payroll Periods 1 to 13 (3/26-9/23/81)	Payroll Periods 1 to 13 (4/2-9/30/81)
Second Period	Payroll Periods 14 to 26 (9/24/81-3/24/82)	Payroll Periods 14 to 26 (10/1/81-3/31/82)

Another bulletin will be issued when the amount of the April 1, 1982 salary increase and the percentage calculation for the COLA payment are known.

The lump sum payment for the Council 82 units will be paid in a separate check during the week of April 19, 1982. 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 7% increase in basic annual salary effective October 1, 1981, and a lump sum payment, to be paid after April 1, 1982, of the difference between what an employee received in salary for the period April 1 thru September 30 and what would have been paid if the 7% increase had been in effect on April 1, 1981. 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). The lump sum payment will be calculated as 7% of adjusted gross earnings for payroll periods 1-13.

The lump sum payment will be paid in a separate check during the week of April 19, 1982.

Eligibility for Payment

Under the union agreements and the management/confidential salary plan, employees who are active on the payroll on March 31, 1982 or who retired or died prior to that date, are eligible to receive the lump sum payment. The requirement that an employee be "active on the payroll on March 31" means on the payroll in an agency of the Executive Branch in a position in a collective bargaining unit for which the Governor's Office of Employee Relations is authorized to negotiate a collective bargaining agreement or in a position which is designated or treated as management/confidential. Employees who on March 31 are employed in the Legislature (including Legislative commissions), in the Judiciary, in authorities or in positions which are not covered by the Taylor Law (NU 00,14,99) do not qualify for the payment. Employees who are on a leave of absence or who have separated from service prior to March 31, 1982 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 and performance awards.

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.

Preliminary Listings

During the week of February 22, 1982 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.)

At this time you should begin to review the following:

1. Management/Confidential Employees

Since the lump sum payment covers the period through September 30, 1981 only, the accumulated gross salary shown on the preliminary listing is complete. You should review these records.

NOTE: Employees who had all or part of the October 1, 1981 salary increase 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. The Department of Audit and Control will adjust the accumulated gross salaries to eliminate these employees from your final listing issued after Period 26 or, for employees who have prior service in a position for which the increase was not withheld, to adjust the amount of the payment.

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. 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.

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.

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 changed from last year's procedures and have been accumulated as follows:

A. Employees on regular payrolls.

Last year the biweekly gross salary was accumulated for each payroll period as it was paid. This year the accumulation should be more accurate, since it has been accumulated based on the inclusive dates reported on the PR-75.

B. Employees on Special 'G' payrolls.

Last year the biweekly gross salary was accumulated for these payrolls on a one-period lag. This year the accumulation was based on the inclusive dates reported on the PR-75. Therefore, the employees on these payrolls will be treated the same as Category A.

5. CSEA employees.

The preliminary listing for these employees will reflect the accumulated gross salaries from Period 1-23. You can begin your review at this time for accuracy of the adjusted gross salary for Periods 1-13.

Final Listings

During the week of March 29, you will receive the final listings of employees who are eligible to receive the Deferred COLA. The accumulated gross salary on these listings will include all appropriate payments made in Payroll Periods 1 through 26 for CSEA and Council 82 Units and Payroll Periods 1-13 for Management/Confidential Employees. The calculated lump sum payment amount will also be included on the list.

Security Unit and Management/Confidential Listings

These listings will include all eligible employees with the amount of the COLA payment. We will also provide a typewritten list of all management/confidential employees who will not be eligible for the payment or who will be eligible for a lesser amount because the October 1 salary increase was withheld by the Director of the Budget.

