COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ADMINISTRATION

DATE: March 21, 2000

SUBJECT: Prorating Cash Payments

TO: ALL PERSONNEL OFFICERS OF ALL DEPARTMENTS, INDEPENDENT ADMINISTRATIVE BOARDS AND COMMISSIONS AND OTHER STATE AGENCIES UNDER THE GOVERNOR'S JURISDICTION

FROM: Charles T. Sciotto Charles T. Sciotto
Deputy Secretary for Employee Relations

As you are aware, Commonwealth policy provides for cash payments in lieu of longevity increases for employees assigned to the Standard or Physicians Pay Schedules (Schedules S and T), who are at or above the maximum pay step of their pay range. Employees who are on leave without pay are granted the cash payment upon their return to active pay status. The purpose of this memorandum is to confirm the Office of Administration's policy regarding prorating cash payments in these circumstances.

For example, an employee in Pay Group 3 at Pay Range 6, Step 20, returns to active pay status on March 15, 2000. The full-year cash payment of $1,017 would be prorated as follows. The employee was on leave without pay for 5.2 pay periods, from January 1, 2000, to March 14, 2000. 5.2 divided by 26.08 equals 0.199. Multiplying this result by the full-year cash payment of $1,017 provides $202. Reduce the full-year cash payment by this answer to arrive at the prorated cash payment: $1,017 minus $202 equals $815, the amount to pay the employee in this case.

This method of calculation should also be used for prorating general pay increase cash payments for employees above the maximum of their pay range who return to active pay status after the effective date of the pay increase.

If you have any questions, please contact the Pay Division at 783-8141.

cc: Secretary Paese
Bobbi Sweeney, BCPO