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OFFICE OF THE VICE PROVOST -
ACADEMIC PERSONNEL AND PROGRAMS

OFFICE OF THE PRESIDENT
1111 Franklin Street, 11th Floor
Oakland, California 94607-5200

Date: September 4, 2015

To: Executive Vice Chancellors/Provosts
Vice Provosts for Academic Affairs/Academic Personnel

From: Dwaine B. Duckett, Vice President for Human Resources
Susan Carlson, Vice Provost for Academic Personnel and Programs

Subject: Retirement Options Taskforce and Faculty Hiring (Transition to 2016)

As you know, President Napolitano has appointed a Taskforce to make recommendations to her on new options for retirement to be effective July 1, 2016. This Taskforce is a follow-up item within the budget agreement with the Governor. A part of the agreement includes the decision that UC will implement certain changes to retirement benefits in exchange for new UCRP funding from the State. The Taskforce will make recommendations to the President in December 2015 and the President will take her recommendation to the Regents in March 2016. Changes will impact individuals hired at UC on July 1, 2016 and thereafter. See the following web site for additional information about the Taskforce:

<http://ucnet.universityofcalifornia.edu/compensation-and-benefits/2016-retirement-benefits-advisory-task-force/index.html>

We understand that you have already recruited faculty for the 2016-17 year and are actively recruiting and hiring faculty, most of them with start-dates planned for the 2016-17 Academic Year. This memo will give you guidance in dealing with the issue of the retirement benefits for these new recruits. The guidance below is meant to assist in the hiring of faculty in the coming months, and most particularly faculty who would normally begin at UC on July 1, 2016.

We will cover two common faculty recruitment situations below; however, note that any individual who begins UC employment between now and June 30, 2016 will have the current 2013 Pension Tier as his/her retirement program.

1. Newly recruited faculty who are placed on immediate LWOS to complete fellowships, postdoctoral assignments, etc. In recruiting the highest quality faculty to UC, departments occasionally appoint a new faculty member and then place the faculty member immediately on leave without salary (LWOS). This practice has been in place to secure the faculty member's commitment to UC while s/he completes a fellowship, obligations on another campus, a postdoctoral appointment, etc. The appointment without pay allows UC to immediately include the new faculty member in key department matters, to mentor UC graduate students, to relocate labs, and to recruit other faculty to campus. The faculty member may accept this appointment a year before s/he arrives on campus; on rare occasions more than a year. This is a common practice among major research institutions and a necessary, competitive recruitment tool. Faculty appointed into a UCRP eligible title and placed immediately on LWOS prior to July 1, 2016 will be placed in the 2013 UCRP tier. As the University implements these retirement options, it is important that the practice of appointing and placing faculty on LWOS be used

judiciously and remain a rare occurrence. Appointment with an immediate LWOP may be approved for Ladder-Rank faculty only when justified due to a pre-existing obligation, postdoctoral appointment, fellowship or equivalent professional obligation. The reasons for the LWOP must be well documented.

The names of any appointments that fall into this category will need to be reported to Nancy Tanaka, Executive Director for Academic Personnel and Programs at UCOP, so that retirement program status can be accurately tracked in the future.

2. Faculty hired from now until July 1, 2016 who are hired to start for the 2016-17 Academic Year. You have let Academic Personnel at UCOP know that in negotiating faculty hires for the coming year, you are already challenged by the fact that a new retirement option will be in place on July 1, 2016 but that we do not yet know the details of that option. To ensure UC maintains its competitiveness in recruitment, new faculty who sign contracts and begin employment between now and the next fiscal year will be members of the 2013 UCRP tier; their appointment dates must begin no later than June 30, 2016. Any recruit with an appointment date of July 1, 2016 or later will fall under the new plan changes that are approved by the UC Regents in spring 2016.

Any faculty member who has already indicated the intent to begin an appointment for Academic Year 2016-17 is also eligible for the 2013 UCRP tier, as long as the appointment date is no later than June 30, 2016. We understand that you may need to have newly recruited academics sign an addendum to their contracts to ensure that this benefit is in place. Attached in Appendix A is an addendum that you can use with faculty recruits who fall into this category.

After consultation with Academic Personnel specialists on the campuses, we recognize that there may be other rare hiring situations that are challenged by the July 1, 2016 date for the new retirement options (for example the situation in which a new faculty member has already committed to start on July 1, 2017). We ask that you come forward to us with an exception request in cases such as this, which are not covered above; exceptions would be very rare, and would depend on the specifics of the hire.

We are hopeful that these understandings will allow you to remain competitive as you recruit faculty in the coming months. Please let us know if you need further clarification.



Dwaine B. Duckett
Vice President for Human Resources

Sincerely,



Susan Carlson
Vice Provost for Academic Personnel and Programs

Attachments: Addendum template for faculty who have already signed contracts for a start date on July 1, 2016.

cc: Provost and Executive Vice President Dorr
Executive Vice President Nava
Academic Personnel Directors
Executive Director Schlimgen
Executive Director Tanaka

Addendum to Appointment Letter

- [Academic appointee's name] understands that the University of California currently is considering changes to retirement benefits, including the University of California Retirement Plan (UCRP), that will take effect for individuals appointed on or after July 1, 2016. (See <http://ucnet.universityofcalifornia.edu/compensation-and-benefits/2016-retirement-benefits-advisory-task-force/index.html>)
- Benefit changes will not be finalized or approved by the Regents of the University of California until spring 2016.
- To provide greater certainty to Dr. [last name] regarding the terms of the University of California Retirement Plan benefits applicable to his/her appointment, the parties agree to move forward the date of Dr. [last name]'s appointment so that Dr. [last name] is a member of the 2013 Tier of UCRP.

Therefore, [Academic appointee's name] and [campus] agree to modify Dr. [last name]'s appointment letter as follows:

Dr. [last name]'s appointment with [campus] shall be effective June 30, 2016.

For the University

Date

Dr. [last name]

Date