

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. Since summer salary can be a significant portion of an academic appointee's annual earnings, The Regents have determined that some coverage for retirement purposes is appropriate. Therefore, an employer and employee contribution to the Defined Contribution Plan Pretax Account based on those summer earnings has been approved by The Regents, to be effective with summer salary payments made on or after July 1, 2001.

Eligible employees are academic appointees who:

- have academic year appointments;
- are active Members of UCRP or a defined benefit plan to which UC contributes; and
- earn eligible summer salary, as defined below.

For purposes of the new retirement contribution, eligible summer salary is additional compensation that is not Covered Compensation for purposes of defined benefit retirement benefits and that is paid in accordance with Academic Personnel Policy 660 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.

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.