



Contract Update

(number 11-03)

April 8, 2011

TO: Executive Board
Council Leaders

FROM: Contract Administration

RE: April 2011 Performance (Longevity) Awards

The Office of the State Comptroller has released Payroll Bulletin 1067 providing for payment of the April 2011 Performance (Longevity) Awards. Details regarding eligibility for these payments are contained in the Payroll Bulletin which is attached.

The Performance Awards will be issued in *separate checks* which will be dated as follows:

Administration Payroll (check dated April 27, 2011)
Institution Payroll (check dated May 5, 2011).

Payroll Bulletin 1067 can also be found on the ContractResourceCenter at www.pef.org.

Questions should be directed to Contract Administration at 800-342-4306 ext. 223.

cc: PEF Field Offices



Payroll Bulletin

Office of the State Comptroller

Bureau of State Payroll Services

Date: April 8, 2011

Bulletin Number: 1067

Subject	April 2011 Public Employees Federation (PEF) Longevity Lump Sum Payment (LLS)
Purpose	To inform agencies of OSC's automatic processing of the LLS payment and to provide instructions for payments not processed automatically.
Affected Employees	Longevity-eligible employees in BU05 with an Increment Code of 1976-2006, 0010, 0110, 0210, 0310 0410 or 0510.
Background	Chapter 114 of the Laws of 2008, which implements the negotiated agreement between the State and the Public Employees Federation (PEF), provides for a Longevity Lump Sum payment of \$1,250 or \$2,500.
Effective Date(s)	Payment will be processed in a separate check dated April 27, 2011 (Administration) and May 5, 2011 (Institution). There will be no direct deposit for this payment.
Eligibility – PEF Employees	<p>Employees in graded positions (Grades 001-037) and NS (Grade 600) positions which are equated to grade are eligible for the payment provided the employee:</p> <ul style="list-style-type: none"> • Is on the payroll March 31, 2011 (Active, on Paid Leave of Absence, or a Military Stipend Leave) in a BU05 position; and • As of March 31, 2011, has five (5) or more or ten (10) or more years of continuous service* at a base annual salary equal to or greater than the Job Rate for the employee's current grade; and • Did not receive an "Unsatisfactory" evaluation during the rating period January 1 to December 31, 2010. Employees who were not rated or not reported as "Unsatisfactory" during the period will receive the payment.

*Continuous service, as used in determining eligibility for the **LLS** payment, is paid service (including part-time annual-salaried service, paid Military Leave and Sick Leave at Half Pay) or time on Workers' Compensation Leave or Military Leave without Pay.

The following employees will become eligible for the LLS payment upon processing of Performance Advances in Pay Period 1L:

An employee occupying a position that has been previously reallocated, whose salary was equal to or greater than the Job Rate of the lower grade and whose salary upon application of the October 2010 or April 2011 Performance Advance reaches the Job Rate of the reallocated grade is entitled to the Job Rate credit of the lower grade.

- The Increment Code of an employee who received the October 2010 Performance Advance was updated to **1010**.
- The Increment Code of an employee receiving the April 2011 Performance Advance will be automatically updated from **0001 to 2011**.
- These employees will not receive an automatic **LLS** payment; therefore, the agency must submit transactions in Pay Period 2L to make the payments and update the increment codes. For instructions, see the section below entitled "Agency Actions – Payments to Employees Not Paid Automatically."

