



STATE OF NEW JERSEY

FINAL ADMINISTRATIVE ACTION  
OF THE  
CIVIL SERVICE COMMISSION

In the Matter of State Government  
Managers

Administrative Appeal

CSC Docket No. 2015-307

ISSUED: **AUG 14 2014** (CSM)

The Governor's Office of Employee Relations (OER) requests that the provisions of *N.J.A.C. 4A:3-4.5* and *N.J.A.C. 4A:3-4.13* be relaxed in order to implement the wage provisions of the attached collective negotiations agreement between the State of New Jersey and the International Brotherhood of Electrical Workers, Local 30 (Local 30), for eligible State Government Managers (SGM).

By way of background, Local 30 represents certain SGMs in the executive branch. On April 10, 2014, the State and Local 30 agreed to a collective negotiations agreement that included a number of classification and wage provisions that would be unable to be implemented absent rule relaxation procedures. Specifically, the Local 30 agreement would require the relaxation of *N.J.A.C. 4A:3-4.5* in order to allow for full increments without reaching an anniversary date, and to allow establishing anniversary dates requiring the completion of 26 pay periods regardless of the employee's step. After the initial establishment of the anniversary dates, movements would follow normal time periods, including completing 39 pay periods to reach step 9 and 52 pay periods to reach step 10. Further, the relaxation of *N.J.A.C. 4A:3-4.13* would be needed after the above movements to permit those SGMs who are receiving compensation above the 10<sup>th</sup> step of their salary ranges to be "red circled" and keep earning their current salary until the range catches up with their salary.

In the instant request to the Civil Service Commission (Commission), OER requests that the provisions of *N.J.A.C. 4A:3-4.5* and *N.J.A.C. 4A:3-4.13* be relaxed in order to implement the terms of the collective negotiations agreement.

Additionally, OER states that the economic provisions of the agreement will apply to those SGM's who would otherwise be part of the bargaining unit but are not due to their designations as confidential as defined in the Employer-Employee Relations Act. See *N.J.S.A. 34:13A-3(g)*. Moreover, it argues that the relaxation of these rules, as well as other applicable sections of *N.J.A.C. 4A:3*, would allow for the full implementation of the Local 30 agreement, including the setting of anniversary dates and the necessary wage adjustments set forth in the contract. The foregoing would not apply to those SGMs in the executive branch who are not part of the Local 30 negotiations unit (other than those confidential employees discussed above).

It is noted that the Division of Classification and Personnel Management has reviewed this matter and supports this request.

### CONCLUSION

*N.J.A.C. 4A:3-4.1 et seq.* specifies the procedures used to implement and administer the State Compensation Plan.

*N.J.A.C. 4A:3-4.5(a)* provides:

An anniversary date is the biweekly pay period in which an employee is eligible, if warranted by performance and place in the salary range, for a salary increase.

1. An employee's anniversary date shall be assigned upon initial appointment to the first pay period following the completion of 26 full pay periods after appointment.

*N.J.A.C. 4A:3-4.13* states:

Except as otherwise provided by the Commissioner, an employee whose base salary is not on a step in his or her salary range shall remain at his or her current base salary. That part of an employee's salary that is above the nearest lower step in the salary range will be carried as extra salary until the employee's anniversary date, at which time the employee's salary shall be moved to the next higher step, if warranted by performance, in lieu of the normal performance increment. If the employee's base salary is above the maximum step, the employee will be red circled, that is, remain at that salary until the maximum step of the range is increased to a level at or above the employee's base salary, at which time the employee's salary shall be moved to that maximum step of the range.

*N.J.A.C.* 4A:1-1.2(c) provides that a rule may be relaxed for good cause in a particular circumstance in order to effectuate the purposes of Title 11A, New Jersey Statutes.

Although the terms of the collective negotiations agreement were agreed upon by the State and Local 30, this agency will not be able to process certain classification and wage provisions contained in the agreement absent rule relaxation procedures, since the terms of the agreement are at variance with *N.J.A.C.* 4A:3-4.1 *et seq.* In order to effectuate the terms of the agreement that are at variance with the controlling regulatory provisions, good cause must be established. In this case, the Commission finds good cause since the terms were negotiated in good faith and do not implicate any titles other than those specified. Additionally, this rule relaxation will apply to those SGMs who would otherwise be part of the bargaining unit but are not due to their designation as confidential as defined by the Employer Employee Relations Act.

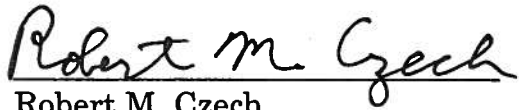
Further, it is appropriate to relax the controlling regulatory provisions in order for certain anniversary date and compensation terms of the agreement to be applied to SGMs in Local 30 as well as those SGMs who would have been in the Local 30 negotiations unit but for the designation as a confidential employee pursuant to Employer-Employee Relations Act. Thus, the anniversary date changes specified in the contract and the red circling of salaries as specified in the agreement can be effectuated. Further, the Commission finds it appropriate to relax any other applicable sections of *N.J.A.C.* 4A:3 to allow for the full implementation of the Local 30 agreement. Moreover, the Commission notes that this determination only applies to those SGMs as stated above.

### **ORDER**

Therefore, it is ordered that this request be granted as set forth above in order to implement the compensation provisions in the collective negotiations agreement between the State and Local 30.

This is the final administrative determination in this matter. Any further review should be pursued in a judicial forum.

