

Employee-Initiated Reduction In Time (ERIT) Program

Effective: July 1, 2017

FORMAL REVIEW/EMPLOYEE COMMENT DRAFT

Purpose of ERIT

The Employee-Initiated Reduction In Time (ERIT) Program is an optional tool that locations and organizational units may choose to implement as a cost savings resource. The ERIT Program provides an opportunity for employees to voluntarily reduce their current appointment percentage and corresponding pay so that the University can achieve temporary salary savings.

Program

- **Eligibility:** All career staff employees (regular status and probationary), except Senior Management Group members.
 - Participation for exclusively represented employees is dependent upon agreement by applicable union.
- **Reduction in time:**
 - Appointment percentage reduction must be in increments of 5% of full-time
 - **Minimum reduction in time (appointment percentage):** 5% of full-time
 - **Maximum reduction in time (appointment percentage):** 50% of full-time
 - An employee's work schedule may not be reduced below 50% time in any given month of participation.
- For employees who are paid bi-weekly, an ERIT contract must start and end on a quadriweekly cycle.
- Time reductions are made in monthly increments or on a quadriweekly cycle for employees paid on a bi-weekly basis.
- **Minimum length of participation in the program:** One month
- **Maximum length of participation in the program:** 36 months
- Participation is subject to approval by an employee's department head.
- Work schedules are subject to approval by an employee's supervisor.

Effect on Health and Welfare Benefits

- **Vacation and Sick Leave:** Accrual is based on the employee's accrual rate prior to the commencement of the ERIT Program.
- **UCRP Service Credit:** Service credit accrual is based on the reduced percentage of appointment. The effect of the ERIT Program on UCRP service credit is the same as a regular reduction in percentage of appointment.

- **UCRP:** Highest Average Plan Compensation (HAPC), which is used to calculate [UCRP Monthly Retirement Income or Lump Sum Cashout](#), is based on monthly Full-Time Equivalent Compensation and does not change as a result of participation in the ERIT Program.
- **Employee Pre-Tax Contributions to UCRP:** Based on the reduced salary.
- **UCRP Pre-Retirement Survivor Income, Death Benefits for Members who became active before October 1, 1990, and Disability Income:** Based on the final salary, which is adjusted to reflect the average percent of time on pay status during the preceding 36 months if an employee dies or becomes disabled while, or within 12 months of, participating in the ERIT program.
- **Defined Contribution Plan, Tax-Deferred 403(b) Plan, and 457(b) Plan Deferred Compensation Plan:** If a participant's contributions are based on a percentage of compensation, the contributions during ERIT will be lower. Participants may adjust their contribution amount or the percentage contributed to these plans at any time.
- **Health & Welfare Plans:** Eligibility for health and welfare benefits will not be affected by ERIT because an employee's percentage of time on pay status under ERIT cannot be reduced below 50% time.
- **Medical Contribution Base:** An employee's full-time salary rate on January 1 of the previous year or on the hire date (whichever is later) is used to determine the Medical Contribution Base (MCB) for the current year. The MCB will not be impacted by an ERIT reduction.
- **Disability Benefit Payments:** Disability benefit payments will be based on an ERIT participant's pre-ERIT salary. Premiums for the [Voluntary Short-Term and/or Long-Term Disability Plans](#) will continue to be calculated on the full-time rate.
- **Workers Compensation Payments:** Disability benefit payments received from Workers Compensation coverage will be based on an ERIT participant's ERIT salary. If an employee elects to supplement his or her Workers Compensation disability benefit payments with sick and/or vacation leave accruals, upon exhaustion of sick leave, extended sick leave benefit payments will become available. Departments will supplement these payments so that the aggregate benefit is equivalent to what would have been received if the payment were based on the pre-ERIT salary.
- **Life Insurance:** [Supplemental and Dependent Life Insurance](#) will not be impacted by participation in ERIT – premiums and coverage will continue to be based on your full-time salary rate. [Basic Life insurance](#) will be calculated using your full-time salary rate and your pre-ERIT appointment percentage.
- **Dependent Care and Health Flexible Spending Accounts:** [Dependent Care Flexible Spending Account \(DepCare FSA\)](#) and/or [Health Flexible Spending Account \(Health FSA\)](#) contributions will continue at the same level unless the ERIT participant changes his or her election during a *Period of Initial Eligibility (PIE)* or an open enrollment period.
- **Social Security and Unemployment Benefits:** Since Social Security and Unemployment Insurance benefits are calculated based on earnings, these benefits may be lower.

