

**IMPLEMENTATION GUIDELINES  
FOR THE UNIVERSITY OF CALIFORNIA  
POLICY ON SUPPLEMENT TO MILITARY PAY**

The following procedures shall be followed to implement the University of California Policy on Supplement to Military Pay.

**I. ELIGIBILITY**

A. All employees who, as members of the National Guard, the Armed Forces, the commissioned corps of the Public Health Service, or any other category designated by the President, have enlisted or have been called to active military duty during Operation Enduring Freedom, Operation Noble Eagle, and Operation Iraqi Freedom campaigns and any other campaigns in connection with the national state of emergency declared in the aftermath of the terrorist attacks on New York City and Washington, D.C. on September 11, 2001 are eligible for supplements to their military salaries.

B. As used here, "employee" is meant to include individuals who hold academic, career, limited, floater, casual-restricted, contract, or per diem appointments, regardless of the percent time worked.

**II. DEFINITIONS**

**A. UNIVERSITY PAY**

1. Health Sciences Compensation Plan: The University pay of employees compensated under the Health Sciences Compensation Plan shall be defined as both the base salary and the negotiated compensation (exclusive of incentive payments) in effect and paid through the University payroll when military leave commences, plus housing allowances, if applicable.
2. Staff Physicians and Dentists Compensation Plan: The University pay of employees compensated under the Staff Physicians and Dentists Compensation Plan shall be defined as both the base salary and non-base salary (exclusive of incentive payments) in effect and paid through the University payroll when military leave commences.

3. All Other Employees:

a) Eligible Earnings: The University pay of all other employees shall be defined as the employee's regular base pay rate plus any of the following eligible earnings:

- i shift differentials;
- ii clinical nurse differentials;
- iii non-base building pay for nurses;
- iv police specialty pay;
- v stipends (department chair, etc.); and
- vi academic housing allowances.

b) Ineligible Earnings: Ineligible earnings shall include the following:

- i overtime;
- ii uniform allowances;
- iii UNEX BYA;
- iv summer session salaries;
- v on-call pay;
- vi honoraria;
- vii incentive and performance awards;
- viii additional academic compensation, including summer compensation and UNEX; and
- ix terminal vacation pay.

c) Range Adjustments, Merit Increases, and Promotions: The base pay rate shall be adjusted for range adjustments, merit increases, and promotions that would have been granted had the employee not been ordered to active military duty.

d) Variable-Time Appointments: The base pay rate of an employee with a variable-time appointment shall be adjusted for the average hours on pay status during the three months prior to commencement of military leave, exclusive of hours attributed to overtime.

e) Irregular-Shift Assignments: The shift differential component of the gross University pay of employees who are not assigned to the same shift on a regular basis shall be calculated by taking an average of the shift differentials paid over the three months prior to commencement of military leave.

**B. MILITARY PAY**

Military pay shall be defined as all compensation, including allowances, received by an individual eligible for supplements to his or her military salary pursuant to I.A. above.

### **III. COMMENCEMENT**

Compensation for the difference between an employee's University pay and military pay shall begin on the first day of unpaid military leave.

### **IV. DURATION**

A. The supplement to military pay shall extend for a period not to exceed the employee's tour of active duty, until June 30, 2012, or until the separation date of an employee's University appointment, whichever comes first. Benefits provided under the policy are subject to a two-year lifetime limit, retroactive to December 14, 2001 (the policy's original starting date).

B. University appointees with termination dates due to budgetary restrictions may be reappointed according to University procedures and practices. If such reappointments occur during the employee's active duty, supplements to military pay shall continue into the subsequent appointment until the end of the active duty, or until June 30, 2012, whichever comes first. Benefits provided under the policy are subject to a two-year lifetime limit, retroactive to December 14, 2001 (the policy's original starting date).

