

## **EMPLOYEE-INITIATED REDUCTION IN TIME PROGRAM**

**Time Period: July 1, 2011 through June 30, 2012**

### **Purpose**

The Employee-initiated Reduction In Time (ERIT) Program is an optional tool that locations and organizational units may choose to offer employees to address the current budget crisis. The ERIT Program provides a method for employees to assist the University in responding to the budget deficit by volunteering to reduce their percentage of appointment and pay so that the University can achieve 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 the applicable union.
- Minimum reduction in time (percentage of appointment): 5% of full-time.
- Maximum reduction in time (percentage of appointment): 50% of full-time.
- An employee's work schedule may not be reduced below 50% time in any given month of participation.
- Time reductions are made in monthly increments or two bi-weekly increments for employees paid on a bi-weekly basis.
- Minimum length of participation in the program: one month.
- Maximum length of participation in the program: 12 months. An ERIT contract cannot extend beyond June 30, 2012, unless the ERIT Program is extended by the University.
- Participation is subject to approval by an employee's department head.
- Work schedules are subject to approval by an employee's supervisor.

### **Effect on Benefits**

- **Vacation and Sick Leave** will accrue based on the employee's accrual rate prior to the commencement of the ERIT Program.
- **UCRP Service Credit** will accrue 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** will be based on the reduced salary.
- **UCRP Preretirement Survivor Income, Death Benefits for Members who became active before October 1, 1990, and Disability Income** will be based on Final Salary, 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, 403(b) Plan, and 457(b) 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.
- **Short-Term and Supplemental Disability Benefit Payments.** Disability benefit payments for both the Short-Term Disability Plan and the Supplemental Disability Plan will be based on an ERIT participant's pre-ERIT salary. Premiums for the Supplemental Disability Plan 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.

- **Time Off Pay or Temporary Layoff 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 but no such extension can be granted beyond June 30, 2012, unless the University extends the ERIT Program.
- **Eligibility for Short-Term or Supplemental Disability Benefits.** Eligibility for short-term or supplemental disability benefits will not automatically terminate or extend an ERIT contract. The contract will be suspended when the employee is on leave, and upon the employee's return, the department head will determine whether the ERIT contract will be terminated or extended but no such extension can be granted beyond June 30, 2012, unless the University extends the ERIT Program.
- The decision of a location or department whether or not to offer the ERIT Program is not subject to any complaint resolution or grievance procedures, however, management decisions to deny participation or implementation of certain features may be subject to review under the applicable complaint resolution policy or collective bargaining agreement provision.

### **Ending of an ERIT Contract**

At the end of an employee's ERIT contract, the employee returns to his or her pre-ERIT percentage of time 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 amendment section of the contract must be completed and signed by both the ERIT participant and the department head when an ERIT contract is terminated early or extended, or the percentage of time reduction is changed.

The form must be completed and entered into the campus payroll in accordance with local payroll operational deadlines.

The ERIT participant's department is the office of record for the form. Following local procedures, copies of the forms are to be provided to the employee, the local Human Resources Office, and to Retirement Administration at the Office of the President.

Forms are retained for 5 years after separation, except in cases of disability or retirement in which case such forms are retained until age 70.

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