



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Department of Administration
Division of Human Resources

SUBJECT: **FY 2009 PAY REDUCTION**

Original Effective Date: Pay Date of June 12, 2009
(Pay Period #25: May 24 – June 6, 2009)
Revision Date: N/A

OBJECTIVE

The purpose of this policy is to provide information and guidance for the implementation of the one (1) day pay reduction as negotiated with the state employees' unions effective for June 2009.

I. GENERAL POLICY

The State of Rhode Island and numerous state employee unions entered into Memoranda of Settlement as a result of collective bargaining. The Memoranda of Settlement provided for a one (1) day pay reduction in June of 2009 and reads as follows:

Pay Reduction

All employees shall receive a one day pay reduction (equivalent to ten percent (10%) of the bi-weekly total salary rate, excluding overtime) which will be effective for one (1) payroll period during June 2009 as designated by the State.

Employees so affected will be entitled to accrue one (1) additional day of paid leave during that payroll period. This leave will accrue to part-time employees on a pro rated basis.

Employees may request to discharge this additional paid leave during any payroll period following the payroll period in which it was earned and/or elect cash payment for that one day in the fiscal year beginning July 2010 and until June 30, 2012. Any hours not discharged or paid as of June 30, 2012 will be lost.

Balances of accrued vacation, sick and "deferred vacation" leave shall be paid at the pre-reduction rate of pay to employees who terminate or retire from State service during this salary reduction period.

Employees completing their in-service training incentive credits during the salary reduction period will be awarded the appropriate salary adjustment based on the pre-reduction rate of pay.

II. APPLICABILITY

The Pay Reduction (equivalent to ten percent (10%)) of the bi-weekly total salary rate, excluding overtime, for Pay Period #25, May 24 – June 6, 2009, applies to non-unionized and unionized state employees as reflected on Appendix A.

This Pay Reduction does not apply to seasonal employees.

III. PROCEDURES

1. Pay Period Designation:

The Pay Reduction shall occur in the first pay period in June 2009 (Pay Period #25, May 24 – June 6, 2009) and shall be reflected in the June 12, 2009 paycheck.

2. Accrual of Paid Leave Day:

Employees subject to the Pay Reduction shall accrue one (1) additional day of paid leave (designated as "Pay Reduction" (PR) Leave accrual) in that payroll period. This leave shall accrue to part-time employees on a pro rated basis.

3. Process for Implementing Reduction:

An employee's bi-weekly paycheck for that pay period will reflect a ten percent (10%) pay reduction as a negative payroll adjustment.

4. Employee Election for Discharge of Pay Reduction Leave Day:

- Employees may request to discharge this leave during any payroll period on or after June 7, 2009 through June 30, 2012;
- The exception code for the discharge of this leave on the timesheets and Payroll shall be reported as "RT";
- Employees may request to discharge this leave in lieu of personal leave, vacation leave or sick leave pursuant to appropriate union contract and/or Personnel Rules;
- Once selected, the option may not be changed;
- This leave may only be discharged as a full day (or as a pro rated full day for part time employees) and may not be discharged in increments.

5. Employee Election for Payment of Pay Reduction Leave Day:

- Employees may elect cash payment for this leave in the fiscal year beginning July 2010 and until June 15, 2012 (to be paid by June 30, 2012);
- No request will be honored after June 15, 2012;
- Payment for leave will be at the straight time hourly rate in effect at the time of payment;
- Forms for election of the payment option will be available at the employee's human resources office/service center;
- Completed forms for election of the payment option are to be submitted to the employee's human resources office/service center for processing;
- Upon receipt, the human resources office/service center will process payment for the next available paycheck;
- The exception code for the payment of this leave on the payroll shall be reported as "RP";
- Once selected, the option may not be changed;

- Payment shall be made for a full day (or as a pro rated full day for part time employees) and may not be paid in increments;
- All applicable taxes will be deducted accordingly;
- No payroll deduction shall be made for retirement or group life insurance.

Any such leave not discharged (in accordance with the provisions of number 4 above) or elected for payment (in accordance with the provisions of number 5 above) will be lost.

6. Leave Time Payments Upon Separation from State Service:

Balances of accrued vacation, sick and "deferred vacation" leave shall be paid at the pre-reduction rate of pay to employees who terminate or retire from State service during Pay Period #25, May 24 – June 6, 2009.

7. In-Service Training Incentive Credits:

Employees completing their in-service training incentive credits during Pay Period #25, May 24 – June 6, 2009, will be awarded the appropriate salary adjustment based on the pre-reduction rate of pay.

8. Effect on Payroll Deductions:

This Pay Reduction may prevent some elected payroll deductions from the bi-weekly gross earnings for some employees. There is a pre-programmed hierarchy of payroll deductions. If the employee's net pay is insufficient to cover the full amount of elected deductions, this would prevent some of those deductions from gross earnings. Payroll cannot make a deduction for a portion of a particular elected payroll deduction.

If there are insufficient gross earnings to have all voluntary payroll deductions subtracted from an employee's bi-weekly gross earnings, the employee is responsible for making direct payment for such payroll deductions (ie: life insurance, credit union loan payments, deferred compensation, etc.)

9. Effect on Retirement Contributions:

An employee's contribution to retirement will be impacted and will reflect the reduction in earnings in that pay period. The Pay Reduction will not affect an employee's service credits for retirement purposes.

