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Temporary Salary Reduction

[ESSB 5860](#) was passed by the Legislature and signed by the Governor on June 15, 2011. This legislation reduces base salary by 3 percent for most state employees of the executive, legislative, and judicial branches whose full-time monthly salary is \$2500 or greater. There are some limited exceptions.

Temporary Salary Reduction Leave

The bill also provides that employees who are subject to the salary reduction would accrue additional Temporary Salary Reduction (TSR) leave at the rate of up to 5.2 hours per month. Because the savings comes from the actual reduction to salary, not from a reduction in time worked, TSR leave will be a form of paid leave.

Pension Benefits Protected

[HB 2070](#), passed by the Legislature this session, protects pension benefits from being reduced because of the temporary salary reductions in 2011-13. This applies to members of PERS, TRS, SERS, PSERS, WSPRS, and LEOFF Plan 2. See the Department of Retirement Systems ([DRS](#)) website for further information about HB 2070.

Additional Information:

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RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J	STEP K	STEP L	
25	22620	23148	23700	24192	24816	25356	25932	26544	27192	27804	28440	29112	Annual
	1885	1929	1975	2016	2068	2113	2161	2212	2266	2317	2370	2426	Monthly
	10.83	11.09	11.35	11.59	11.89	12.14	12.42	12.71	13.02	13.32	13.62	13.94	Hourly
	0.76	0.78	0.79	0.81	0.83	0.85	0.87	0.89	0.91	0.93	0.95	0.98	Standby
26	23148	23700	24192	24816	25356	25932	26544	27192	27804	28440	29112	29784	Annual
	1929	1975	2016	2068	2113	2161	2212	2266	2317	2370	2426	2482	Monthly
	11.09	11.35	11.59	11.89	12.14	12.42	12.71	13.02	13.32	13.62	13.94	14.26	Hourly
	0.78	0.79	0.81	0.83	0.85	0.87	0.89	0.91	0.93	0.95	0.98	1.00	Standby
27	23700	24192	24816	25356	25932	26544	27192	27804	28440	29112	29784	29592	Annual
	1975	2016	2068	2113	2161	2212	2266	2317	2370	2426	2482	2466	Monthly
	11.35	11.59	11.89	12.14	12.42	12.71	13.02	13.32	13.62	13.94	14.26	14.17	Hourly
	0.79	0.81	0.83	0.85	0.87	0.89	0.91	0.93	0.95	0.98	1.00	0.99	Standby
28	24192	24816	25356	25932	26544	27192	27804	28440	29112	29784	29592	30240	Annual
	2016	2068	2113	2161	2212	2266	2317	2370	2426	2482	2466	2520	Monthly
	11.59	11.89	12.14	12.42	12.71	13.02	13.32	13.62	13.94	14.26	14.17	14.48	Hourly
	0.81	0.83	0.85	0.87	0.89	0.91	0.93	0.95	0.98	1.00	0.99	1.01	Standby
29	24816	25356	25932	26544	27192	27804	28440	29112	29784	29592	30240	30996	Annual
	2068	2113	2161	2212	2266	2317	2370	2426	2482	2466	2520	2583	Monthly
	11.89	12.14	12.42	12.71	13.02	13.32	13.62	13.94	14.26	14.17	14.48	14.84	Hourly
	0.83	0.85	0.87	0.89	0.91	0.93	0.95	0.98	1.00	0.99	1.01	1.04	Standby
30	25356	25932	26544	27192	27804	28440	29112	29784	29592	30240	30996	31704	Annual
	2113	2161	2212	2266	2317	2370	2426	2482	2466	2520	2583	2642	Monthly
	12.14	12.42	12.71	13.02	13.32	13.62	13.94	14.26	14.17	14.48	14.84	15.18	Hourly
	0.85	0.87	0.89	0.91	0.93	0.95	0.98	1.00	0.99	1.01	1.04	1.06	Standby
31	25932	26544	27192	27804	28440	29112	29784	29592	30240	30996	31704	32460	Annual
	2161	2212	2266	2317	2370	2426	2482	2466	2520	2583	2642	2705	Monthly
	12.42	12.71	13.02	13.32	13.62	13.94	14.26	14.17	14.48	14.84	15.18	15.55	Hourly
	0.87	0.89	0.91	0.93	0.95	0.98	1.00	0.99	1.01	1.04	1.06	1.09	Standby
32	26544	27192	27804	28440	29112	29784	29592	30240	30996	31704	32460	33228	Annual
	2212	2266	2317	2370	2426	2482	2466	2520	2583	2642	2705	2769	Monthly
	12.71	13.02	13.32	13.62	13.94	14.26	14.17	14.48	14.84	15.18	15.55	15.91	Hourly
	0.89	0.91	0.93	0.95	0.98	1.00	0.99	1.01	1.04	1.06	1.09	1.11	Standby
33	27192	27804	28440	29112	29784	29592	30240	30996	31704	32460	33228	33984	Annual
	2266	2317	2370	2426	2482	2466	2520	2583	2642	2705	2769	2832	Monthly
	13.02	13.32	13.62	13.94	14.26	14.17	14.48	14.84	15.18	15.55	15.91	16.28	Hourly
	0.91	0.93	0.95	0.98	1.00	0.99	1.01	1.04	1.06	1.09	1.11	1.14	Standby
34	27804	28440	29112	29784	29592	30240	30996	31704	32460	33228	33984	34848	Annual
	2317	2370	2426	2482	2466	2520	2583	2642	2705	2769	2832	2904	Monthly
	13.32	13.62	13.94	14.26	14.17	14.48	14.84	15.18	15.55	15.91	16.28	16.69	Hourly
	0.93	0.95	0.98	1.00	0.99	1.01	1.04	1.06	1.09	1.11	1.14	1.17	Standby

