PAYROLL BULLETIN

Office of the State Comptroller
Bureau of State Payroll Services

Date: February 22, 2007 **Payroll Bulletin No. 702**

Subject

Recalculation of Salary When There Is Movement Between Bargaining Units with Differing Raises

Purpose

To provide agencies with information and procedures regarding the calculation of affected employees' salaries.

Affected Employees

Employees who move between bargaining units with different raise percentages in the fiscal year in which the movement occurred.

Effective Date(s)

Immediately.

Background

Pursuant to Section 130 of the Civil Service Law and Chapter 317 of the Laws of 1995, when an employee has movement between bargaining units in a fiscal year where the percentage increases for the bargaining units differ, the salary in the new position is recalculated, exclusive of any performance advance already paid during the fiscal year, to reflect the general salary increase that the employee would have received had the employee been in the new bargaining unit at the beginning of the fiscal year.

Calculation Instructions and Examples

Only raises that differ in the ***current*** fiscal year in which the movement occurred affect the recalculation. If the employee is being promoted, the raise that was received in the ***prior*** bargaining unit must be removed before applying a promotion percentage and the raise percentage from the new bargaining unit if applicable. If the movement is a lateral (same grade), then the raise received in the ***prior*** bargaining unit is removed and the raise that the employee would have received if the employee were in the ***new*** bargaining unit when the raises were paid is applied.

- **The employee is entitled to retain any performance advance that was paid during the fiscal year minus the raise.**

Calculation Instructions and Examples (Continued)

For example:
An employee is promoted on February 25, 2006 to a position in a different bargaining unit. The new bargaining unit received a 3% raise on April 1, 2005. The employee's ***prior*** bargaining unit received a 2.75% raise on April 1, 2005. In addition to the raise, the employee received a performance advance in his current grade. The employee's new salary is calculated by dividing his current salary by 1.0275. The resulting salary contains the performance advance without the raise. The next step is to apply the percentage for the promotion and the 3% raise that was in effect for the ***new*** bargaining unit on April 1, 2005.

- **The *new* bargaining unit into which the employee is moving received a raise but the *prior* bargaining unit did not receive a raise.**

For example:
An employee is promoted on June 30, 2006 to a position in a different bargaining unit. The new bargaining unit received a 3% increase on April 1, 2006. The employee's ***prior*** bargaining unit did not receive a raise on April 1, 2006. The employee's new salary is calculated by applying the percentage for the promotion and the 3% raise that was in effect for the ***new*** bargaining unit on April 1, 2006.

- **The *new* bargaining unit into which the employee is moving received a *different* increase than the *prior* bargaining unit**

Lateral Movement examples:

Underpayment:
An employee moves **laterally** on September 15, 2006 to a position in a different bargaining unit. The new bargaining unit received a 3% raise on April 1, 2006. The employee's ***prior*** bargaining unit received a 2% raise on April 1, 2006. The employee's new salary is calculated by removing the 2% raise from his salary in the ***prior*** position and applying the 3% raise earned in the ***new*** bargaining unit.

Overpayment:
An employee moves laterally on October 31, 2005 to a position in a different bargaining unit. The prior bargaining unit received a 2.75% raise on April 1, 2005. The employee's new bargaining unit did not receive a raise on April 1, 2005. The employee's new salary is calculated by removing the 2.75% raise from his salary in the prior position. Since the new bargaining unit did not receive a

Calculation Instructions and Examples (Continued)

raise on April 1, 2005, the new salary will be lower than the previous salary, resulting in an overpayment (which is not recoverable). A general comment will be entered by OSC stating that the overpayment will not be recovered and retro will be turned off.

Promotion example:
An employee is **promoted** on April 18, 2007 to a position in a different bargaining unit. The **prior** bargaining unit received an $800 raise on April 1, 2007. The employee's ***new*** bargaining unit received a 3% raise on April 1, 2007. The new salary is calculated by removing the April 1, 2007 $800 raise from the employee's salary, applying the promotion percentage and then applying the 3% raise for April 1, 2007 for the ***new*** bargaining unit.

OSC Actions

The Salary Determination Unit has made the necessary salary corrections for many of the employees who moved between bargaining units in Executive Branch agencies during the 2003-07 contract period and will continue to correct salaries of Executive Branch agency employees until all are completed.

Overpayments resulting from salary corrections of this type are not recoverable.

Agency Actions

Non-Executive agencies must submit any necessary corrections of salaries based on the above procedures using the Action/Reason of **Pay Rt Change/CSL** (Correct Salary). Agencies must also enter a General Comment explaining the correction.

Questions

Questions about this Bulletin may be emailed to SalaryDetermination@osc.state.ny.us.

Non-Executive agencies may email questions to PayrollAudit@osc.state.ny.us.