

**University of California's
Employee-initiated Reduction In Time (ERIT) Program
(July 1, 2011-June 30, 2012)**

Frequently Asked Questions

1. What is ERIT, how does it work, and what benefits are affected?

The Employee-initiated Reduction In Time or ERIT Program is a University of California-conceived contract arrangement between the employee and the employee's department. ERIT allows employees to **voluntarily and temporarily** reduce their percentage of time worked in exchange for an equivalent reduction in pay. For example, if you work a 40-hour week and decide to reduce your percentage of time by 5% (or 2 hours per week) your pay will be reduced by 5%. You will only receive 95% of your salary for the length of your ERIT contract. Please be aware that unlike similar programs such as START, an ERIT contract also carries some additional reductions in benefits such as reduction in UCRP service credit accruals. In general, some of the impacts your participation in ERIT will have on your benefits are:

- A reduction in Retirement Service Credit accrual while on ERIT. If you temporarily reduce your appointment time and salary from 100% to 80%, for example, you accrue service credit at 80% instead of 100% for the term of your ERIT contract. Additionally, there is no provision in UCRP for buying back service credit for reductions in time.
- Your holiday pay is affected by being on ERIT since you are working at a reduced salary, and you receive holiday pay in proportion with your reduced time.
- Social security and unemployment benefits calculations are based on earnings so your benefits may be lowered by your participation in ERIT.
- Workers Compensation Payments: Section 2b of "Important Considerations" in the ERIT contract you sign with your department states: "Disability benefit payments received pursuant to the Workers' Compensation Act will be based on my ERIT salary in accordance with the California Labor Code. The department will supplement those payments so that the aggregate benefit is equivalent to what would have been received if the payment were based on the pre-ERIT salary."
- 403(b) and 457(b) plan contributions will be reduced if your contributions are deducted as a percentage of your compensation. Additionally, your maximum annual contribution to these plans may be affected. Under ERIT, contributions will be based on the lesser of your adjusted gross salary or a fixed amount of \$16,500 if you are under age 50 on December 31, 2011 or \$22,000 if you are age 50 or older anytime during 2011.
- Your DCP contributions are based on specific percentages of eligible salary and will, therefore, be lower under ERIT.
- Employee Pre-Tax Contributions to UCRP will be based on your reduced salary.
- Although UC has indicated that short-term and supplemental disability and dependent life insurance benefit payments and coverage won't be impacted by your participation in ERIT, please be aware that your premium payments for both of these services will still be based on your full-time salary rate and your pre-ERIT appointment percentage. Participating in ERIT DOES NOT reduce your premium payment obligations even though you will be earning less while on ERIT.

- If the employee dies while on ERIT, the one-time, one-month death payment is based on the reduced monthly salary the employee was being paid at the time of their death.

2. Are my sick leave and vacation accruals reduced by my participation in ERIT?

No. You will continue to earn your sick leave and vacation hours at your Pre-ERIT appointment percentages. UC bills this as one of the “advantages” of joining ERIT. However, in the START program, another one of these “advantages” was that you continued to earn 100% Retirement Service Credit even with a reduction in appointment time. Please note that this particular “advantage” is not being offered this time in the ERIT program.

3. Which campuses and departments are offering ERIT?

According to UC, the following campuses have decided to implement the ERIT Program: UCLA, UCR, UCSD, UCSB, UCSC, UCI, UCM and the Office of the President. The UC Medical Centers and LBNL will not be participating in the program. Departments may offer ERIT at any time between July 1, 2011 and June 30, 2012. Some departments may offer it for the full period; others may offer it for some of those months, while still others may not offer it at all.

4. How many months does an ERIT contract last and at what reduction of pay?

If you enter into an ERIT contract with your department, you can have your contract run anywhere from a minimum length of one month to a maximum length of 12 months. Participation in ERIT will take place from July 1, 2011 to June 30, 2012 unless extended by the University. According to the University, all ERIT contracts must be taken within that time frame. If you participate in ERIT, you can decide to take anywhere from a 5% to 50% reduction in time worked and pay. For employees who are paid monthly, ERIT contracts must begin on the first of a month and end on the last day of the month. For bi-weekly paid employees, ERIT contracts must begin on the first day of the first bi-weekly pay period and end on the last day of the second bi-weekly pay period.

5. Where will the savings from ERIT be allocated?

According to UC, “The savings will be retained by the departments of the employees who participate in ERIT.” However, there has never been any evidence how much money UC saved with START and whether they exceeded their monetary savings goal.

6. How will my workload be impacted under ERIT?

UC states that “ERIT participants should review their assigned workloads with their supervisors to work out a corresponding reduction in workload or assignments.” Hopefully, your department will be cooperative with you in this, but there is no provision to compel your department to fully adjust your workload in the appropriate way.

7. Can I change my percentage of time and/or end my ERIT contract earlier if I change my mind?

Although UC hopes you will stay committed to the ERIT program, they will allow you to change the percentages of time/salary reduction once during your ERIT contract by giving your supervisor at least 30 days advance notice and filing an amendment. The 30-day notification can be waived in an emergency situation, but what constitutes an emergency is not defined by UC in their program information; it may be open to interpretation by your department. The changes in percentages must be a mutual agreement between you and your department head. You can also choose to terminate the program in the same manner and with the same 30-day notification/emergency notification waiver and amendment filing procedures as before. Either you or your department head can initiate the termination of the ERIT contract. Your department head will be required to sign your termination amendment.

