ITEM NO. 1937-E

SUBJECT: **IMPLEMENTATION OF PUBLIC ACT 12-1 (Dec. Spec. Sess.)**
Changes to Pay Plans and Salary Increases for Confidential Exclusions Assigned to the CA and CR Pay Plans

EFFECTIVE: **July 12, 2013**

This Item facilitates the elimination of lump sum longevity payments and enables lump sum longevity payments to be incorporated into annual salaries for eligible employees in accordance with C.G.S. §5-213 and §5-213c. This Item also supersedes Item No. 1624-E.

Effective July 12, 2013 this Item specifically:

- Changes the CA and CR step plans to range pay plans;
- Increases the maximum rate of the CA and CR pay plans; and
- Adjusts the salary for eligible employees in the CA and CR pay plans.

BACKGROUND

Sections 5-213 and 5-213c of the Connecticut General Statutes:

Public Act 12-1 (Dec. Spec. Sess.) included changes to longevity payments for classified and unclassified officers and employees of the executive branch, the constituent units of higher education and the Board of Regents for Higher Education who are not included in a collective bargaining unit. Encompassed in this group of employees not included in a collective bargaining unit are those confidential employees assigned to the CA and CR pay plans.

Sec. 5-213. Termination of longevity payments to employees not included in any collective bargaining unit. (a) Notwithstanding the provisions of section 5-212, each employee in the state service who has completed not less than ten years of state service and who is not included in any collective bargaining unit, except those employees whose compensation is prescribed by statute, shall receive a lump-sum longevity payment on the last regular pay day of April 2013, based on service completed as of the first day of September 2011, determined in accordance with the longevity rate schedule established for the employee's class of position by the Commissioner of Administrative Services, except that a retired employee who retired between October 1, 2012, and March 31, 2013, inclusive, shall receive, in the month immediately following retirement, a prorated payment based on the proportion of the six-month period served prior to the effective date of the employee's retirement.

(b) No longevity payment shall be made to any employee in the state service who is not included in any collective bargaining unit, except those employees whose compensation is prescribed by statute, for service completed on or after April 1, 2013.

Sec. 5-213c. Salary increase upon termination of longevity payments to employees not included in any collective bargaining unit. Effective the first pay period after July 1, 2013, the annual salary of any employee in state service who is not included in any collective bargaining unit, except those employees whose compensation is prescribed by statute, who received a longevity payment in April 2011, shall be increased by the annualized amount of the longevity payment paid on the last regular pay day of April 2013.

Item No. 1624-E:

Effective October 22, 2010, Item No. 1624-E implemented the following:

- Adjusted the CA pay plan to mirror the Clerical (CL) pay plan and adjusted the CR pay plan to mirror the Administrative and Residual (A&R) pay plan.
- Granted all future cost of living increases, annual increments, bonuses, and longevity payments granted to employees in the Clerical bargaining unit to confidential employees assigned to the CA pay plan.
- Granted all future cost of living increases, annual increments, bonuses, and longevity payments granted to employees in the Administrative and Residual bargaining unit to confidential employees assigned to the CR pay plan.

PAY PLAN ADJUSTMENTS EFFECTIVE JULY 12, 2013

- Effective July 12, 2013, the CA pay plan will change from a step plan to a range plan. On this date, the maximum rate (formerly step 10) will be increased by two percent (2%) to enable salary adjustments for eligible employees as detailed in § 5-213c of the Connecticut General Statutes. The minimum of each salary range (formerly step 1) will remain unchanged as a result of the longevity implementation.
- Effective July 12, 2013, the CR pay plan will change from a step plan to a range plan. On this date, the maximum rate (formerly step 9) will be increased by two percent (2%) to enable salary adjustments for eligible employees as detailed in 5-213c of the Connecticut General Statutes. The minimum of each salary range (formerly step 1) will remain unchanged as a result of the longevity implementation.

EMPLOYEE SALARY ADJUSTMENTS EFFECTIVE JULY 12, 2013

ELIGIBILITY

In order to be eligible for a salary adjustment effective July 12, 2013, an employee must meet ALL of the following requirements:

- The employee must be employed on July 12, 2013 and assigned to the CA or CR pay plan.
- The employee must have been eligible for and received a longevity payment in April, 2011.
- The employee must have been eligible for and received a longevity payment in April, 2013.

Note: Confidential employees assigned to the CA or CR pay plan who do not meet ALL of the eligibility requirements above shall remain at their current annual salary effective July 12, 2013. (The employee will remain at the same rate of pay from the step plan to the new CA or CR range pay plan.)

CALCULATION

- For employees meeting ALL of the requirements above, the new annual salary (effective July 12, 2013) is equal to the employee's current annual salary (effective July 12, 2013) plus two times the exact amount of the April, 2013 longevity payment. The employee will then need to be placed within their assigned salary grade range in the CA and CR pay plans. For example: if an employee who meets ALL of the requirements above is earning $ 73,487 annually and received a $ 136.25 lump sum longevity payment in April 2013, the new salary will be $73,487 + 272.50 ($136.25 x 2) = $73,759.50, rounded up to the nearest dollar: $73,760. In this example, to derive the employee's new bi-weekly salary divide $73,760 by 26.1 = $2,826.053, rounded up to the nearest penny: $2,826.06.

- The same calculation is used for eligible employees in full-time and part-time positions, i.e., the employee's current annual salary (effective July 12, 2013) plus two times the exact amount of the April 2013 longevity payment are to be used to derive the new salary.
- The annualized longevity amount is not affected by movement between job classes between April 1, 2013 and July 12, 2013. An employee's annual salary is to be increased by two times the exact amount of the April 2013 longevity.
- If an eligible individual is promoted effective July 12, 2013, the calculation of the promotion will occur first, followed by the longevity adjustment using two times the exact amount of the April, 2013 longevity payment.
- No lump sum longevity payments shall be made to confidential employees in the CA and CR pay plans after April 1, 2013.

FUTURE PAY INCREASES AND SALARY PLAN ADJUSTMENTS

- Confidential employees assigned to the CA pay plan shall continue to be granted all future cost of living increases, annual increments and bonuses granted to employees in the Clerical bargaining unit.
- Confidential employees assigned to the CR pay plan shall continue to be granted all future cost of living increases, annual increments and bonuses granted to employees in the Administrative and Residual bargaining unit.
- When annual increments (AI's) are authorized for employees in the Clerical or Administrative and Residual bargaining unit, confidential employees assigned to the corresponding confidential pay plan will receive a 3% increase up to the maximum of the salary range. If an employee is within 3% of the position rate, the balance of the increase shall be paid in the form of the lump sum up to a maximum of the amount authorized by the bargaining unit. Employees who are at the maximum of the salary range shall be paid a lump sum rate in accordance with that granted by the Clerical or Administrative and Residual bargaining unit as applicable.
- The ranges of the CA and CR pay plans shall be adjusted when a cost of living adjustment (COLA) has been authorized for the Clerical bargaining unit and Administrative and Residual bargaining units, respectively.
- If additional steps are added to the CL or AR pay plans in the future, the equivalent increase shall be added to the corresponding confidential pay plan.
- No lump sum longevity payments shall be made to confidential employees in the CA and CR pay plans after April 1, 2013.

Human Resources Professionals should contact Shari Grzyb or Heather Tweeddale of the DAS Statewide Human Resources Management Division (Business Rules and Central Audit Unit) with questions.

Approved by: Date:

Donald J. DeFronzo 6/20/13
Donald J. DeFronzo, Commissioner
Department of Administrative Services

6/20/13
Benjamin Barnes, Secretary
Office of Policy and Management