You may submit corrections to these listings. Be sure, however, that you have excluded all the additional salary factors and other excluded payments from your calculation. Corrections should be submitted on the form which is attached to this Bulletin. Duplicate this sample if you need additional forms. To complete the form, enter the identification information requested. For corrections to management/confidential employees the new total accumulated gross salary should be entered in the column AGENCY TOTAL ADJ GROSS-1 and the column ADJ AMT + OR - should contain the difference between what was reported on the listing and your calculation. For corrections to security units listing the new total accumulated gross salary should be entered in the column AGENCY TOTAL ADJ GROSS-1 and/or AGENCY TOTAL ADJ GROSS-2 and the differences entered in the ADJ AMT + OR - column. Do not recalculate the total RETRO ADJUSTMENT (COLA amount); this will be done by Audit and Control.

Using these listings and your corrections, if any, prepare a PR-76 Transmittal. Write Deferred COLA at the top of the transmittal, enter the total amount from the listings (including any corrections) in the certification total block and sign the agency payroll certification. Correction forms and the PR-76 Transmittal must be received in this Department by Friday, April 9.

Movement between Negotiating Units Listing

The Department of Audit and Control will review these listings for each agency to identify employees who have served in security unit or management/confidential positions during the fiscal year and the accumulated gross for service in these positions. You will be contacted by your auditor to confirm the information. Do not submit correction forms for these employees.

CSEA Listings

Do not submit corrections for employees on this listing at this time. The Deferred COLA is to be paid to employees in these units at a later time and separate instructions will be issued. You should, however, begin reviewing the listings and preparing your corrections, if any.

Employees paid on an hourly or daily basis

The totals shown on these listings produced at the end of Payroll Period 26 will not include payments for services rendered in March which will be paid in the new fiscal year. Therefore, you must submit these additional payments as corrections to these listings.

Exception: The Final Listings for "Special G" Payrolls will be produced at the end of processing of Payroll Period 1 and will include all payments made on 'G' payrolls during those periods.

Revised Final Listings

After all corrections are processed for Security Unit and Management/Confidential employees, revised listings will be issued along with the checks and payroll registers. Audit and Control will notify the agencies of any changes to the listings and/or corrections by telephone prior to payments.

The payments will be made following processing of Institution Period 1 (April 1 to 14, 1982) and Administration Period 2 (April 8 to 21, 1982). Deductions will be taken for Federal, State and New York City taxes, social security, retirement normal contributions and garnishees. The entire payment is considered 1982 income for social security and income tax purposes. Therefore, social security will be taken at the current rate of 6.7%. Income tax withholding will be automatically adjusted so that the amount withheld is equal to the amount that would have been withheld if the payment had been evenly divided and added to the normal biweekly for the 26 periods of the calendar year.

Transaction Code DEF COLA

The transaction code - DEF COLA - is to be used after the Management/Confidential and Security Services Deferred COLA payment is made on April 19, 1982 to:

- a. pay an employee who was not paid on the special payroll through error.
- b. pay an employee who was on leave of absence on March 31 or who separated from service prior to that date and returns to the payroll. Upon return, the employee becomes eligible for the Deferred COLA for all service in 1981-82.
- c. correct the payment when an employee was underpaid or overpaid.

Reporting requirements are as follows:

Group 3
Class B

Complete blocks 01 through 06 and the following:

07 Transaction Code	- enter DEF COLA
23 Gross (Add)	
24 Normal (Deduct)	- if applicable
49 Misc Block A	- Total Adjusted Gross earnings for the first payment period *, if applicable. Enter the full amount of total adjusted gross even if you are reporting only an adjustment payment.
50 Misc Block B	- Total Adjusted Gross earnings for the second payment period *, if applicable. Enter the full amount of total adjusted gross even if you are reporting only an adjustment payment.
51 Misc Block C	- Plus or Minus
52 Misc Block D	- Amount of Deferred COLA payment or adjustment.

*The first period includes earnings for periods 1 to 13 for Security and Management/Confidential.

*The second period includes earnings for periods 14 to 26 for Security.

Remarks: Provide a full explanation of your calculation of the payment amount. Taxes on this payment will be adjusted automatically.

Questions regarding these payments should be directed to the Payroll Planning Unit at (518) 474-1246 or 474-1247.