DECISION RENDERED BY THE  
CIVIL SERVICE COMMISSION ON  
THE 13TH DAY OF AUGUST, 2014



Robert M. Czech  
Chairperson  
Civil Service Commission

Inquiries  
and  
Correspondence

Henry Maurer  
Director  
Division of Appeals  
and Regulatory Affairs  
Civil Service Commission  
Written Record Appeals Unit  
P.O. Box 312  
Trenton, New Jersey 08625-0312

Attachment

c: Michael Dee  
William Lowry, IBEW, Local 33  
Kenneth Connolly

State's Counter - April 10, 2014

ARTICLE VI

*AB/CMU*

WAGES AND COMPENSATION

**I. COMPENSATION**

A. It is agreed that during the term of this Contract, the following salary improvements shall be provided to eligible Managers in the unit within the applicable policies and practices of the State and in keeping with the conditions set forth herein. Subject to the State Legislature enacting appropriation of funds for these specific purposes, the State agrees to provide the following increases effective at the time stated herein or, if later, within a reasonable time after enactment of the appropriation.

1. The parties agree that M Salary Ranges 35 and below shall include a 10<sup>th</sup> step in accordance with applicable Civil Service Commission requirements and that the increment between Step 9 and Step 10 on those respective Salary Ranges shall be the increment amount set by the Civil Service Commission in the Salary Compensation Compendium prior to applying any further adjustments as set forth herein.
2. Effective upon ratification, or as soon thereafter as such change can properly be implemented, the anniversary date of each Manager employed in the unit on or before January 1, 2014, shall be changed to January 1. This change is for salary purposes only and will not affect pension credit calculations. Anniversary dates shall be unchanged for those Managers in the unit hired after January 1, 2014.
3. Effective January 1, 2014 or as soon as practicable, each Manager in the unit who is in between a Step on the applicable Salary Range shall be placed on the next closest step, but not downward. This section shall also apply to any Manager in the unit hired after January 1, 2014 who is in between a Step on the applicable Salary Range.
4. For those Managers with an anniversary date of January 1 pursuant to paragraph 2 above, effective January 1, 2014 (Pay Period 2), or as soon as practicable, each such Manager in the unit who is not moved upward pursuant to paragraph 3 above, or such movement results in less than a ~~\$500.00~~ \$700.00 *Bar/John* increase in salary, shall be moved to the next applicable step on the appropriate Salary Range.
5. Effective the first full pay period after January 1, 2014, there shall be a one percent (1%) across the board increase applied to the base salary of Managers in the unit including Managers with the M98 designation (no range) if their

salary is less than the cap set forth below in paragraph 10. The State Compensation Plan salary schedule shall be adjusted in accordance with the established procedures to incorporate these increases for each Step of the applicable Salary Ranges. Any Manager who is above the 10<sup>th</sup> step of the applicable Salary Range will be red circled until the range reaches their salary

6. Notwithstanding paragraph 5, effective the first full pay period after January 1, 2014, any Manager who is above the 10<sup>th</sup> step of the applicable Salary Range and/or above the cap set forth in paragraph 10 below, shall receive a one-time lump sum payment equal to one percent (1%) of their base salary. Lump sum payments shall not be added to base salary for pension calculation purposes.

7. Effective the first full pay period after <sup>July 1, 2014</sup> ~~January 1, 2015~~, there shall be a one and three-quarter percent (1.75%) across the board increase applied to the base salary of Managers in the unit including Managers with the M98 designation (no range) if their salary is less than the cap set forth in paragraph 10 below. The State Compensation Plan salary schedule shall be adjusted in accordance with the established procedures to incorporate these increases for each Step of the applicable Salary Ranges. Any Manager who is above the 10<sup>th</sup> step of the applicable Salary Range will be red circled until the range reaches their salary. *Dec/Amc*

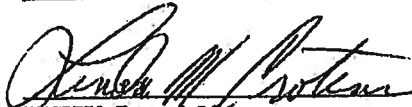
8. Notwithstanding paragraph 7, effective the first full pay period after <sup>July 1, 2014</sup> ~~January 1, 2015~~, any Manager who is above the 10<sup>th</sup> step of the applicable Salary Range and/or above the cap set forth in paragraph 10 below, shall receive a one-time lump sum payment equal to one and three-quarter percent (1.75%) of their base salary. Lump sum payments shall not be added to base salary for pension calculation purposes. *Amc*

9. Except as provided in paragraphs 3 and 4 above, normal increments shall be paid to all employees eligible for such increments within the policies of the State Compensation Plan during the term of this Agreement. Accordingly, except as limited by Paragraph 10 below, each Manager who has not reached Step 10 on his/her applicable Salary Range shall receive a one step increment on the his/her anniversary date beginning with January 1, 2015 (for those hired after January 1, 2014 such increments will occur on the employee's actual anniversary date). Except as provided in Paragraphs 3 and 4 above, pursuant to N.J.A.C. 4A:3-4.5 movement from Step 8 to Step 9 will not occur until after the employee has served 39 pay periods in Step 8. Except as provided for in paragraph 3 and 4 above, to be eligible for the 10<sup>th</sup> Step, an employee must have been on the 9<sup>th</sup> Step for a period of at least fifty-two (52) pay periods.

10. No Manager shall receive an increase to base salary above the cap of \$127,653.68 set forth in the Civil Service Commission's Salary Compensation Compendium.

B. The salary ranges to be utilized for this Agreement shall be the "M" salary schedules in effect on July 7, 2007.

Tentative Approval

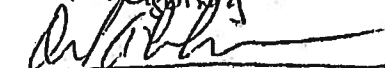
  
IBEW, Local 30

4 / 10 / 14  
Date

The State Negotiating  
State of New Jersey

4 / 10 / 14  
Date

TEAM AGREES TO RECOMMEND  
the foregoing

  
STATE of New Jersey