**TEMPORARY SALARY REDUCTION AND
TEMPORARY SALARY REDUCTION (TSR) LEAVE RULES
ADOPTED ON AN EMERGENCY BASIS, EFFECTIVE JULY 1, 2011**

WAC 357-31-225

When employees separate from state service, are they entitled to a lump sum payment of unused vacation leave?

(1) When an employee who has completed six continuous months of employment separates from service by reason of resignation with adequate notice, layoff, trial service reversion, separation, dismissal, retirement, or death, the employee is entitled to a lump sum payment of unused vacation leave. The payment is computed by using the formula published by the office of financial management. Payments made between July 1, 2011, and June 29, 2013, will not be subject to a temporary salary reduction. No contributions are to be made to the department of retirement systems (DRS) for lump sum payment of excess vacation leave accumulated under the provisions of WAC 357-31-215(2), nor shall such payment be reported to the DRS as compensation.

(2) General government permanent employees may defer the payment of accumulated vacation leave to which they are entitled for a period of thirty calendar days in any of these circumstances:

(a) If the separation resulted from a layoff, trial service reversion, or conclusion of a project or nonpermanent appointment and there is a reasonable probability of reemployment, or

(b) If the separation resulted from an employee returning to a classified position from an exempt position under the provision of RCW 41.06.070.

WAC 357-31-150

Can an employee be paid for accrued sick leave?

In accordance with the attendance incentive program established by RCW 41.04.340, employees are eligible to be paid for accrued sick leave as follows:

(1) In January of each year, an employee whose sick leave balance at the end of the previous year exceeds four hundred eighty hours may elect to convert the sick leave hours earned in the previous calendar year, minus those hours used during the year, to monetary compensation.

(a) No sick leave hours may be converted which would reduce the calendar year-end balance below four hundred eighty hours.

(b) Monetary compensation for converted hours is paid at the rate of twenty-five percent and is based on the employee's current salary. Monetary compensation for converted hours which is paid between July 1, 2011, and June 29, 2013, will not be subject to a temporary salary reduction.

(c) All converted hours are deducted from the employee's sick leave balance.

(d) Hours which are accrued, donated and returned from the shared leave program in the same calendar year may be included in the converted hours for monetary compensation.

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(e) For the purpose of this section, hours which are contributed to a sick leave pool per WAC 357-31-570 are considered hours used.

(2) Employees who separate from state service because of retirement or death must be compensated for their total unused sick leave accumulation at the rate of twenty-five percent. The employer may deposit equivalent funds for a retiring employee in a medical expense plan as provided in WAC 357-31-375. Compensation must be based on the employee's salary at the time of separation. Compensation for unused sick leave which is paid between July 1, 2011, and June 29, 2013, will not be subject to a temporary salary reduction. For the purpose of this subsection, retirement does not include "vested out-of-service" employees who leave funds on deposit with the department of retirement systems (DRS).

(3) No contributions are to be made to the department of retirement systems (DRS) for payments under subsection (1) or (2) of this section, nor are such payments reported to DRS as compensation.

WAC 357-28-285

When must compensatory time be paid in cash?

- (1) The accumulation of unused compensatory time of any amount that exceeds two hundred forty hours, or four hundred eighty hours for employees engaged in public safety or emergency response activity, must be paid in cash at the regular rate earned by the employee at the time the employee receives such payment. Payments made between July 1, 2011, and June 29, 2013, will not be subject to the three percent temporary salary reduction under ESSB 5860.
- (2) Upon termination of employment, an employee must be paid for unused compensatory time in accordance with applicable state and federal law. Payments made between July 1, 2011, and June 29, 2013, will not be subject to the three percent temporary salary reduction under ESSB 5860.

