

## **NEW UCRP PROVISIONS HOURS COUNT AND CONVERSION**

- 1. An employee has a 50% time career appointment, and also works an additional 25% time in a casual appointment in the same position for about five months every year. I was told that these extra hours do not count toward retirement service credit; is there any change in that policy? (4/13/2001)**

Because the employee has a career appointment, the employee would also earn service credit for the additional time worked in the casual appointment up to a maximum of 100% time. As an example, if this member worked up to the appointed time during the five months, the member would receive service credit for 75% time worked.

- 2. Under the new policies, how are hours toward benefits and employment eligibility calculated for employees who aren't paid by the hour, such as FSLA-exempt employees? (4/13/2001)**

For exempt employees, hours are calculated each month by multiplying the maximum number of work hours in that month by the employee's appointment percentage. For example, the month of July 2001 has 176 work hours. An employee with a 49% appointment will accumulate 86.24 hours on pay status during July 2001, based on the appointment percentage (and regardless of how many hours the employee actually works).

- 3. What happens to an employee's DC Plan Safe Harbor contributions if the employee becomes eligible for UCRP membership after reaching 1,000 hours on pay status? (3/27/2001)**

The money the employee accumulated in the DC Plan as a Safe Harbor participant will remain in the DC Plan. Currently, UCRP members contribute a percentage of their covered compensation to the DC Plan Pretax Account, so once an employee becomes a UCRP member, the employee will begin making contributions according to that formula (the percentage varies depending on UCRP membership status). If the employee directed Safe Harbor contributions to an investment fund other than the UC Savings Fund, the employee must redirect future DC Plan contributions. Otherwise, the employee's future contributions will be automatically deposited in the Savings Fund.

- 4. Are students in academic titles (e.g. TA, readers, tutors, and graduate student researchers) excluded from UCRP eligibility? They are not casual restricted titles as there is no "casual" concept for academics. The list of types of employees excluded from UCRP did not seem to include them. (2/6/2001)**

Under existing UCRP provisions an employee who is at the University primarily for purposes of obtaining an education or training is not an eligible employee for UCRP membership. This provision remains unchanged therefore student titles that were previously excluded from UCRP membership continue to be excluded.

- 5. With the University beginning to go to a "fourth quarter" will appointments during that time be treated differently for benefit eligibility? Many are by agreement salaries currently. In the future it may be that academic employees will be appointed for summer quarter in place of a "regular quarter." Will this affect UCRP or health and welfare benefit eligibility? (2/6/2001)**

There are a variety of ways that campuses may in the future increase teaching activity in the summer, including adding a "regular quarter." As campuses develop more specific plans, UCOP will work with them to determine how best to structure appointments and provide associated benefits. By agreement appointments have no associated percentage or hours so they are not included in the 1,000-hour count.

- 6. A Unit 18 post-6 year lecturer must be appointed for a 3-year period. They may not have a distribution for one of those years because they are not teaching that year. How will this affect UCRP and health and welfare benefit eligibility? (2/6/2001)**

Benefits eligibility will be determined for these lecturers in the same way as for other employees. If an employee has 1,000 hours in a rolling 12-month period or is initially appointed to an eligible appointment, they will be eligible for UCRP participation. To be eligible for health and welfare benefits, an employee must maintain an average of 17.5 hours per week.

- 7. What is the rationale behind a minimum of 1,000 hours for University of California Retirement (UCRP or Plan) membership? (10/27/2000)**

Currently, UCRP defines an Eligible Employee as "an employee who is appointed to work 50% time or more on a fixed or variable percent of time basis for an indefinite period, for a definite period of one year or longer, or for a shorter definite period with the reasonable prospect of renewal or extension of such appointment, as determined in accordance with Plan Regulations." The 1,000 hours approximates the implied six-month threshold for UCRP membership.

In addition, the 1,000 hour requirement complies with the Employee Retirement Income Securities Acts (ERISA) and the California Public Employees Retirement System (CalPERS) standards.

