



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

DEPARTMENT OF ADMINISTRATION

INTER-OFFICE MEMORANDUM

TO: Non-Union Classified/Unclassified Employees

FROM: Gary S. Sasse
Director
Department of Administration

DATE: September 29, 2009

SUBJECT: FY2010 and FY2011 Reductions

As you know ongoing discussions have occurred between representatives of the Department of Administration and the unions representing state employees. The Governor sought an agreement that would be fair to all state employees and cause the least disruption to the delivery of state services. At this point, memoranda of settlement have been entered into with those unions who are now in the process of ratification. Since we are now at the end of September and the FY 2010 fiscal year is upon us, it is imperative that we implement these changes for the State's workforce which would include our non-union personnel.

Below are the details, covering fiscal years 2010 and 2011 which take into account the State's ongoing fiscal crisis:

Pay Reduction FY 2010:

All employees shall receive eight (8) one day pay reductions (each one equivalent to ten percent (10%) of the bi-weekly total salary rate, excluding overtime) to be effective in each of the payroll periods during fiscal year 2010 as designated below:

Table with 3 columns: Pay Period, Paycheck. Rows 1-8 showing dates for pay periods and corresponding paychecks.

Employees so affected will be entitled to accrue one and one quarter (1.25) additional days of paid leave (for a maximum of 10.0 days) in each of the payroll periods identified above. This leave will accrue to part-time employees on a pro rated basis.

Employees may request to discharge this additional paid leave (Pay Reduction Leave "PR") commencing with any payroll period following the payroll period in which it was earned. These requests shall not be unreasonably denied. Employees may elect to carry no more than four (4) PR days solely for cash payment only upon termination from State service due to retirement, voluntary termination or death. Said cash payment for those days shall be at the employee's total pre-reduction hourly rate in effect for the pay period of 9/27/09-10/10/09 (paycheck of 10/16/09), regardless of when the cash payment is made. All other pay reduction leave accruals provided for in this agreement shall have no cash value whatsoever.

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

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

Salary Increase Delay:

The three percent (3%) across the board salary increase, which would otherwise be effective July 1, 2010, shall not be effective until January 2, 2011.

Pay Reduction FY 2011:

All employees shall receive four (4) one day pay reductions (each one equivalent to ten percent (10%) of the bi-weekly total salary rate, excluding overtime) to be effective in each of the payroll periods during fiscal year 2011 as designated below:

	Pay Period	Paycheck
1	1/2/2011-1/15/2011	1/21/2011
2	1/30/2011-2/12/2011	2/18/2011
3	2/27/2011-3/12/2011	3/18/2011
4	3/27/2011-4/9/2011	4/15/2011

Employees so affected will be entitled to accrue one and one quarter (1.25) additional days of paid leave (for a maximum of five (5) days) in each of the payroll periods identified above. This leave will accrue to part-time employees on a pro rated basis.

Employees may request to discharge this PR commencing with any payroll period following the payroll period in which it was earned. These requests shall not be unreasonably denied. Employees may elect to carry no more than four (4) PR days solely for cash payment only upon termination from State service due to retirement, voluntary termination or death. Said cash payment for those days shall be at the employee's total pre-reduction hourly rate in effect for the pay period of 1/2/2011-1/15/2011 (paycheck of 1/21/2011), regardless of when the cash payment is made. All other pay reduction leave accruals provided for in this agreement shall have no cash value whatsoever.

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

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

Voluntary Leave without Pay:

An employee may also voluntarily request leave without pay subject to his/her supervisor's approval. Employees who make such a request shall not accrue any additional days of paid leave for electing voluntary leave without pay.

Effect on Retirement:

The effect of these reductions on retirement contributions is governed by RIGL 36-10-10.4.

We all recognize that these are challenging times for the State, for our employees and for all of our citizens. The Governor and the General Assembly have the obligation to balance the State's budget. We believe these changes are needed to acknowledge and confront this challenge. This has already meant regrettable but necessary cuts in social programs and aid to cities and towns.

I hope this letter answers questions you may have regarding these changes. Should you have further questions, please feel free to contact your Human Resource Service Center or the Division of Human Resources at 222-2160.

GSS/mm