WAC 357-28-260

At what rate must overtime be compensated?

Overtime worked by an overtime eligible employee must be compensated at a rate of one and one-half times the employee's regular rate. Compensation for overtime worked between July 1, 2011, and June 29, 2013, will not be subject to the three percent temporary salary reduction under ESSB 5860.

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WAC 357-31-245

What happens if an employee uses accrued vacation leave, accrued sick leave, accrued compensatory time, recognition leave, accrued temporary salary reduction leave, or receives holiday pay during a period when he/she is receiving time loss compensation?

An employee who uses accrued vacation leave, accrued sick leave, accrued compensatory time, recognition leave, accrued temporary salary reduction leave, or receives holiday pay during a period when he/she is receiving time loss compensation is entitled to time-loss compensation and full pay for vacation leave, sick leave, compensatory time, recognition leave, temporary salary reduction leave, and holiday pay.

WAC 357-31-255

What types of leave may an employee use when absent from work or arriving late to work because of inclement weather?

When the employer determines inclement weather conditions exist, the employer's leave policy governs the order in which accrued leave and compensatory time may be used to account for the time an employee is absent from work due to the inclement weather. The employer's policy must allow the use of accrued vacation leave, accrued sick leave up to a maximum of three days in any calendar year, accrued temporary salary reduction leave, and the use of leave without pay in lieu of paid leave at the request of the employee. The employer's policy may allow leave with pay when an employee is absent due to inclement weather.

WAC 357-31-265

What is the effect of suspended operations on employees who are not required to work during the closure?

At a minimum, employees not required to work during suspended operations must be allowed to use their personal holiday ~~or~~, accrued vacation leave, or accrued temporary salary reduction leave. Overtime eligible employees must also be allowed to use accrued compensatory time to account for the time lost due to the closure. Overtime eligible employees may be allowed to use leave without pay and given an opportunity to make up work time lost (as a result of suspended operations) within the work week. For overtime eligible employees, compensation for making up lost work time must be in accordance with WAC 357-28-255, 357-28-260, and 357-28-265 if it causes the employee to work in excess of forty hours in the workweek, and must be part of the employer's suspended operations procedures. The amount of compensation earned under this section must not exceed the amount of salary lost by the employee due to suspended operation.

If the employer's suspended operations procedure allows, employees may be released without a loss in pay.

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WAC 357-31-390

What criteria does an employee have to meet to be eligible to receive shared leave?

An employee may be eligible to receive shared leave if the agency head or higher education institution president has determined the employee meets the following criteria:

(1) The employee:

(a) Suffers from, or has a relative or household member suffering from, an illness, injury, impairment, or physical or mental condition which is of an extraordinary or severe nature;

(b) The employee has been called to service in the uniformed services;

(c) A state of emergency has been declared anywhere within the United States by the federal or any state government and the employee has the needed skills to assist in responding to the emergency or its aftermath and volunteers their services to either a governmental agency or to a nonprofit organization engaged in humanitarian relief in the devastated area, and the governmental agency or nonprofit organization accepts the employee's offer of volunteer services;

(d) The employee is a victim of domestic violence, sexual assault, or stalking as defined in RCW 41.04.655; or

(e) During the 2009-2011 fiscal biennium only, an employee whose monthly full-time equivalent base salary is two thousand five hundred dollars or less is eligible to use shared leave in lieu of temporary layoff as described in chapter 32, Laws of 2010.

(2) The illness, injury, impairment, condition, call to service, emergency volunteer service, consequence of domestic violence, sexual assault, or stalking, or temporary layoff under chapter 32, Laws of 2010, has caused, or is likely to cause, the employee to:

(a) Go on leave without pay status; or

(b) Terminate state employment.

(3) The employee's absence and the use of shared leave are justified.

(4) The employee has depleted or will shortly deplete their:

(a) Compensatory time, recognition leave as described in WAC 357-31-565, personal holiday, accrued vacation leave, accrued temporary salary reduction leave, and accrued sick leave if the employee qualifies under subsection (1)(a) of this section; or

(b) Compensatory time, recognition leave as described in WAC 357-31-565, personal holiday, accrued vacation leave, accrued temporary salary reduction leave, and paid military leave allowed under RCW 38.40.060 if the employee qualifies under subsection (1)(b) of this section; or

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(c) Compensatory time, recognition leave as described in WAC 357-31-565, personal holiday, accrued temporary salary reduction leave, and accrued vacation leave if the employee qualifies under (1)(c) or (d) of this section; or

(d) Compensatory time, recognition leave as described in WAC 357-31-565, accrued temporary salary reduction leave, and accrued vacation leave if the employee qualifies under subsection (1)(e) of this section.

