

<b>HUMAN RESOURCES MEMORANDUM 01-022</b>	DATE ISSUED: 07/06/2001
SUBJECT: <b>SUSPENSION OF EMPLOYER 401 (K) CONTRIBUTION FOR EXCLUDED EMPLOYEES</b>	REFERENCE: None
TO: MANAGERS; SUPERVISORS; CONFIDENTIAL EMPLOYEES	SUPERCEDES: None

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**PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES**

Attached is the Department of Personnel Administration's (DPA) Personnel Liaison Memorandum 2001-028 regarding the suspension of employer 401(K) contribution for excluded employees.

Any questions regarding this memorandum should be directed to your assigned Personnel Analyst or Personnel Services Specialist.

LYNN W. CATANIA, Manager  
Personnel Operations Section

Attachment

cc: OHR Staff

State of California

**MEMORANDUM**

**DATE: June 27, 2001**

**TO: PERSONNEL MANAGEMENT LIAISONS**

**REFERENCE CODE: 2001-028**

**THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:**

Personnel Officers  
Employee Relations Officers  
Training Officers

**FROM:** Department of Personnel Administration  
Labor Relations Division

**SUBJECT:** Suspension of Employer 401(K) Contribution for Excluded Employees

**CONTACT:** Franklin C. Marr, Labor Relations Officer  
(916) 324-0476, CALNET 454-0476  
FAX: (916) 322-0765  
Email: FrankMarr@dpa.ca.gov

This is to officially notify you that the employer 401(k) contribution that has been provided to excluded employees since July 1, 2000 (reference PML 2000-58) will be suspended until further notice, effective June 30, 2001. The last quarterly contribution will be posted on June 28, 2001, and will be reflected on the quarterly statements issued in late July by the Saving Plus Program.

The benefit was established with the understanding that it would be funded on a year to year basis. Economic downturns and revenue shortfalls have required severe budget cuts, reducing programs in all State agencies. Funding for a large number of State programs, including the employer 401(k) contribution, was removed in the May revision to the budget.

This benefit was intended as a first step in recognizing the important and special role of supervisors and managers in State government. The Department of Personnel Administration believed then and believes today, that this is a deserved supervisory and excluded employee benefit. It is a benefit that we hoped we would be able to continue and even, eventually, improve upon. Unfortunately, because of the sharp downturn in State revenues this year, funds for this benefit are not available in the current budget.

We are sensitive to the issues of supervisors and excluded employees in State service. We hope the 401(k) benefit will be restored at some future date and that we will be able to find other ways to recognize the outstanding job our excluded employees do for California's citizens.

If you have questions regarding this PML, please contact me by email at FrankMarr@dpa.ca.gov, or you can call me at (916) 324-0476.

Franklin C. Marr  
Labor Relations Officer  
Supervisory and Excluded Programs