

July 2, 1999

**IMPORTANT INFORMATION!!**

**MEMORANDUM**

**TO:** Presidents  
Business Officers

**FROM:** Kennon D. Briggs  
Vice President for Business and Finance

**SUBJECT:** 1999-00 Salary Increases  
Retirement Matching  
Hospitalization Increase

As you are aware, the General Assembly has reached an agreement on the budget package for the 1999-01 biennium.

**1999-00 SALARY INCREASES:** Effective July 1, 1999, salary increases are to be awarded as follows:

1. Full- and permanent part-time employees (teaching and non-teaching) are to receive a 3 percent across the board salary increase.
2. Full- and permanent part-time teaching faculty are to receive an additional 2 percent across the board salary increase.
3. Full- and permanent part-time non-teaching employees are to receive a one-time compensation bonus of \$125.

Attached are the salary increase guidelines that were approved by the State Board at its June 18 meeting. These guidelines must be adhered to when awarding salary increases. July payrolls must include Items 1, 2, and 3 listed above. Any additional salary increases above the minimum increases stated in the guidelines may be awarded in July or August.

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The compensation bonus in Item 3 is not subject to retirement. Prior to computing your July payroll, instructions will be sent detailing how this compensation bonus is to be processed so retirement will not be deducted.

**RETIREMENT MATCHING:** The General Assembly reduced the employer's contribution rate to the State Employees' Retirement System to 8.83 percent. You should make this rate change as a "mass deduction change" (Menu item CC.PY 9,13) prior to running your July payroll.

**HOSPITALIZATION INCREASE:** Effective October 1, 1999, the matching hospitalization will increase to \$2126. Additional funds for this increase will be budgeted at a later date. As soon as we receive the tables indicating the appropriate employee deductions, they will be forwarded to you.

If you have questions, please contact me or Larry Morgan.

KDB/ahd

Attachment