(5) The employee has abided by employer rules regarding:

(a) Sick leave use if the employee qualifies under subsection (1)(a) of this section; or

(b) Military leave if the employee qualifies under subsection (1)(b) of this section.

(6) If the illness or injury is work-related and the employee has diligently pursued and been found to be ineligible for benefits under chapter 51.32 RCW if the employee qualifies under subsection (1)(a) of this section.

WAC 357-31-535

Who designates absences which meet the criteria of the Family and Medical Leave Act?

The employer designates absences which meet the criteria of the Family and Medical Leave Act. Paid or unpaid leave used for that designated absence must be counted towards the twelve weeks of the Family and Medical Leave Act entitlement. Time spent on temporary salary reduction leave will not count towards the twelve weeks of the Family and Medical Leave Act entitlement.

Because the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.) does not recognize registered domestic partners, an absence to care for an employee's registered domestic partner is not counted towards the twelve weeks of the Family and Medical Leave Act entitlement.

NEW SECTION

WAC 357-31-740 What is temporary salary reduction (TSR) leave and which employees are eligible to earn TSR leave?

Temporary salary reduction (TSR) leave is paid leave prescribed under ESSB 5860. Employees who are subject to the three percent temporary salary reduction under ESSB 5860 may be credited up to a maximum of 5.2 hours of TSR leave per month.

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NEW SECTION

WAC 357-31-745 What provisions apply to temporary salary reduction (TSR) leave?

- (1) Full-time employees whose pay has been reduced in accordance with ESSB 5860 and who have been in pay status for 80 nonovertime hours in a month will accrue 5.2 hours of TSR leave. Time spent on temporary layoff as provided in WAC 357-46-063 is considered time in pay status for the purpose of this subsection.
- (2) Part-time employees earn TSR leave on a pro rata basis in accordance with WAC 357-31-125.
- (3) Employees may use TSR leave as soon as it is accrued.
- (4) Employers must identify how employees will request the use of TSR leave.
- (5) There is no requirement for TSR leave to be used prior to sick leave or vacation leave unless the employer specifies otherwise.
- (6) An employee's request to use TSR leave must be approved under the following conditions:
 - (a) As a result of the employee's serious health condition.
 - (b) To care for a spouse, registered domestic partner, parent, parent-in-law, or grandparent of the employee who has a serious health condition or an emergency health condition.
 - (c) To care for a minor/dependent child with a health condition that requires treatment or supervision.
 - (d) For parental leave as provided in WAC 357-31-460.
 - (e) If the employee or the employee's family member, as defined in chapter 357-01 WAC, is a victim of domestic violence, sexual assault, or stalking as defined in RCW 49.76.020. An employer may require the request for leave under this section be supported by verification in accordance with WAC 357-31-730.
 - (f) In accordance with WAC 357-31-373, for an employee to be with a spouse or registered domestic partner who is a member of the armed forces of the United States, National Guard, or reserves after the military spouse or registered domestic partner has been notified of an impending call or order to active duty, before deployment, or when the military spouse or registered domestic partner is on leave from deployment.

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- (7) In accordance with the employer's leave policy, approval for the reasons listed in (6)(a) through (f) above may be subject to verification that the condition or circumstance exists.
- (8) TSR leave has no cash value and balances must be used by July 1, 2013; however, employees may carry forward up to 16 hours of TSR leave that must be used prior to September 1, 2013.
- (9) TSR leave may not be donated as shared leave.
- (10) TSR leave may be approved for any reason vacation leave and sick leave may be approved.
- (11) Unused TSR leave transfers with an employee when the employee changes state employers, without a break in service, and moves to a position which earns TSR leave.
- (12) Time spent on temporary layoff as provided in WAC 357-46-063 will not impact an employees TSR leave accrual.

Q&A on Temporary Salary Reduction #1

Note: The following questions and answers apply to general government non-represented employees only. General government and higher education represented employees should contact their HR office or designated union representative. HR professionals who have questions related to represented employees or union representatives should contact their agency labor relations representative within the Labor Relations Office. Higher education non-represented employees should contact their HR office for information regarding the impact of ESSB 5860.

1. What authorizes the 3% temporary salary reduction?

Effective July 1, 2011, newly enacted legislation (ESSB 5860) requires a 3% reduction to the base salaries for most employees of the executive, legislative, and judicial branches.

2. When does the salary reduction take effect?

The 3% salary reduction is effective July 1, 2011 and will be reflected on the employee's July 25, 2011 paycheck.

3. How long does the salary reduction stay in place?

Legislation adopted and signed by the Governor is effective July 1, 2011, through June 29, 2013, unless superseded by other actions.

