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JUN 17 1 36 PM '98

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STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
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P. O. BOX 119
HONOLULU, HAWAII 96810-0119

June 12, 1998

COMPTROLLER'S MEMORANDUM NO. 1998-14

TO: Heads of Departments

ATTN.: Payroll and Personnel Offices

SUBJECT: Payroll Payment Policy for Placing Salaried Employees on "After-the-Fact" Pay

The passage of Act 109, SLH 1998 allows departments to pay a salaried employee on the same pay dates and for the same pay periods as a non-salaried employee in the two situations listed below. Please note for each situation, all conditions must exist before placement on "after-the-fact" pay.

Situation 1
The employee:
1. Has been working for the State for at least six months,
2. Has no paid leave accumulated, and
3. Has an existing salary overpayment balance.

Situation 2
The employee:
1. Has been working for the State for at least six months, and
2. Has had at least two incidents of leave which results in salary overpayment within the past six months.

These salaried employees who were paid "after-the-fact" shall be placed back on the same pay dates and for the same pay periods as salaried employees upon completion of the following conditions:

Situation 1
The employee has accumulated eighty hours of paid leave.

Situation 2
The employee has no incidents of leave which result in salary overpayment for a subsequent four-month period.

Should there be any questions, please call Sheila K. Walters of our Pre-Audit Branch at 586-0650.

RAYMOND H. SATO
State Comptroller