

ok w/ UC-AFT

TIA- Athena Buenconsejo  
Oct. 23, 2013

UNIVERSITY OF CALIFORNIA

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OFFICE OF THE VICE PRESIDENT  
HUMAN RESOURCES

OFFICE OF THE PRESIDENT  
300 Lakeside Drive, 12<sup>th</sup> Floor  
Oakland, CA 94612-3550

Agreement

Sent via Electronic and US Mail

July 9, 2013

Mr. Bob Samuels  
President, UC-AFT  
415 W. Gutierrez #15  
Santa Barbara, CA 93101

Maria Elena Cortez  
Executive Director, UC-AFT  
6043 W. 76<sup>th</sup> Street  
Los Angeles, CA 90045

Re: Post Employment Benefits

The University and the UC-AFT IX Unit agree that employees hired, or current employees who become UCRP eligible, on or after July 1, 2013 are not due refunds relating to the difference between the contribution rates for employees hired prior to July 1st, 2013 (4.5%) and 7% as discussed in the instant July 9, 2013 letter. The parties have reached complete agreement on the re-opener issues and thus have settled the issue of pension contributions and the new tier.

Dear Maria Elena and Bob:

As you know, in December 2010, the UC Board of Regents adopted several changes regarding UC's post employment benefits ("PEB"). These changes included closing the current pension tier to new employees effective July 1, 2013 and adopting a new tier of pension benefits for employees hired on or after July 1, 2013 that includes an employee contribution of 7 percent. We have been negotiating over these reforms (or possible alternatives to these PEB changes) for quite some time now, but these issues remain outstanding.

As a result and while negotiations continue, UC-AFT IX-represented employees that are hired, or current employees who become UCRP eligible, on or after July 1<sup>st</sup>, 2013 will have 7 percent deducted from their pay to go toward the cost of their pension benefits while the University and the UC-AFT continue to bargain over the new pension benefits and other elements of PEB. The 7% deduction for such employees is necessary because our current payroll system cannot process two separate deduction dates within the same bargaining unit based on the employee's date of hire. Until the bargaining process is concluded, the University will calculate the difference between the contribution employees hired prior to July 1<sup>st</sup> are currently paying (6.5%) and 7% and refund such amount to the employee. As you know, it is the University's position that all employees hired on or after July 1, 2013 contribute 7% to the UCRP. In any event, the University remains committed to bargaining in good faith over PEB, and the final changes to retirement benefits that will apply to UC-AFT IX-represented employees hired on or after July 1, 2013 will faithfully reflect the outcome of our negotiations.

Athena Buenconsejo  
AC

Sincerely,  
Athena Buenconsejo  
Athena Buenconsejo  
Associate Director - Labor Relations

Cc: Director Chester  
Manager Donnelley  
UC Bargaining Team  
UC Labor Relations Managers

[Signature]  
AFT