- 8. How will time be counted toward benefits eligibility? (11/9/2000)**

An individual in a casual (limited) appointment as of January 1, 2001, will start accumulating hours effective with January 2001 earnings will be eligible for UCRP membership and full health and welfare benefits after accumulating 1,000 hours on pay status during a rolling 12-month period. A rolling 12-month period is any consecutive 12 months with the oldest month dropping off as the new month is added. When the employee reaches 1,000 hours, the

employee will be placed into UCRP. The effective date will be no later than the first of the month following the month in which the employee reaches the 1,000 hours on pay status.

Time on pay status includes sick leave, vacations, compensatory time off, military leave with pay, administrative leave with pay and holidays. The hours count will not include paid overtime, on-call hours, or shift differentials. Hours worked in casual/restricted or per diem appointments will not be counted for UCRP membership and health and welfare benefit eligibility.

**9. What will the system do after an employee reaches the 1,000 hour threshold for retirement and benefit eligibility? (10/27/2000)**

For retirement and benefits eligibility, the Payroll/Personnel System (PPS) will begin collecting hours with January 2001 pay period end dates. Effective the first of the month after the employee reaches the 1,000-hour threshold, PPS will automatically set the retirement code to 'U' (UCRP), set the benefits eligibility level indicator (BELI) to 1 (Career benefits), start H&W period of initial eligibility (PIE), and establish default plan codes for medical, dental and vision plans if not already enrolled. The employee may select career health and welfare plans before the end of the PIE; if no selection is made by then the system will default into Core Medical, Delta Dental, and Vision Plan, single party coverage.

**10. Will there be a report mechanism developed to track this time on an on-going basis? (10/27/2000)**

An on-line inquiry screen will be developed in PPS to display the monthly and total Hours Toward Benefits Eligibility and the Hours Toward Career Status Eligibility. Additionally, monthly reports will be produced showing employees approaching the 1,000 hours for benefits eligibility, and a separate report showing employees approaching the 1,000 hours for career status eligibility.

**11. I understand the hours needed to qualify for UCRP eligibility and employment status carry over from one appointment to another. If I'm hiring a temporary employee, how will I know how many hours the employee may have already accumulated in the "hours buckets"? Will I be able to see this information on the Personnel Payroll System? (11/16/2000)**

A new Employee Data Base (EDB) inquiry screen will be provided to display the "hours buckets" for benefits eligibility and career status eligibility.

**12. Will separate "rolling averages" be kept, i.e., one for benefits looking only at the past 12 months regardless of the lengths of any breaks in service, and one for employment which starts over if the break is over 120 days? (11/22/2000)**

Yes, separate sets of hours will be maintained. One set will be for hours towards benefits eligibility, and will include hours from all appointment types except for per diem and casual/restricted. When evaluating an employee for benefit eligibility, a break in service will not be considered. The second set will be for hours toward career status eligibility, and will include hours from appointment type 3 (limited/casual) only. When evaluating an employee for career status eligibility, if there has been a break in service of 120 days or more, only the hours from months following the break in service will be considered. Just for clarification, the system will not maintain a "rolling average" but rather rolling total of hours.

**13. What fields will actually be changed when an employee becomes eligible via the 1000 hr/12 month plan for career status? Only the BELI code? Will there be any change to Sub 01 or Sub 02 status? Will the merit review date, appointment field end date, or anything else also change? (10/27/2000)**

The BELI code, retirement code, and FICA eligibility code will be set when the employees becomes eligible for retirement/benefits based on 1000 hours in 12 months. The test for career status is based on a different set of hours. At this time, UCOP HR has not yet determined what should be changed. See question 4 (under Systems) above for some of the issues being considered.

**14. Will an employee who has a career appointment and already is an active member of UCRP receive additional UCRP service credit when concurrently appointed to a part-time casual appointment? (11/9/2000)**

For an employee that is an Active Member of the University of California Retirement Plan (UCRP), the employee's eligible hours including paid sick leave, holidays, vacation time (vacation time only includes regular vacation pay not terminal vacation), administrative leave with pay, paid jury duty, and Military leave with pay count toward service credit. The proposal is not changing this process.