

**Summer Salary Benefit Questions and Answers**  
**University of California Office of the President**  
**Human Resources – Pension and Retirement Programs**

No changes are made to the requirements and/or features of the summer salary benefit as originally approved by the Regents in November 2000; and, no changes are made to any administrative requirements clarified in the DC Plan Regulations (to be replicated in the 403(b) Plan effective 11/1/16), other than the change in plan to which the contributions are made on/after November 1, 2016.

- (1) Is there no longer an obligation to contribute to the DC Plan using summer salary?

There is no longer an obligation to contribute to the DC Plan using summer salary. However, the obligation for both the eligible academic appointee and the University to make contributions on summer salary now resides under the 403(b) Plan.

- (2) Is there a requirement to make contributions from summer salary to the 403(b) or is it optional?

As was previously the case under the DC Plan, summer salary contributions to the 403(b) are mandatory.

- (3) If it is not optional, should contributions in other months be adjusted if someone is already maximally contributing to the 403(b)?

No adjustment is needed to either the academic appointee's mandatory summer salary contributions to the 403(b) Plan or to the individual's voluntary pretax contributions to the 403(b) Plan. Because the summer salary contributions are required, they do not reduce the limit on voluntary pretax contributions to the 403(b) Plan (or the 457(b) Plan).

- (4) What payments from UNEX are excluded?

Any payments from University Extension are excluded for purposes of the summer salary benefit. UNEX pay has historically been excluded for purposes of providing a benefit on summer salary, even under the programs previous to the current summer salary benefit that became effective on 7/1/2001. UNEX pay was specifically excluded in the [May 17, 2000 Regents Item](#) on the summer salary benefit.

- (5) How did the IRS limits have bearing on the change to the 403(b) Plan? Is there a non-technical explanation?

The change results from a complex set of requirements on two fronts: (1) technical issues involved in the ability to offer rehired eligible employees a choice between primary retirement options, and (2) the interplay of the IRS annual compensation limit with contributions to the DC Plan under either option for new faculty starting after July 1, 2016 who may also be (or become) eligible for the summer salary benefit.

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- (6) Do the amendments affect all employees (i.e., before and after the 2016 tier) or only the 2016 tier?

All academic appointees who make/receive summer salary contributions made on or after 11/1/16 are affected in as much as future summer salary contributions for all eligible academic appointees will be directed to the 403(b) Plan.

- (7) Will the changes reduce payments or otherwise negatively affect faculty?

No.

Contact:  
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