### **V. EFFECT ON BENEFITS**

A. Employees receiving supplements to their military pay shall be considered on pay status.

B. Medical, dental, vision, and life insurance coverage, and University contributions for these coverages, may continue through the employee's tour of active duty, until June 30, 2012, or until the separation date of an employee's University appointment, whichever comes first. Benefits provided under the policy are subject to a two-year limit, retroactive to December 14, 2001 (the policy's original starting date). Thereafter, the employee (and eligible family members, if any) may continue medical, dental, and vision coverage through the COBRA/continuation provisions. In addition, participation in legal insurance and Supplemental Life may continue through the sixth calendar month of military pay. Auto/homeowner's insurance can be maintained throughout the leave.

C. DepCare contributions stop when supplemental payments end and the employee is no longer on pay status. Subject to plan deadlines, eligible expenses incurred through the end of the calendar year may be reimbursed unless participation in DepCare is cancelled. Some policies (e.g., Accidental Death & Dismemberment), however, have exclusions that apply to individuals on active military duty.

D. Short-term disability and supplemental disability coverage shall terminate on the last day an employee is actively at work.

E. Employee retirement contributions to the Defined Contribution Plan and Tax-Deferred 403(b) Plan will continue while a paycheck is received and will stop with the employee's last paycheck. When the employee returns to University employment, the employee may be eligible to make up contributions to the Defined Contribution Plan and/or Tax-Deferred 403(b) Plan that were missed due to the period of military leave, in accordance with Uniformed Services Employment and Reemployment Rights Act (USERRA) and UCRS provisions. An employee on military leave may suspend 403(b) Plan loan repayments for the period of military leave as provided under USERRA and 403(b) Plan provisions.

F. Retirement service credit shall be earned in accordance with UCRP provisions for the period of military service and for a period following military service, provided that the employee returns to University employment following the leave or notifies the University in writing of his or her intent to return to work in accordance with any applicable reemployment rights and UCRS provisions.

G. For those employees who elect to continue their University coverage but are ineligible for the supplement to military pay because their military pay exceeds their University wages, the University will continue to pay the UC contribution to their health plan premiums through the employee's tour of active duty, until June 30, 2012, or until the separation date of an employee's University appointment, whichever comes first. Benefits provided under the policy are subject to a two-year limit, retroactive to December 14, 2001 (the policy's original starting date).

## **VI. FUNDING SUPPLEMENTAL MILITARY PAY**

Each location shall determine the source of funds for supplemental military pay. University general funds, unrestricted gift funds, medical school compensation plan funds, and other funds identified by the campus may be used. Extramural contract and grant funds may be used to the extent such funds were used to pay the employee immediately prior to his or her call to active military duty.

## **VII. SPECIAL SITUATIONS**

### **A. LEAVES WITH AND WITHOUT PAY**

Employees who received orders to report for active duty while on an approved leave with or without pay (e.g., sabbatical, personal, or research leave) shall, for the purpose of calculating supplemental pay, be returned to their regular status.

**B. TEMPORARY REDUCTIONS IN TIME**

Employees who received orders to report for active duty while on a temporary reduction in time shall, for the purpose of calculating supplemental payments, be returned to their regular status at the expiration date of such temporary reduction in time. The employee's department shall be responsible for adjusting supplemental payments at such expiration date.

**C. TEMPORARY LAYOFFS**

Employees who received orders to report to active duty while on a temporary layoff shall, for the purpose of calculating supplemental payments, be returned to their regular status at the expiration date of the temporary layoff. The employee's department shall be responsible for submitting the documentation required to initiate supplemental payments at such expiration date. NOTE: Supplemental payments should begin at the expiration date of the temporary layoff.

**D. INDEFINITE LAYOFFS**

Employees who received orders to report to active duty while on an indefinite layoff are not eligible for supplemental payments.

**E. PARTIAL YEAR CAREER POSITIONS**

The military pay of employees who hold partial year career appointments shall not be supplemented during the months such employees are on furlough unless such employees have elected to spread their paychecks over 12 months. Periods of time spent on unpaid furlough shall not be included in the calculation of the supplemental payments. The employee's department shall be responsible for terminating supplemental payments when such employee would normally go on unpaid furlough and for reinstating supplemental payments when such employee would normally return to pay status.