IV. FURTHER INFORMATION

Department of Administration, Division of Human Resources - (401) 222-2160

V. Addendums

- Appendix A – List of Groups Subject to Pay Reduction
- Appendix B – Request for Payment of Pay Reduction Leave
- Appendix C – Employee Letter

FY 2010 Pay Reduction - Appendix A

As of 5/18/09

ORGANIZATION	CODE
Governors Office - Non-Union	106
Attorney General - Non-Union	110
Secretary of State - Non-Union	109
General Treasurer - Non-Union	108
Judiciary - Non-Union	111
Joint Committee on Legislative Services - Non-Union	105
Executive Branch - Non-Union	99
Executive Branch - Non-Union Physicians	98
Executive Branch - Non-Union	99
Executive Branch - Non-Union - State Police	99
Executive Branch - Non-Union - Lottery	99
Cabinet Directors	99
Comm. Of Elem + Secondary Educ	
Council 94	1-42 (Except 11 & 15 @ URI)
Council 94 - Sheriffs	8
Supervisors	62
Budget Personnel	63
CCRI - NEA ESPA	68, 69
URI - ACT-NEA	60
IFPTE-AFLCIO-CLC - Local 400	65
PSA /NEARI - Health	92
RIESA - 401	50
IBEW - Channel 36	55
LIUNA	43,44,45,51, 64, 66, 73, 74, 75, 76, 97
RIPPA - Clerical	88
RIPPA - Supervisors	89
RIASSE - Local 580	77,78,79
RIBCO - Professionals	47
RICRA - Court Reporters	72
Nurses - Nage	54
Nurse - UNAP	70
Psychiatrist and Physicians	53
Physicians	52
RIDE - Non-union	99
RIDE - Non-union NON-EXEMPT	99 (based on class codes)
Legislators	Account numbers 2610-10000-01 and 2610-10000-02
Non-Union Channel 36	



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APPENDIX B REQUEST FOR PAYMENT OF PAY REDUCTION "PR" LEAVE

Employees may elect cash payment for this leave in the fiscal year beginning July 2010 and until June 15, 2012 (to be paid by June 30, 2012).

No request received after 4:00 p.m. on June 15, 2012 will be processed. Such leave not discharged or elected for payment shall be lost.

FROM: _____
(Employee Name – Please Print)

I am hereby electing cash payment for the Pay Reduction "PR" Leave accrued to me in accordance with the FY 2009 Pay Reduction in addition to my regular biweekly earnings.

I understand that payment shall be made for a full day (or as a pro rated full day for part time employees) and shall not be paid in increments.

I understand that I shall receive payment of this leave at the straight time hourly rate in effect at the time of payment; that all applicable taxes will be deducted accordingly; and no payroll deduction shall be made for retirement or group life insurance.

I acknowledge that once selected, this election may not be changed.

Employee Signature

Date

Employee Social Security or ID#

Employee Payroll Account#

Submit this completed form to your human resources office/service center. Upon receipt, this request will be processed for payment in the next available paycheck.

Payroll Note: The exception code for the payment of this leave on the payroll shall be reported as "RP".



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration

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TO: Employees subject to the June 2009 Pay Reduction

FROM: Gary S. Sasse
Director

RE: June 2009 10% Pay Reduction

DATE: May 18, 2009

Pursuant to ratified union agreements with the State of Rhode Island and for non-union employees, there shall be a pay reduction equivalent to ten percent (10%) of your bi-weekly total salary rate, excluding overtime, for Pay Period #25 (May 24 – June 6, 2009) which will occur in the June 12, 2009 paycheck.

Your bi-weekly paycheck for that pay period will reflect the pay reduction as a negative payroll adjustment.

Balances of accrued vacation, sick and "deferred vacation" leave shall be paid at the pre-reduction rate of pay to employees who terminate or retire from State service during Pay Period #25, May 24 – June 6, 2009.

Employees completing their in-service training incentive credits during Pay Period #25, May 24 – June 6, 2009, will be awarded the appropriate salary adjustment based on the pre-reduction rate of pay.

For a very small number of employees, the pay reduction may prevent certain payroll deductions from the bi-weekly gross earnings. If there are insufficient gross earnings to have all voluntary payroll deductions subtracted from an employee's bi-weekly gross earnings, the employee is responsible for making direct payment for such payroll deductions (i.e.: life insurance, credit union loan payments, deferred compensation, etc.)

An employee's contribution to retirement will be impacted and will reflect the reduction in earnings in that pay period. The pay reduction will not affect an employee's service credits for retirement purposes.

Employees subject to the pay reduction shall accrue one (1) additional day of paid leave (designated as "Pay Reduction" (PR) Leave accrual) in that payroll period. This leave shall accrue to part-time employees on a pro rated basis.

You may request to discharge this "PR" leave during any payroll period on or after June 7, 2009 through June 30, 2012. The exception code for the discharge of this leave on the timesheets and Payroll shall be reported as "RT". You may request to discharge this leave in lieu of personal leave, vacation leave or sick leave pursuant to appropriate union contract and/or Personnel Rules. This leave may only be discharged as a full day (or as a pro rated full day for part time employees) and may not be discharged in increments. Once selected, this option may not be changed.

Alternatively, you may elect cash payment for this leave in the fiscal year beginning July 2010 and until June 15, 2012 (to be paid by June 30, 2012). No request will be honored after June 15, 2012. Any leave not discharged (as specified above) or elected for payment will be lost. Payment for leave will be at the straight time hourly rate in effect at the time of payment. Forms for election of the payment option will be available at the employee's human resources office/service center. Completed forms for election of the payment option are to be submitted to the employee's human resources office/service center for processing. Upon receipt, the human resources office/service center will process payment for the next available paycheck. Once selected, this option may not be changed. Payment shall be made for a full day (or as a pro rated full day for part time employees) and may not be paid in increments. All applicable taxes will be deducted accordingly. No payroll deduction shall be made for retirement or group life insurance.

Should you have questions regarding the pay reduction, please contact your Human Resources Service Center for assistance.

GSS:mm