

UCPath Payroll Staff Transition Program (Program) Frequently Asked Questions For Employees

Program Eligibility

1. *Can my designation as Continuity be changed to Mission Critical after I have signed my Retention Letter?*

Yes, it is possible for the management at your location to request that your designation as Continuity be changed to Mission Critical. This change would have to be submitted to the Administrative Oversight Committee (AOC) for approval prior to implementation. If the change is approved, your location will update your Retention Letter and have you re-sign the Letter.

Retention Period

2. *Can my Retention Period be shortened or extended after I have signed my Retention Letter?*

After approval by the AOC, your Retention Period may be shortened or extended based on the following:

- If your location wants to shorten your Retention Period, you will receive 60 calendar days' notice and your location will recalculate your Retention Pay amount (if applicable).

Your Enhanced Severance Pay amount (if applicable) will be calculated to reflect your actual years of service upon separation.

- If your location wants to extend your Retention Period, it must offer you additional Retention Pay or Enhanced Severance Pay and a revised Retention Letter.

You have the option of agreeing to the revised retention terms by signing the revised Letter or, without penalty, you may choose to continue under the terms of your original Retention Letter.

Retention Pay

3. *How will Retention Pay be calculated?*

Locations may choose to offer Retention Pay as a fixed dollar amount or as a percentage of earnings. In either case, it will be calculated as follows:

A Participant who has been designated as Mission Critical is eligible to receive up to a total amount of 50% of his/her Total Earnings for his/her applicable Retention Period. If a Participant's Retention Period is 6 months, for example, and his/her Total Earnings during those 6 months is \$50,000, then the Participant would be eligible to receive up to \$25,000 in Retention Pay.

A Participant who has been designated as Continuity is eligible to receive up to a total amount of 25% of his/her Total Earnings for his/her applicable Retention Period. If this Participant's Retention Period is 3 months, for example, and his/her

Total Earnings for those 3 months is \$12,000, the Participant would be eligible to receive up to \$3,000 in Retention Pay.

However, an individual Participant may not receive more than \$75,000 total throughout the life of the Program in combined Retention Pay and Enhanced Severance Pay.

4. How is “Total Earnings” defined?

For purposes of this Program, “Total Earnings” is defined as straight time earnings, including any shift/weekend differential, and overtime earnings. If you are receiving an administrative stipend, the stipend amount should be included as part of “Total Earnings.”

5. What if I receive a salary increase during my Retention Period? Will that change my Retention or Enhanced Severance Pay amount?

If you receive a salary increase during your Retention Period, your Retention Pay amount may be recalculated, and your Enhanced Severance Pay will be calculated, based on your new base salary. However, the combined amount of any Retention Pay and Enhanced Severance Pay (if applicable) that a Participant can receive under this Program is still capped at \$75,000.

6. Will my Retention Pay be taxed at the same rate as my regular pay or at the higher “supplemental” rate?

The tax rate that will be applied to your Retention Pay will depend on when you receive the payment. If your Retention Pay is provided together with your regular pay then the Retention Pay amount will be taxed at the same rate as your regular pay. If the payment is provided separately from your regular pay then the Retention Pay amount will be taxed at the higher supplemental rate.

Enhanced Severance Pay

7. How much Enhanced Severance Pay can I receive?

You may receive Enhanced Severance that is greater than the amount you would otherwise receive as regular severance under the applicable layoff or termination policy or collective bargaining agreement but not more than 1.5 times that amount.

For example, a Participant in the PSS personnel group is entitled to regular severance pay under Policy equal to one week (5 workdays) of salary for each full year of service from the most recent break in service, up to a maximum of 16 weeks. If one week of base salary for this Participant is \$1,000 and the Participant has 10 full years of service, he/she is entitled to \$10,000 in regular severance pay. Under this Program, instead of \$10,000, this Participant could receive Enhanced Severance Pay greater than \$10,000 and as high as \$15,000.

A Participant in the MSP personnel group is eligible to receive regular severance pay under Policy equal to one month’s base salary for each full year of service from the most recent break in service up to a maximum of six months’ pay. For example, if one month of base salary for this Participant is \$5,000 and the Participant has 4 full years of service, he/she is eligible to receive \$20,000 in regular severance pay. Under this Program, instead of \$20,000, the Participant could receive Enhanced Severance Pay of up to \$30,000.

8. If I accept Enhanced Severance, will I still be entitled to the right to recall/preference for reemployment?

No. In order to receive Enhanced Severance, you must waive any right to recall/preference for reemployment that you may have under the applicable layoff policy or collective bargaining agreement.

9. What is the amount of Enhanced Severance Pay that I would have to repay if I am re-employed at the University into a position with a salary that is the same or higher than my prior position?

The repayment provision under this Program will apply if you are re-employed during the period for which you received Enhanced Severance Pay. For example:

A Participant in the PSS personnel group had 10 full years of service and received \$15,000 in Enhanced Severance Pay. The Participant is rehired six weeks after the effective date of his layoff. The Participant will have to repay \$6,000.

$\$15,000 \text{ Enhanced Severance Pay} / 10 \text{ weeks} = \$1,500 \text{ per week}$

$\$1,500 \text{ per week} \times 4 \text{ weeks}^* = \$6,000 \text{ to be repaid}$

*Time for which the Participant received Enhanced Severance Pay but was not on layoff status.

10. If I am re-employed at another UC location after my involuntary separation and I have to repay a portion of my Enhanced Severance, to which location would I make the repayment?