4. Which non-represented employees does the salary reduction apply to?

The salary reduction applies to most non-represented state general government employees whose monthly full-time equivalent base salary is \$2500 or more prior to the salary reduction.

5. Will hourly employees be subject to the 3 percent salary reduction?

Yes, if the monthly full-time equivalent base salary is \$2500 or more prior to the salary reduction.

6. Will elected officials be subject to the 3% salary reduction?

ESSB 5860 says elected officials whose salaries are set by the commission on salaries for elected officials are not subject to the 3% salary reduction. Section (6) of the bill says this language does not prohibit elected officials from voluntarily agreeing to a reduction in salary and they are encouraged to take such action.

7. If the 3% temporary salary reduction lowers my monthly full-time equivalent base salary to below \$2500 do I still have to take the reduction?

Yes. The determination is based on the monthly full-time equivalent base salary prior to the salary reduction.

8. Who is excluded from the salary reduction?

Employees with a monthly full-time equivalent base salary of less than \$2500 are not subject to the salary reduction. Additionally, elected officials are not subject to the reduction, however they may voluntarily have 3% withheld from their salary.

The legislation also excludes specific groups of employees. See Section 1 of ESSB 5860.

9. If I work part-time and make less than \$2500 a month, how will the salary reduction affect me?

The determination as to whether the 3% salary reduction applies is based on the position's full-time equivalent base salary.

Example - Using the salary grid effective prior to July 1, 2011 for an Office Assistant 1, salary range 25, step L, the monthly full-time equivalent base salary is \$2426. Because the monthly full-time equivalent base salary is less than \$2500, an employee working part-time within that classification at any step would not be affected by the 3% salary reduction.

Example - Using the salary grid effective prior to July 1, 2011 for an Office Assistant 2, salary range 28, step L, the monthly full-time equivalent base salary is \$2598. The monthly full-time equivalent base salary is \$2500 or more and an employee working part-time and at step L would be impacted by the 3% salary reduction.

10. If my full-time monthly equivalent base salary is greater than \$2500 however leave without pay results in my salary being less than \$2500 will I have to take a 3% salary reduction?

Yes. The 3% salary reduction is based on a position's monthly full-time equivalent base salary.

11. Will I have furlough days or temporary layoff days due to the salary reduction?

ESSB 5860 does not require additional temporary layoff days or furlough days. Rather, employees subject to the temporary salary reduction will have their base salary reduced by 3% and in exchange will receive up to 5.2 hours of Temporary Salary Reduction (TSR) leave. (See Q&A on TSR Leave.)

12. May I still be required to take temporary layoff days or furloughs in addition to the salary reduction?

While ESSB 5860 does not require temporary layoff days or furloughs in addition to the 3% salary reductions, budgets may necessitate agencies to implement staffing reductions including temporary layoffs or furloughs.

13. How do I know what my salary will be after the salary reduction goes into effect?

The proposed salary schedules are available the DOP website and the final salary schedules will be available on July 1st following adoption by the DOP Director.

14. Will I still receive periodic increment increases (PID) during this time?

Yes. PIDs are not impacted by the 3% salary reduction legislation.

15. If my PID brings my monthly full-time equivalent base salary to \$2500 or more, will I have to take the salary reduction?

Yes. If a PID brings your monthly full-time equivalent base salary to \$2500 or more, your salary will meet the requirement for the 3% base salary reduction set by legislation.

16. If I work overtime, will the overtime compensation be calculated based on my reduced salary?

No. The payroll system will restore the 3% reduction when calculating the compensation overtime.

17. Will the 3% salary reduction affect other pay types which are a percentage of monthly base pay?

Other than overtime, all pay types calculated by using a percentage of the employee's monthly base pay will be affected by the 3% salary reduction.

18. What compensation types are included when determining whether a position falls within the \$2500 exemption?

Monthly base salary is the only compensation considered when determining if a position falls within the \$2500 exemption. Pay premiums such as assignment pay, shift differential, etc are not considered.

19. If I leave state service will my vacation leave be cashed out using my reduced salary?

The temporary salary reduction will not apply to vacation leave cashed out at separation or retirement.

20. If I participate in the sick leave buy-out in January or leave state service due to retirement or death will the temporary salary reduction affect my sick leave buy-out?

No. The temporary salary reduction will not apply to sick leave cashed out under the provisions of WAC 357-31-150.

21. Will compensatory time cashed out under WAC 357-28-285 be impacted by the temporary salary reduction?

No. The temporary salary reduction will not apply to compensatory time cashed out under WAC 357-28-285.

22. How does the passage of ESSB 5860 impact retirement benefits?

In general, the temporary salary reduction outlined in ESSB 5860 should not impact the retirement benefit calculation of members of the affected retirement systems. HB 2070 was passed during the 2011 Legislative session and required the Department of Retirement Systems (DRS) to calculate a member's retirement benefit using the compensation that would have been earned had it not been for the reduction in salary. The provisions of this bill apply to members of PERS, TRS, SERS, PSERS, WSPRS, and LEOFF.