**VIII. PROCEDURES**

**A. DOCUMENTATION REQUIRED TO INITIATE SUPPLEMENTAL PAYMENTS**

1. Supplement to Military Pay Worksheet: Both the employee's department and the employee, or the person who holds the power of attorney on behalf of the employee, are responsible for completing the "Supplement to Military Pay Worksheet". The purpose of the worksheet is to calculate the gross supplemental pay and to obtain acknowledgement from the employee that any overpayments will be returned to the University.

2. Personnel Action Form or Equivalent Document & Sabbatical Leave/Special Leave of Absence: The employee's department is responsible for completing a Personnel Action Form, Personnel Transaction Request Form or equivalent document and Sabbatical Leave/Special Leave of Absence Form (UPAY 573) to place the employee on military leave. The department should establish as the end date on the current pay Distribution(s) the last date that the employee will receive University pay. The department should establish a new Distribution for the period of the military leave, using the calculated gross supplemental pay (line 13, 14, or 15) determined on the Supplement to Military Pay Worksheet. The department should associate the Gross Supplemental Pay amount with the Description of Service Code "SMP." The department should establish a new Distribution with a Begin Date as of the last day of the employee's Military Leave Date and with the same End Date on the original Distribution. If the employee remains on military duty, the department should complete a Leave of Absence action.
3. Leave and Earnings Statement: The employee, or the person who holds the power of attorney on behalf of the employee, shall be responsible for documenting/estimating the military pay. If available, a Leave and Earnings Statement (LES) shall be used to determine the gross monthly military pay. If a LES is not available, the gross military pay may be estimated.
4. Power of Attorney: If an employee has designated a power of attorney, documentation of such power of attorney shall be submitted along with the completed worksheet.
5. Short-Term and Supplemental Disability: An Enrollment, Change, Cancellation, or Opt-Out Form (UPAY 850) shall be given to the employee, or the person who holds the power of attorney on behalf of the employee. Because employees are not eligible for disability benefits if the disability was incurred while on extended military leave, Supplemental disability and Short-term disability plans must be cancelled by the employee. Failure to do so will result in automatic deductions for disability insurance from supplemental pay even though coverage does not continue.
6. Payroll Earnings Distribution Authorization: A Pay Disposition Authorization Form shall be given to the employee. This form must be completed and returned to the department if the employee wishes to change his or her disposition of pay.

## B. INITIATING SUPPLEMENTAL PAY

1. If the Employee Has Not Yet Reported To Active Military Duty: Both the employee's department and the employee (or the person who holds the power of attorney on behalf of the employee) are responsible for providing and/or

completing the forms outlined in Section VIII.A of these Implementation Guidelines.

2. If the Employee Has Reported To Active Military Duty and Not Returned: The department shall attempt to contact and inform all employees on military leave (or the persons who hold powers of attorney on behalf of such employees) of the supplement to military pay and the procedures required to initiate the supplemental payments.

Supplemental payments shall not be issued without the signature of the employee, or the person who holds a power of attorney on behalf of the employee, on the Supplement to Military Pay Worksheet. If a department is unable to obtain a completed worksheet and LES from an employee, or the person who holds the power of attorney on behalf of the employee, the supplemental payment shall be calculated and issued upon the employee's return to work.

3. If the Employee Has Returned From Active Military Duty: The employee shall submit copies of all Leave and Earning Statements covering the period of time in which the employee was eligible for supplemental payments. The employee's department shall be responsible for calculating the total gross supplemental payment and submitting the required paperwork in accordance with established location procedures.

### C. ISSUING PAYMENTS

1. Retroactive Payments: The employee's department shall be responsible for submitting all retroactive paperwork, including the PAF or equivalent document, Sabbatical Leave/Special Leave of Absence Form, and late pay transactions. If an employee is eligible for future supplemental payments, the department shall complete a PAF or equivalent document based upon the most recent worksheet and LES obtained from the employee, or the person who holds the power of attorney on behalf of the employee.

2. Pro-Rated Payments: The employee's department shall be responsible for pro-rating supplemental payments that do not cover a full pay period for employees covered by positive time reporting.