The following employees will become eligible for the LLS payment during 2011-2012:

- An employee who otherwise qualifies but is on an approved Leave of Absence without Pay including Workers' Compensation Leave or on a preferred list on March 31, 2011 and who returns from such leave between April 1, 2011 and March 31, 2012 is eligible for the payment. There is no minimum service requirement following the employee's return to active payroll status. The agency should request the **LLS** payment in the same pay period the employee returns to active payroll status.
- Demotion after March 31, 2011 - An employee who is not eligible for the payment becomes eligible if the employee returns to a lower graded position between April 1, 2011 and March 31, 2012, provided the employee otherwise would have been eligible if the employee had been in the lower graded position on March 31, 2011 and remained in the lower graded position for at least six (6) pay periods; **and**
- The promotion was temporary and the employee has been reinstated to their previous position or has been appointed to another lower graded qualifying position; **or**
- The promotion was permanent, but the demotion occurred:
 - in lieu of layoff; **or**
 - voluntarily during the probationary period; **or**
 - as a result of failure of a probationary period.

The agency should request the **LLS** payment after the completion of six (6) full pay periods in the lower grade using the same effective date as the demotion.

An employee demoted as a result of a disciplinary action or who takes a voluntary demotion from a permanent position after the completion of a probationary period in the higher grade is **not eligible** for an **LLS** payment in the lower grade.

**OSC Actions –
Automatic
Processing**

OSC will automatically insert a row using the Earnings Code **LLS** on the employee's Additional Pay page to make the payment. The payment amount is \$1,250 for five (5) or more years and \$2,500 for ten (10) or more years or a prorated amount, as described below:

- Employees who are full-time on March 31, 2011 or full-time employees who are on a Paid Leave of Absence, Military Stipend Leave, or on a Voluntary Reduction in Work Schedule (VRWS) receive the full payment amount.

Note: For employees on the Voluntary Reduction in Work Schedule program, the agency must verify that the Full/Part Time Indicator on the Job Data/Job Information page is "Voluntary."

- Employees who are part-time on March 31, 2011 receive a prorated payment based on the employee's part-time percentage on March 31, 2011.
- Part-time employees who are on a Paid Leave of Absence or Military Stipend Leave on March 31, 2011 receive a prorated amount based on the employee's regular part-time percentage prior to the leave.

The Additional Pay page will be populated for eligible employees with the following:

Earnings Code: **LLS**
Effective Date: 4/1/11

OT Effective Date: 4/1/11
 Annual Additional Earnings: Payment Amount
 Earn End Date: 3/31/12

Agency Actions – Payments to Employees Not Paid Automatically

To pay an employee after the automatic payment has been processed, enter the following information on the Additional Pay page:

Earnings Code: **LLS**
 Effective Date: Enter eligibility date*
 OT Effective Date: Same as effective date
 Annual Additional Earnings: Payment Amount
 Earn End Date: 3/31/12

*For example: If an Institution agency enters a transaction in Pay Period 2L for an employee who returned to the payroll on April 9, 2011, the effective date is 4/9/11. If an Administration agency enters a transaction in Pay Period 1L for an employee who returned to the payroll on April 2, 2011, the effective date is 4/2/11.

To Correct an Increment Code

If the employee did not receive an automatic **LLS** payment because the increment code was incorrect, the agency must, in addition to submitting the **LLS** payment, submit a Job Action Request using the Action/Reason code of **DTA/CIC** (Data Change/Correct Increment Code). The appropriate increment code must be entered in the Increment Code field.

Employee Becomes Eligible for Payment Due to Demotion

If an employee was ineligible on March 31, 2011 and becomes eligible in 2011-2012 due to demotion as explained above, the agency should enter a comment on the General Comments page verifying the employee is eligible for LLS based on the reason the demotion occurred.

Automatic Retroactive Processing

Overtime

The LLS payment is included in the calculation of overtime compensation effective April 1, 2011 through March 31, 2012. OSC will automatically calculate retroactive adjustments to overtime for overtime worked between April 1, 2011 through April 6, 2011 for Institution agencies.

Inactive Employees with Outstanding Overpayments

For employees who are Inactive at the time of payment, the **LLS** payment will be applied to any overpayment set up in Additional Pay that has a Goal Amount and Goal Balance that are not equal. The payroll system will determine the difference between the Goal Balance and Goal Amount and will deduct the difference from the employee's check and update the Goal Balance. If the amount of the positive earnings is not sufficient to deduct the entire overpayment, the system will deduct the amount of positive earnings possible and update the Goal Balance accordingly.