23. What time period is covered under HB 2070 (referenced in question #20 above)?

The salary protections of HB 2070 apply during the 2011-2013 biennium only; from July 1, 2011, through June 30, 2013.

24. During the 2011-2013 biennium are the pensions of retiring employees still protected from other types of salary reductions such as furloughs or temporary layoffs?

HB 2070 also protects pensions from the impacts of other types of salary reductions, as long as they are certified by the employer as part of their overall expenditure reduction efforts.

25. I am retiring from PERS Plan 1 during the upcoming biennium. Will the additional value in my retirement benefit due to my annual leave cash out be affected by ESSB 5860?

No. ESSB 5860 requires the annual leave to be cashed out at full value. Additionally, the salary average used for retirement will not be affected because of HB 2070. Any leave value that would have been included in your benefit calculation prior to the passage of these two bills will still be included.

26. How will DRS know what my compensation should have been when I retire?

When you ask DRS to provide you with an estimate of your retirement benefit, DRS will ask whether you had any qualifying salary reductions during this biennium. If you answer yes, DRS will solicit the unreduced salary from your employer and use that in your benefit calculation.

27. Will the salary reduction impact an employee's calculation of time loss?

The factors that determine a worker's time-loss benefit rate include their wage at the time they were injured. Because of this, the salary reduction will not impact the time-loss compensation rates for existing worker claims, but would be considered for new claims, as are other changes such as step increases.

28. When will the modified salary schedules be updated and published on the DOP website?

The proposed salary schedules are available the DOP website and the final salary schedules will be available on July 1st following adoption by the DOP Director.

Q&A on TSR Leave #2

Note: The following questions and answers apply to general government non-represented employees only. General government and higher education represented employees should contact their HR office or designated union representative. HR professionals who have questions related to represented employees or union representatives should contact their agency labor relations representative within the Labor Relations Office. Higher education non-represented employees should contact their HR office for information regarding the impact of ESSB 5860.

1. What is TSR leave and who will earn it?

Temporary Salary Reduction (TSR) leave is a separate type of paid leave. Qualified employees who are subject to the 3% salary reduction will earn TSR leave each month.

2. If I am a full-time employee how much TSR leave will I earn?

Full-time employees who are subject to the 3% salary reduction and who have been in pay status for 80 non-overtime hours in a calendar month will accrue 5.2 hours of TSR leave each month.

3. If I am a part-time employee how much TSR leave will I earn?

Part-time employees who are subject to the 3% salary reduction will accrue TSR leave proportionate to the number of hours the part-time employee is in pay status during the month to that required for full-time employment. This is calculated the same manner vacation and sick leave accruals are calculated for part-time employees.

4. If I am a part-time employee will TSR leave be included in determining the part-time hours for seniority purposes?

For part-time general government employees seniority dates are calculated by determining the number of actual hours worked and/or in paid status, excluding compensatory time off. Since TSR leave is paid leave the TSR leave hours will count towards seniority.

5. Will I be able to accrue a TSR leave balance? If so, what is the maximum number of hours I can accrue before I'm required to use it?

Employees will be able to accrue a TSR leave balance. There is no limit to the number of hours accrued. See question #10 for information on when TSR leave has to be used.

6. When will I accrue TSR leave?

Starting July 1, 2011 full-time employees will accrue TSR leave after being in paid status for 80 non-overtime hours during the month. Part-time employees will accrue TSR leave at the end of each month on a pro-rata basis.

7. Will my TSR leave balance show on my earnings statement?

Yes. The new TSR leave will be displayed on the earnings statement.

8. Can I use accrued TSR leave during the first six months of my probationary period?

An employee may use TSR leave during the first six months of employment.

9. When I request to use TSR leave will I follow the same procedure I do when I request to use vacation or sick leave?

Your agency will establish procedures for requesting the use of TSR leave.

10. Does TSR leave have to be used before all other types of paid leave such as vacation leave, sick leave, compensatory time, personal holiday, or exchange time?

There is no requirement for TSR leave to be used prior to other types of paid leave unless the employer specifies otherwise.

11. Does accrued TSR leave have to be used before I can receive shared leave?

Employees who qualify for shared leave must use all accrued TSR leave before receiving shared leave.

12. Can I donate my TSR leave to another state employee?

TSR leave cannot be donated as shared leave or to a shared leave pool.

13. Is there a specific date by which I have to use all my TSR leave?

TSR leave must be used before July 1, 2013; however, employees may carry forward up to 16 hours of TSR leave that must be used before September 1, 2013.

