

Program Description

Retirement Contributions on Academic Appointee Summer Salary

Compensation that many academic appointees receive for summer session teaching or summer research is not considered Covered Compensation for determining University of California Retirement Plan (UCRP) benefits or Defined Contribution Plan (DC Plan) Supplemental and Savings Choice contributions under the Retirement Choice Program. Since summer salary can be a significant portion of an academic appointee's annual earnings, The Regents determined in November 2000 that some coverage for retirement purposes is appropriate. Therefore, an employer and employee contribution to the DC Plan Pretax Account based on those summer earnings was approved by The Regents, to be effective with summer salary payments made on or after July 1, 2001. Effective November 1, 2016, future employer and employee pretax contributions on summer salary will be made to the Tax-Deferred 403(b) Plan.

Eligible employees are academic appointees who:

- have academic year appointments;

- are active Members of, UCRP (or a defined benefit plan to which UC contributes), or active Savings Choice participants, or are eligible for full retirement benefits and have not yet elected or commenced membership in a primary retirement plan option under the Retirement Choice Program; and
- earn eligible summer salary, as defined below.

For purposes of the retirement contribution, eligible summer salary is additional compensation that is not Covered Compensation for purposes of UCRP benefits (or benefits from other defined benefit retirement plans to which UC contributes) or DC Plan Supplemental or Savings Choice contributions and that is paid in accordance with Academic Personnel Policy 600 for:

- summer research;
- summer teaching; and/or
- summer administrative service (generally, payments to department chairs, vice chairs, etc. for administrative duties paid as “1/9ths”).

Payments from University Extension are excluded.

GENERAL UNIVERSITY POLICY
REGARDING ACADEMIC APPOINTEES
Selected Presidential Policies

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The total contribution rate will be 7% of eligible summer salary, based on an employee pretax contribution of 3.5% and an employer pretax contribution of 3.5%. The employer contribution will be attributed to the same funding source that provides the academic appointee's summer salary.