Undeliverable Checks

Inactive employees may be eligible for a payment. If the agency has made an effort to deliver the check to the employee but the check has been returned and is undeliverable, the agency should forward the check to the NYS Department of Tax and Finance, Division of Treasury, per instructions in Payroll Bulletin No. 456.

Checks issued to eligible employees who are now deceased should be returned with a completed Next of Kin Affidavit (Form AC 934-P) and a Report of Check Exchange (Form AC 1476-P).

For recipients of a previously deceased employee's payroll checks where a Next of Kin Affidavit and Report of Check Exchange forms have been submitted, OSC will accept a photocopy of these forms to process the exchange of the check.

Retirement and Overtime Calculation information

The **LLS** is a one-time, lump sum payment which is included as salary for retirement purposes and in the calculation of overtime compensation (refer to "Overtime Compensation," Part III, Page 1 of the OSC Salary Manual). The 2011 Longevity Lump Sum payment will be included in the calculation of overtime earned from April 1, 2011 through March 31, 2012.

Control-D Reports and Preparation for Payment

Prior to the automatic processing, the following report will be available:

NPAY756 Longevity Lump Sum (LLS) Eligibility Listing

This report is a preliminary listing of employees eligible for the **LLS** payment as of the date the report is run (approximately March 4, 2011). It will be available the second week of March, 2011. Agencies should review this listing carefully with particular attention to employees who are ineligible due to an "Unsatisfactory" evaluation between January 1 and December 31, 2010.

Corrections to the preliminary listing should be submitted on the Correction Sheet. (The form may be duplicated if additional copies are needed.) This form must be used to:

- Add employees who do not appear on the listing, such as:
 - Eligible employees in NS positions where the equated grade does not appear on the Position Data page. Agencies must submit documentation of the salary equation with the Correction Sheet.
 - Eligible employees who are in composite positions (identified by Increment Code **2222**).
 - Eligible employees who received a downward reallocation (identified by Increment Code **0069**).
- Delete employees who should not appear on the listing.
 - Employees with an "Unsatisfactory" evaluation as stated above.
 - For employees with an "Unsatisfactory" evaluation as stated above, the agency must submit a Job Action Request using the Action/Reason code of **DTA/USP** (Data Change/Unsat Perf) to update the increment code to **7777**.
- Change incorrect information pertaining to an employee appearing on the listing.

Do **not** add employees whose eligibility will change due to transactions that will be processed prior to Pay Period 1 (Administration) or Pay Period 27 (Institution).

Corrections should be submitted as soon as possible and must be received no later than **April 12, 2011 (Administration Agencies)** or **April 19, 2011 (Institution Agencies)**. Please **fax** corrections to (518) 474-2601 or (518) 402-4949 and send an email to the Payroll Earnings mailbox to inform Payroll Earnings that a correction has been faxed.

After the automatic processing is completed, the following report will be available:

NPAY770 One Time Payment Report

This report identifies all employees who received the automatic **LLS** payment.

Taxes and Deductions

This payment is subject to Federal, State, and local income taxes and Social Security/Medicare employment taxes. Deductions will be taken for retirement normal contributions, garnishments and Federal levies.

**Payroll Register
and Employee's
Paycheck**

The Earnings Code **LLS** and the amount will be displayed on the payroll register. The earnings description, *Longevity LSP*, and the amount will be printed on the employee's paycheck.

This payment will be made in a separate check regardless of when paid. There will be no direct deposit for this payment. The separate check will be issued along with the employee's regular paycheck or direct deposit advice for the check date submitted.

Questions

Questions about the LLS payment may be directed to the Payroll Earnings mailbox.

Questions about Deductions may be directed to the Payroll Deductions mailbox.