14. Will the TSR leave count towards my 240 hours maximum vacation leave accrual?

TSR leave is a separate type of paid leave and will not be included in the 240 hours maximum vacation leave.

15. If I have a TSR leave balance and separate from state service will I be cashed out for my TSR leave?

TSR leave cannot be cashed out.

16. If I have a TSR leave balance and move to a different job with a different state employer will my TSR leave balance transfer to the new agency?

If an employee has a TSR leave balance and accepts an appointment with a different employer (without a break in service) the employee's TSR leave balance will transfer to the new employer provided the position is eligible for TSR leave.

17. How will supervisors/managers track the use of TSR leave for employees?

Supervisors/managers should use the same method for tracking the use of TSR leave as they do today for other leave types. Agencies can use the ZHR_RPTTM084, Attendance Report to track the use of the TSR leave or to review the TSR leave balances for their employees.

18. What will be the last accrual date in which I must exhaust TSR leave before it is no longer available?

All but 16 hours of TSR leave including the June 2013 accrual, will expire on June 30, 2013. The remaining 16 hours must be used prior to September 1, 2013.

Q&A on TSR Leave #3

Note -We are awaiting LRO feedback on these Q&As. Since both represented and non-represented general government employees are paid out of the HRMS payroll system LRO is reviewing to determine which answers may apply universally to represented and non-represented employees. Once we have LRO feedback we plan to add this to the DOP website.

PART A - HR and Payroll Questions Salary Reduction:

1. Do we need to notify all of our employees individually of the salary reduction?

This is an individual agency decision; however, at a minimum we recommend you send a message to all employees receiving the reduction and include a copy of the notification in their personnel files. This may assist both the employee and HR in the future. DOP provided a sample communication to the HR Directors.

2. How do we address the salary reduction in appointment letters?

DOP worked with the Labor and Personnel section of the AGO and provided sample letters for non-represented employees to the HR Directors.

3. How do we address the 3 percent salary reduction when an employee's salary is being reduced for disciplinary reasons?

DOP worked with the Labor and Personnel section of the AGO and provided sample letters for non-represented employees to the HR Directors.

4. When will the reduced compensation table be displayed on the employees' Basic Pay record (Infotype 0008)?

The reduced salary for each employee affected will be displayed on the Basic Pay Infotype 0008 on July 1, 2011.

5. How will directly valuated employees' salary (WMS, Exempt or employees not paid on a salary schedule) be updated?

On June 9, 2011 the Department of Personnel (DOP) provided agencies a report that identifies directly valuated employees (WMS, Exempt, or employees not paid on a salary schedule) who make a full-time equivalent salary of \$2500 per month or more. Similar to how general wage increases have been handled in the past, DOP will run an automated process to reduce the salaries of qualifying directly valuated employees by 3 percent.

6. Will HRMS adjust the overtime and leave cash out rate automatically for employees who have the salary reduction?

Yes, HRMS will apply a 3 percent restoration factor to the affected wage types based upon the employee's collective bargaining agreement or civil service rules.

7. In what order will actions happen in the system (for example, if a periodic increment increase occurs on same effective date as salary reduction)?

Indirectly valued employees (employees paid based on salary range and step according to the compensation plan) do not have a new Basic Pay record (Infotype 0008) created for the salary reduction. The adjusted salary is reflected based on the changes to the compensation plan effective July 1, 2011. However, a new Basic Pay record (Infotype 0008) is created for any employees receiving a periodic increment to reflect the new level (step). This will occur the first night of payroll (end of Payroll Day1) for the July 25, 2011 payroll. The salary displayed on Infotype 0008 is reflected for the new level (step) based on the salary grid.

8. Will the WMS bands and exempt bands be reduced?

No, the WMS and Exempt bands will not be reduced. Only the salaries reflected on the Basic Pay Infotype 0008 for WMS or Exempt employees will be reduced by 3 percent.

9. How should we post salaries on job postings?

This is an individual agency decision. DOP has provided some recommended language for agencies to consider:

For jobs posted between now and June 30:

Important Note: From July 1, 2011, through June 29, 2013, a 3% temporary salary reduction is in effect for most state positions.

For jobs posted on or after July 1 - It is recommended that the salary reflect the July 1, 2011 3% temporary salary reduction and includes the following:

Important Note: From July 1, 2011, through June 29, 2013, a 3% temporary salary reduction is in effect for most state positions. The salary listed above includes this reduction.

Or if the salary shown is the salary before the July 1, 2011 reduction OR if the salary is not shown (e.g., 'Depends on Qualifications,' 'Negotiable,' or the agency elects not to show the salary):

Important Note: From July 1, 2011, through June 29, 2013, a 3% temporary salary reduction is in effect for most state positions.