3. Extensions and Multiple Military Leaves: The employee's department shall be responsible for ensuring that supplemental payments for employees with extensions of their original orders or with multiple military leaves are consistent with these guidelines.

4. Deductions:

- a) Mandatory Deductions: Supplemental payments shall be subject to Federal income tax, State income tax, OASDI, and Medicare. Garnishments/Earnings Withholding Orders for Support, if applicable, shall be withheld.
  - b) Voluntary Deductions: Voluntary deductions shall continue to be withheld unless cancelled by submittal of the appropriate cancellation forms.
  - c) Employer Contributions: Departments are responsible for University contributions.
5. Issuance: Except for retroactive payments, supplemental payments shall be issued as part of the normal payroll cycle for each affected employee. The supplemental pay will be distributed to the disposition selected by the employee.
6. Terminating Supplemental Payments: The employee's department shall be responsible for ensuring that upon expiration of the supplemental payments, the employee's status is correctly reflected on the PAF or equivalent document.

#### D. RECONCILIATION

- 1. Reinstatement: When an employee returns to work from active military duty, the employee shall submit a LES for each month for which supplemental military pay was earned or received. The employee's department shall be responsible for reconciling actual supplemental military payments with all Leave and Earnings Statements. Any overpayments or underpayments shall be adjusted in accordance with established location payroll procedures.
- 2. Benefits: Employees returning from military leave have a 31-day period of initial eligibility to reenroll in coverages which lapsed or were cancelled during the extended military leave. The period begins with the date of return to normal pay status.
- 3. Retirement Service Credit: Covered compensation and retirement service credit earned during an extended military leave shall be manually adjusted when the employee returns to pay status by submitting a copy of the PAF or equivalent document documenting the extended military leave and verification of the employee's military orders to the Retirement membership unit.
- 4. Employees Who Do Not Return to University Service: Overpayments shall be forgiven if an employee is killed or disabled to the extent that such employee cannot return to University employment. Employees who elect to terminate their University appointment shall be responsible for contacting their former departments to initiate reconciliation between their estimated and actual military earnings. Employees who have been underpaid shall receive the balance due. Overpayments shall be repaid to the University.

**INSTRUCTIONS FOR THE SUPPLEMENT TO MILITARY PAY WORKSHEET**  
**EMPLOYEE:**

1. Complete all items that are not shaded. You may skip optional items if not needed.
2. Attach a copy of your most recent Leave and Earnings Statement, if available, so that your department can determine your supplemental pay. If you do not have a recent Leave and Earnings Statement, you can estimate your monthly military gross pay.
3. You may cancel any voluntary employee deductions, such as parking and credit union deductions. Your department should provide the appropriate cancellation forms to you. You must cancel your Supplemental Disability deductions. You can initiate the cancellation online at At Your Service ([atyourservice.ucop.edu](http://atyourservice.ucop.edu)).
4. If you wish to change the disposition of your pay, please complete the Pay Disposition form.
5. Please read the Certification and sign and date the certification.
6. If you have authorized someone to handle your affairs in your absence, please attach a copy of the power of attorney.

**DEPARTMENT:**

1. Complete all shaded items.
2. Complete the personnel action by initiating a Personnel Action Form (UPAY 560) or equivalent document for on-line processing and Sabbatical Leave/Special Leave of Absence Form (UPAY 573) to place the employee on military leave. The department should establish as the end date on the current pay Distribution(s) the last date that the employee will receive University pay. The department should establish a new Distribution for the period of the Military Leave, using the calculated gross supplemental pay (line 13, 14, or 15) determined on the Supplement to Military Pay Worksheet. The department should associate the Gross Supplemental Pay amount with the Description of Service Code "SMP." The department should establish a new Distribution with a Begin Date as of the last day of the employee's Military Leave Date and with the same End Date on the original Distribution. If the employee remains on military duty, the department should complete a Leave of Absence action.
3. Forward and process the cancellation/enrollment forms checked in item 16 to the employee.
4. Indicate department approval in item 18.