Other Considerations

- **Holiday Pay:** Holiday pay will be prorated based on the employee's ERIT appointment percentage.
- **Temporary Reduction in Time:** Employees whose time was temporarily reduced either voluntarily or involuntarily prior to ERIT may request to participate in ERIT. Such employees may participate at their pre-ERIT reduced percentage time, subject to the requirement that their percentage time is at least 50% of full-time. Employees who receive notice of a temporary reduction in time also may request to participate in ERIT at the reduced percentage of time, provided that their reduced time is at least 50% of full-time.
- **Part-Time Employees:** Employees whose regular appointments are part-time appointments may participate in ERIT, provided that they reduce their time under ERIT at least 5% of full-time and that their appointment percentage under ERIT is at least 50%.
- **Indefinite Layoff or Reduction in Time:** In the event of a layoff or involuntary reduction in time, should one become necessary while an employee is participating in ERIT, participants will be granted right to recall and right to reemployment according to the ERIT participant's pre-ERIT percentage of time, or severance according to the ERIT participant's pre-ERIT percentage of time and salary.
- **Seniority for Indefinite Layoff:** Seniority for purposes of determining the order of indefinite layoff will be maintained in accordance with a participant's percentage of appointment before ERIT. If an employee's position is being considered for layoff during ERIT, the employee's seniority will be calculated based on the percentage of appointment before ERIT.
- **Transfer or Promotion to Another Position:** If an employee is transferred or promoted to another position in the same or different department, continued participation in ERIT will be subject to approval by the new department head.
- **Exempt Employees:** Although exempt employees normally are expected to work their appointment percentage, greater emphasis is placed on meeting the responsibilities of the employee's position than on working a specified number of hours. Therefore, it is important that supervisors make appropriate workload adjustments for exempt employees who participate in ERIT.
- **Exempt/Non-Exempt Status**
Exempt employees participating in ERIT may become non-exempt if their resulting salary falls below the Fair Labor Standards Act (FLSA) salary threshold. Both the manager and employee should consider the impact of becoming non-exempt on the employee's overtime eligibility, time reporting and pay dates.
- **Time Off Pay Status:** Time off pay status, such as a leave without pay or a temporary layoff, will not automatically terminate or extend an ERIT contract. The department head will determine whether an employee's ERIT contract will be terminated or extended.

Ending of an ERIT Contract

At the end of an employee's ERIT contract, the employee returns to his or her pre-ERIT appointment percentage and salary (including merit increases and other adjustments to salary received while participating in ERIT). The right of return to the prior percentage of time and salary will apply unless the employee is subject to layoff or a reduction in time pursuant to the applicable personnel program or collective bargaining agreement.

Procedures

- An [ERIT Contract \(U280\)](#) must be completed and signed by both the ERIT participant and the department head.
- The [ERIT Contract Amendment \(page 2\)](#) must be completed and signed by both the ERIT participant and the department head when an ERIT contract is terminated early, extended, or the percentage of time reduction is changed.
- The contract must be completed and entered into the campus payroll system in accordance with local payroll system operation deadlines.
- The ERIT participant's department is the office of record for the contract. Following local procedures, copies of the contract are to be provided to the employee, the local Human Resources Office, and to Retirement Administration at the Office of the President.
- Contracts are retained for 5 years after separation, except in cases of disability or retirement in which case contracts are retained until age 70.

Locations are authorized to develop local implementing procedures consistent with the provisions of the ERIT Program.