

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

Bureau of Human Resources

April 24, 1997

HUMAN RESOURCES MEMORANDUM 3-97

TO: Personnel Officers, Directors of Administrative Services, Payroll Managers

SUBJECT: Lump Sum Payments

The purpose of this memorandum is to provide instructions for the 2.25% lump sum payment to employees in the Law Enforcement bargaining unit, and in the event that a contract is signed in time to allow processing, the State Police Trooper bargaining unit.

Calendar of Activities for Payment of Lump Sum Payments

1. Agencies will receive reports and detailed instructions for processing adjustments and corrections for lump sum payments on April 28, 1997. **Agencies are encouraged to read the provisions of this memorandum and to begin reviewing exceptions to routine processing, using information available to the agency such as that available through the HR warehouse, prior to receiving these reports. This will help to ensure that all employees receive proper payments on time.**
2. All adjustments and corrections are due to Accounts and Control Payroll no later than Friday, May 2.
3. Accounts and Control Payroll will process all corrections and adjustments during the week of May 5. Lump sum payments will be distributed to employees during the week of May 12.

Eligibility for Payment

1. Employees must be active or on leave as of Wednesday, April 16, 1997. **NOTE: The eligibility date for State Police Troopers will be determined by the date that contract is signed by the parties.**
2. Employees who are redlined because their pay has been protected due to a reduction in authorized salary will receive a lump sum payment based on their redline rate of pay. Employees who are redlined for administrative reasons other than salary protection will receive lump sum bonuses based on their base rate of pay.

3. Employees must be assigned to one of the following administrative units and , for some unclassified employees, receive authorization from the salary setting authority for payment. Employees cannot be in acting capacity, intermittent, or project appointments.

F - Law Enforcement

G - State Trooper

NOTE: Exceptions and special processing requirements are detailed later in this memorandum.

Calculation of Lump Sum Payments

1. Eligible Pay Periods: Employees will receive a lump sum payment equal to 2.25% of the employee's base rate actually paid for the first twenty-six paychecks in calendar year 1996. Note that "Cycle A" agencies received 27 paychecks during calendar year 1996. Lump sum payments will be calculated on the base pay paid to employees for the first 26 of the paychecks processed for Cycle A agencies, even if the employee did not receive pay for all of the first 26 pay periods.

2. Pay Types Included in Lump Sum Calculation: Payments beyond base pay, such as overtime, longevity pay, shift differentials, temporary compensation, stipends, 5% in lieu of retirement, and all other payments made to employees that are beyond the base rate of pay must be excluded when calculating lump sum payments. Vacation pay paid using VACATION pay in the MFASIS payroll system is considered base pay, provided the REGULAR and VACATION hours paid to the employee during the eligible pay periods does not exceed the regular authorized hours for the classification.

RETRO PAY will also be included into the calculation of lump sum payments. RETRO PAY up to \$500 will automatically be included into the lump sum calculation. Agencies must review RETRO payments in excess of \$500, and correct the lump sum payment to include any additional RETRO pay that was paid for regular hours worked during the eligible pay periods. Reports will be distributed to assist agencies in identifying these employees.

Automated Payments

Payments will be automatically generated for all employees who meet the following criteria, with exceptions noted. Other employees who are eligible to receive the lump sum payments must be processed through the Bureau of Human Resources.

1. Employment status must equal 1 or 2 as of April 16, 1997. **NOTE: State Police Trooper eligibility will be determined by the date the contract is signed.**

2. Employees must be assigned to one of the following administrative units:

F - Law Enforcement

G - State Trooper

3. Appointment type must be one of the following:

- C - Classified Appointment
- D - Unclassified Appointment
- F - State Trainee Appointment
- G - Trainee Appointment

4. The MFASIS system will calculate payments equal to 2.25% of the **REGULAR PAY, VACATION PAY, AND RETRO PAY** paid to each employee in the first 26 paychecks paid in calendar year 1996, not to exceed regular hours authorized for the classification, plus \$500 RETRO pay.

NOTE: It is assumed that regular pay and vacation pay were properly used to pay the employee the base rate of pay for regular authorized hours only. If these payments have been used for any other payments, these calculations will produce incorrect lump sum payments. Agencies must review their pay practices to ensure that these pay types have only been used to pay employees base rate. If other practices are identified, manual correction to system generated lump sum payments will be required.

NOTE: RETRO PAY will also be included into the calculation of lump sum payments. RETRO pay up to \$500 will automatically be included into the lump sum calculation. Agencies must review RETRO payments in excess of \$500, and correct the lump sum payment to include any additional RETRO pay that was paid for regular hours worked during the eligible pay periods. Reports will be distributed to assist agencies in identifying these employees.

Exceptions and Special Processing Requirements

1. No lump sum payments will be made to non-status employees who are working in acting capacity, intermittent or project appointments.
2. Some employees assigned to administrative units M, Y and Z will not receive lump sum payments. Agencies must review these payments and eliminate payments for any employee who is not to receive the lump sum payment.
3. Some employees may have terminated employment prior to Wednesday, April 16, 1997 (or the date the State Trooper contract is signed for that bargaining unit), but may remain active on MFASIS after termination in order to allow for final pay processing. These employees are not eligible for the lump sum payment, but will appear on reports as eligible for lump sum payment. Agencies must identify these individuals and cancel these payments.
5. No employee may receive a lump sum payment for hours that exceed REGULAR plus VACATION hours for the 26 eligible pay periods. Those employees for whom the combined total of REGULAR and VACATION hours exceed the regular scheduled hours for the

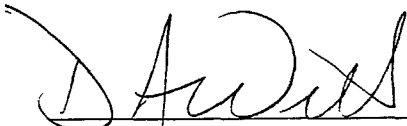
classification must be reviewed by each agency and the agency must calculate the lump sum payment.

Retirement Contributions

These lump sum payments are not considered earnable compensation for retirement purposes. No retirement deductions will be taken from these lump sum payments.

Questions

Please address questions to Jeannie Johnson, Bureau of Human Resources or to Betty Everett, Bureau of Accounts and Control, as soon as possible, to ensure prompt and correct payment to employees.



DONALD A. WILLS, ACTING DIRECTOR
Bureau of Human Resources