



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