

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Retirement Contributions and Formulas, Holiday Compensation, and the Furlough Program - Bargaining Units 2, 6, 7, 9, 10, and 13	REFERENCE NUMBER: 2010-027
DATE ISSUED: 10/21/10	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Employee Relations Officers**

FROM: Department of Personnel Administration
Labor Relations Division

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RETIREMENT CONTRIBUTION

The current retirement contribution will remain as follows for members in Bargaining Units 2, 6, 7, 9, 10, and 13.

Retirement Categories	Employee Retirement Contribution
<u>Bargaining Units 6, 7, 9, 10, and 13</u>	
Miscellaneous/Industrial/ARP - w/SSI	5% in excess of \$513
Miscellaneous/Industrial/ARP - No SSI	6% in excess of \$317
State Safety	6% in excess of \$317
Peace Officer/Firefighter (Unit 6)	8% in excess of \$863 (BU 6)
Peace Officer/Firefighter (Unit 7)	8% in excess of \$513 (BU 7)
Second Tier	0% for Second Tier Members
<u>Bargaining Unit 2 Members</u>	
Miscellaneous/Industrial/ARP - w/SSI	6% in excess of \$513
Miscellaneous/Industrial/ARP - No SSI	7% in excess of \$317
State Safety	7% in excess of \$317

RETIREMENT FORMULA

The new retirement formula and final compensation for members in Bargaining Units 2, 6, 7, 9, 10, and 13 first employed with the State on or after January 15, 2011 with no prior service will be as follows.

Retirement Categories	New Retirement Formulas
Miscellaneous/Industrial/ARP	2% at age 60 formula based on 3-year highest compensation
State Safety	2% at age 55 formula based on 3-year highest compensation
Peace Officer/Firefighters	2.5% at age 55 formula based on 3-year highest compensation
Second Tier	1.25% at age 65 formula based on 3-year highest compensation

Payroll Processing and Retirement Codes

The State Controller's Office will be issuing a payroll letter to provide additional instructions along with new retirement codes.

DPA is updating the Alternate Retirement Program (ARP) [Eligibility Worksheet](#) on DPA's web site (under HR Staff tab). The worksheet assists personnel staff in determining ARP eligibility and which ARP retirement code to apply.

Additional Retirement Information

Retirement contributions are based on bargaining unit agreements. If an employee transfers from one bargaining unit to another, the retirement contribution may be different. Personnel staff can verify the accurate retirement contribution by reviewing the [bargaining contracts](#) located on DPA's web site.

HOLIDAYS

Lincoln's Birthday and Columbus Day are no longer paid State holidays. An employee who works on a holiday is entitled to receive straight-time pay and eight hours of holiday credit as provided by GC Section 19853, and PML 2009-040 (<http://www.dpa.ca.gov/personnel-policies/pmls/2009/html/2009040.htm>).

FURLOUGH PROGRAM

The current Furlough Program for employees in Bargaining Units 2, 6, 7, 9,10, and 13 shall remain in effect until:

- Legislative approval of a new Memorandum of Understanding with these bargaining units that addresses the subject of furloughs; or
- Certification by the Director of the Department of Finance that there is sufficient cash to allow the State to meet its obligations to pay for critical and essential services to protect public health and safety and to meet its payment obligations protected by the California Constitution and federal law.

Employees in Bargaining Units 2, 6, 7, 9,10, and 13 working in State agencies and departments identified below are not under the Furlough Program.

- Board of Equalization
- Bureau of State Audits
- California Department of Forestry and Fire Protection (CalFIRE)
- California Earthquake Authority
- California Highway Patrol
- California Housing Finance Authority
- Employment Development Department (including California Unemployment Insurance Appeals Board)
- Franchise Tax Board
- Legislative Counsel Bureau
- Public Utilities Commission
- State Compensation Insurance Fund

Employees in constitutional departments that didn't participate in the furlough program will be in the Furlough Program effective November 2, 2010 until such time as one of the conditions stated above is met.

Effective November 2, 2010, furloughs will be self-directed. All State agencies and departments must ensure that employees take their three furlough days off within the pay period their total compensation is adjusted.

As a reminder, all employees covered by the furlough must use their accrued furlough days prior to using vacation, annual leave, personal holiday, holiday credit, personal leave program (PLP) credit, and compensating time off (CTO). With regard to sick leave, employees and their supervisor must approve the use of furlough in lieu of using sick leave.

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Personnel staff with questions about the retirement changes should contact Desi Rodrigues at (916) 324-9400 or desirodrigues@dpa.ca.gov. For all other questions contact the Personnel Services Branch at the phone number or email address listed above.

/s/Julie Chapman

Julie Chapman
Chief Deputy Director of Policy