You would repay the UC location from which you received the Enhanced Severance Pay. You must contact the Human Resources office at that location prior to beginning work at the new location to make repayment arrangements.

Outplacement Assistance

11. Is Outplacement Assistance taxable to me?

Outplacement Assistance is not taxable to you because you do not receive any money; you receive access to outplacement services under your location's vendor contracts.

Retention Letter

12. What is the Retention Letter?

The Retention Letter outlines what a Participant will receive under the Program if he/she fulfills the terms set forth in the Retention Letter. By signing and returning the Retention Letter to the University by the deadline, you are confirming your commitment to participate in the Program and fulfill the terms of the Letter.

Absence from Work

13. What happens if I am absent from work during my Retention Period?

The Program allows you to be absent from work for up to five (5) cumulative days in any month during your Retention Period without impact on your Retention Pay amount. Absence of more than five (5) cumulative days in any month during your Retention Period will result in a pro rata reduction for those days only over five from

your next installment payment or from your lump sum payment if you are to be paid at the end of your Retention Period.

Note that the pro rata reduction only applies to your Retention Pay amount. If you remain on pay status during your absence (e.g., you use accrued vacation or sick leave), you will still receive your regular salary for that period.

14. Does the reason for the absence make a difference?

No, all absences from work will be treated the same, regardless of why you were absent. Absence for any reason beyond 5 days in a month during your Retention Period will result in a pro rata reduction in your next retention payment. This includes, but is not limited to, absences for reasons such as vacation leave, sick leave, and jury duty.

15. Why is the Retention Pay amount prorated after a total of 5 days absence in a month?

The purpose of this Transition Program is to retain employees who have been designated as Mission Critical or Continuity in order to continue to process and fulfill payroll during the implementation of and transition to the UCPath Center. It would not be fiscally prudent for departments to provide Retention Pay to these employees for time they are not actually completing the work.

In addition, it is important for the University to treat absences consistently in order to comply with the law. For example, the law requires a Participant who is absent due to a protected leave (such as Family Medical Leave or Pregnancy Disability Leave) to be treated the same as a Participant who is absent due to a vacation.

Consequently, the University must balance its fiscal responsibilities and the purpose of the Program with the need to be flexible in providing time away from work.

16. Will a reduction be applied for campus closures, e.g. during December?

Since time off work is required by locations during campus closures, these periods will not be used to reduce your Retention Pay amount.

17. How will the pro rata reduction be calculated if I am absent for more than 5 cumulative days in a month?

Your location may choose to calculate the pro rata reduction in one of two ways:

- a. Option 1: For example, let's say that you have been offered \$20,000 as a fixed amount in Retention Pay, your Retention Period is 6 months, and you are absent from work for a total of 10 days in one month during your Retention Period:

\$20,000.00	÷	132	=	\$151.52
<i>Total Amount of Retention Pay</i>		<i>Number of Working Days in the Total Retention Period</i>		<i>Amount of Retention Pay Provided Per Day</i>
\$151.52	x	5	=	\$757.60
<i>Retention Pay Provided Per Day</i>		<i>Total Number of Days Absent Over 5</i>		<i>Amount of Retention Pay to be Reduced</i>

- b. Option 2: For example, let's say that your total monthly earnings is \$5,200, you are absent from work for 10 days in one month during your Retention Period, and you are being offered 25% of your total earnings in Retention Pay:

\$5,200.00	÷	22	x	5	=	\$1,181.82
<i>Total Monthly Earnings</i>		<i>Number of Workdays in the Month</i>		<i>Days Absent Over 5</i>		<i>Calculated Total Earnings For Days Absent</i>
\$1,181.82	x		25%	=		\$295.46
<i>Calculated Total Earnings For Days Absent</i>			<i>Percentage of Total Earnings You Are Being Provided As Retention Pay</i>			<i>Amount of Retention Pay to be Reduced</i>

If you are paid on a bi-weekly basis, the calculation in Option 2 above is the same; however, instead of dividing by the number of workdays in the month, your location would divide by 10 since there are 10 workdays in each pay period.

Other University Employment

18. What happens to my Retention Pay if I start working in another job at the University before the end of my Retention Period? What if the job is with the UCPath Center?

If you start working in another position at the University, including at the UCPath Center, before the end of your Retention Period you would keep any Retention Pay you have already received and would not be entitled to any further retention payments. However, if you move into or are reclassified into another Mission Critical or Continuity payroll-related position, you may continue your participation in the Program under the terms of your Retention Letter.

If you accept a position with the UCPath Center, you, your current manager/supervisor, and your new manager/supervisor should work together to facilitate a smooth transition of your work and responsibilities.

19. I have accepted another position at UC but intend to remain in my current position through the end of my Retention Period. Why am I not eligible to receive regular severance or Enhanced Severance Pay?

If you accept another position at the University prior to being involuntarily separated, you are not eligible to receive regular severance or Enhanced Severance Pay because you will be continuing employment with the University. In order to receive any kind of severance, the IRS requires an employee to have a true separation of service from his/her employer. The IRS considers the University to be one employer, so even though you might be involuntarily separated from your current position, you know that you will be returning to UC employment, so you are not eligible to receive any regular severance or Enhanced Severance Pay.

Separation from the University

20. What happens if I leave the University before the end of my Retention Period?

If you leave University employment before the end of your Retention Period, you will keep any Retention Pay you have already received but you will not receive any additional payments. No prorated payments will be provided.