10. How will salaries be calculated if an employee moves from a non-reduced position to a reduced position or vice versa?

Currently, several variables determine salary calculations for employees moving from non-represented to represented positions. That won't change with the salary reductions. It simply means plotting the salary on the appropriate grid for the final salary outcome.

Per WAC 357-28-035, employers address salary setting for new employees in their Salary Determination Policy. If employers chose to follow the existing rule and not deviate from it, WAC 357-28-110 states employees must receive a minimum increase of two steps upon promotion. However, employers may also grant higher increases based on rule criteria. Note: agencies should review their salary determination policies and any impacts during the period of salary reductions.

11. What impact does the temporary salary reduction have on employees working under an H1B visa?

Unlike the "benching" aspects of the temporary layoffs, employers are not prohibited from reducing an employee's wages, even where they have filed a Labor Condition Application (LCA). However, a new LCA must be filed prior to the decrease in wages becoming effective and it must be approved by the U.S. Department of Labor. Employers must calculate the 3% reduction of the H1B beneficiary's current wage to determine if it will take the salary below what was certified by the LCA as the prevailing or actual wage. It is imperative that any employer with an H1B, H1B1, or E-3 employee calculate the wage and determine if a new LCA and amended H1B petition is necessary. If a new LCA and H1B petition is necessary, please contact the Labor and Personnel Division of the Attorney General's Office immediately so they can process the appropriate paperwork.

PART B - HR and Payroll Questions Temporary Salary Reduction (TSR) Leave:

12. Do we need to update our agency's leave policy to address TSR leave?

There is no requirement for agencies to update their leave policy to address TSR leave. However, we recommend agencies review their leave policy and procedures to determine if updates are necessary.

13. What happens to unused TSR leave that expires on June 30, 2013?

TSR leave that expires is exhausted just like excess vacation leave is exhausted on the employee's anniversary date. However, employees may carry forward up to 16 hours of TSR leave that must be used before September 1, 2013. The process for extending the TSR leave in HRMS will be communicated at a later date.

14. How are employees identified as eligible for earning TSR leave?

~~DOP will create a new TSR Leave date type for IT0041 and process an initial load of the new~~
date type for employees affected by the 3 percent salary reduction. Agencies will be responsible for establishing eligibility by entering the date type on IT0041 after the initial load.

DOP will create a new TSR leave quota and accrual process which will only apply to the employees with the new date type.

- 15. If an employee has a TSR leave balance and moves to a different job with a different state agency will the employee's TSR leave balance transfer to the new agency?**

If an employee has a TSR leave balance and accepts an appointment with a different state agency (without a break in service) the employee's TSR leave balance will transfer to the new agency.

- 16. If an employee has a TSR leave balance and separates from state service will the employee be cashed out for the TSR leave?**

No, TSR leave cannot be cashed out.

- 17. When will the new comp plan be available on your web site?**

The proposed salary schedules will be published soon after the Governor signs the bill and the final salary schedules will be available July 1, 2011, following adoption by the DOP Director.

- 18. Will retirement and Social Security tax amounts – both employer and employee amounts – be taken on the reduced amount or on the amount before the reduction?**

Retirement and Social Security tax – both employee and employer amounts - will be taken on the gross subject to retirement or gross subject to Social Security calculated at the time of the payroll process. Therefore, if the salary is reduced, the gross subject to retirement or Social Security will also be reduced, causing the actual tax taken to be reduced.

For additional information regarding retirement see Question #6, Part A – HR and Payroll Questions Salary Reduction.

- 19. Will DOP add a new absence type in the Human Resource Management System specifically for Temporary Salary Reduction (TSR) leave that will reduce the TSR leave balance?**

Yes, it was necessary to add two absence types and associated wage types since sick leave or leave taken in lieu of sick leave is not to be included in the hours and salary reported for unemployment insurance purposes. The absence type 9400 Temporary Salary Reduction Lv is reportable to Employment Security but absence type 9401 is not.

Absence type 9400 Temp Salary Reduction Lv; Wage Type 1353 Temp Salary Reduction
Absence Lv

Absence type 9401 Temp Sal. Red. Lieu of Sick; Wage Type 1354 Temp Sal. Red. Lieu of Sick

- 20. Will TSR or the TSR leave cause any system limitations? For example, with the current personal leave day, if an employee moves from a position where they have a personal leave day to one where they do not have a personal leave day, it causes a "system error" and won't allow us to key in leave.**

The "system error" with the personal leave day is caused because the personal leave day is only allowed for specific bargaining units. The TSR Leave will be allowed for most employees so the system error should not be an issue.

- 21. Can TSR leave be donated as shared leave?**

TSR leave cannot be donated as shared leave or to a shared leave pool.