Section 8 and Section 9 of the ERIT contract reads as follows: “8. I understand that either I or my department head may end my ERIT contract with 30 days advance notice. The advance notice requirement may be waived if I or my department is faced with an emergency situation.” “9. I understand that a contract amendment must be completed by both me and my department head to effect a change in percentage reduction or to end this contract early.” ERIT is being presented by UC as a voluntary program, and Section 8 would appear to give the employee the right to terminate their ERIT contract early if they so choose. Please be aware, however, that some departments may interpret Section 9 to mean if they don’t sign off on the amendment, they don’t have to end your contract early. Be sure to inform your Chapter campus CUE-TEAMSTERS’ office of any refusal by a department to release you from an ERIT contract after you have followed all the proper steps. If possible, try to get written documentation of the reasons for their refusal.

8. Can I be compelled to enter into an ERIT contract with my department?

ERIT has the term Employee-Initiated in its acronym and by its very definition is a voluntary program participants decide to enter into of their own volition. Although your department would have to approve the length of time and hour reduction you choose in your ERIT contract, you should not be coerced by any manager or supervisor into participating in the ERIT program against your will, or under threat of layoff. Nor should a department force you to sign an ERIT contract for a greater length of time or reduction in pay than you have requested. Additionally, once you are on ERIT, a department cannot dictate to you, or initiate a request to have you increase your reduction in time and pay further.

Section 7 of the ERIT contract states, “7. I understand that either I or my department head upon mutual agreement may change the percentage reduction during the term of this contract with 30 days advance notice. A department head or supervisor may not make an unsolicited request to an ERIT participant to further reduce the participant’s percentage appointment” Contract statements emphasizing mutual agreement and a manager’s inability to initiate reduction requests would seem to protect ERIT participants from being forced to by departments to change their ERIT contract. Be aware, however, that the mutual agreement clause may give a department the right to refuse a mid-contract reduction in percentage of time – for example, a change from 10% to 5%. Please note the contract amendment form has a section to enable the employee to extend their participation in ERIT beyond their original monthly participation time frame. There is nothing in the contract language that specifically prohibits a department from asking ERIT participants to extend the length of their contract. Although not in the spirit of the ERIT program, it is unclear whether an employee is protected from this under the “departments can’t ask ERIT participants to further reduce their percentage appointment” clause.

9. Why is ERIT being offered anyway, and who is eligible to participate in it?

According to UC, “ERIT is being offered as a means to assist the University with salary savings in response to the current budget crisis” CUE-TEAMSTERS appreciate that the state of California has serious budget difficulties, but UC has other monetary sources available besides state funding. According to page 1 of UC’s documentation describing the ERIT program, eligibility is for “all career staff employees (regular status and probationary), except Senior Management Group members.”

10. Why are senior managers and academic appointees not eligible to participate in ERIT?

Let’s have UC answer this one:

“Senior managers are not eligible to participate in ERIT because their efforts are needed full time to guide the University through the current budget crisis. Academic appointees are not eligible because alternative options are being considered for them.”

If the highest paid employees were to voluntarily take a two-hour a week (or 5%) reduction in time, are

we to believe they would no longer be able to effectively guide us through this so-called budget crisis? The equitable, logical and fiscally responsible thing to do is to try to garner the same salary savings from the highest salaried workers. Wouldn't a 5% salary savings from someone who makes over \$100,000.00 a year be a worthy supplemental sum of money to put back into the system? It almost appears as if UC wants to shield their highest salaried workers from negative salary and benefit impacts. Why are they unwilling to make the same sacrifices they want you to make?

11. Does my participation in ERIT protect me against layoffs?

Sadly, no. UC offers no immunity idols to ERIT participants. They claim with ERIT they hope to minimize layoffs. But they then go on to state, "However, the current budget uncertainties make it impossible to guarantee protection from a permanent or temporary layoff for employees who volunteer for ERIT."

12. Okay, so UC would like me to voluntarily take a temporary 5-50% reduction in time and salary from 1-12 months - with some reduced benefits - to help with the University's stated fiscal crisis. Their highest paid employees aren't even being asked to make the same sacrifices and I'm still not protected from potential layoffs for my loyal participation in ERIT. Is this correct?

Yep. Once again UC expects their lowest-paid workers to shoulder the burden of what they perceive to be fiscal shortfalls.

13. Why couldn't CUE-Teamsters negotiate a better ERIT package for me?

UC refused to bargain with the union on the effects, policies and procedures of the ERIT program, claiming they didn't have to because it is voluntary.

14: If the program is voluntary, why is my department telling me that I might be laid off if I don't sign onto ERIT?

This is wrong. ERIT is a voluntary program. Dictionary.com defines voluntary as: "done, made, brought about, undertaken, etc., of one's own accord or by free choice: *a voluntary contribution.*" Dictionary.com defines coerce as: "to compel by force, intimidation, or authority, especially without regard for individual desire or volition, e.g., *"They coerced him into signing the document."* Be sure to report any abuse of the ERIT program by your department or managers to your campus CUE-Teamsters office. If possible, try to get a written explanation from them of what they are asking you to do in regards to ERIT that you feel is involuntary.

This information about the ERIT program was harvested from UC's documentation on the program, located here: http://atyourservice.ucop.edu/employees/policies_employee_labor_relations/erit/

If you are considering entering into an ERIT contract with your department, please read through all the documentation carefully and be fully aware of how it may impact your salary, workload and some of your benefits.