

SR80381
Membership in UCRP—Expanded Student Eligibility

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Table of Contents

Background	1
Required Changes to the Payroll/Personnel System	2
Retirement System Code Derivation.....	2

Background

Effective July 1, 2002, University of California Retirement Plan (UCRP or Plan) Regulation 2.20 has been modified to redefine those employees considered to be at the University of California primarily for the purposes of receiving an education and training and thus ineligible for UCRP membership.

The UCRP Plan document, Section 2.20, defines who is and who is not considered to be an "Eligible Employee" for Plan membership. Among those employees not considered to be an Eligible Employee for Plan membership are those employees at the University of California primarily for purposes of obtaining an education or training. UCRP Regulation 2.20 further amplifies this exclusion by defining this group. Historically, the Eligible Employee student exclusion has generally applied to an employee who is a student and who is employed for less than 100% time.

In recent years there has been a shift in the demographics of the UC student/employee population. There are now more employees with 50% or more appointments who happen to be students. It is no longer standard that all students spend most of their time on education or that all students who are also employed work in jobs closely connected to their academic pursuit. In recognition of the fact that the current student and employee populations overlap in different ways than when the regulation defining "Eligible Employee" was originally adopted, UC Human Resources/Benefits, after extensive consultation and review, has revised UCRP Regulation 2.20 to more accurately exclude from UCRP only those students whose employment is connected to their educational pursuit. The refinement is intended to permit UCRP eligibility for employees who are working at University jobs for a significant portion of the time and also happen to be students and provides consistency in the treatment of student employees and non-student employees with similar appointments.

As before, for purposes of these policies, a University student is a student who is registered and enrolled for one quarter or more at one of the University of California campuses and Hastings College of the Law, but excluding University Extension, in a program leading to a degree. Also, an Active Member who later becomes a University student or who enters a training program shall remain an Active Member unless the Member has a Break in Service.

The revised Regulation 2.20 provides that effective July 1, 2002 an employee is considered to be at the University of California primarily for the purposes of receiving an education or training, and thus excluded from UCRP membership, if:

- (a) such employee is appointed to an academic position contingent upon student status, i.e., titles restricted to students (Class Title Outline (CTO) codes = 400-499); or
- (b) such employee is appointed to a casual/restricted staff position, as defined in the University's personnel policies for staff members; or
- (c) such employee is a University student and is appointed at less than 50% time; or
- (d) such employee is employed in a training program of two years or less with a special classification and salary rate or range.

The revised Regulation 2.20 provides that effective July 1, 2002 an employee is not considered to be at the University of California primarily for the purposes of receiving an education or training, and thus are included in UCRP membership, if:

- (a) such employee has an indefinite appointment at 50% time or more; or
- (b) such employee has a 50% time or more appointment with a definite term of one year's duration, or more; or
- (c) such employee has a change in employment status which extends the total period of employment at 50% time or more to one year or longer, effective as of the date of the change in status; or
- (d) such employee has multiple appointments at the same or different UC locations which, when aggregated, total at least 50% time for at least a year's duration.

Student employees shall not be considered eligible for UCRP membership on account of an accumulation of 1,000 hours of employment or any portion of such hours.

Required Changes to the Payroll/Personnel System

To implement this change, the retirement derivation logic must be modified to eliminate the requirements that student employee have a 100% appointment. The following explanation of the derivation logic, taken from Release 1109, *Retirement/FICA Derivation* (Detail Design), has been marked to show the required changes.

Retirement System Code Derivation

If the main derivation control logic indicates that Retirement System Code derivation should occur, it will occur as follows. Note that the eligibility qualification is done from most to least.

The only valid derivable values for Retirement System Code are U, N and H.
Retirement System Code U (UCRP):

First the appointment data in External AXD-ARRAY will be evaluated to determine if the employee qualifies for a Retirement System Code U.

First it will be determined if the appointment is eligible for consideration.
If the appointment WOS Indicator = Y, then it will not be considered eligible.

If the appointment A/D/C code = 'D' (i.e. it is being deleted) then it will not be considered eligible.

If the appointment begins after the last day of the month or ends before the first of the month it will not be considered eligible.

If the appointment is salaried and active, the Title Code will be evaluated to determine if it is eligible. Title Codes 2090, 3370, 1958, 1968 and any in CTO groupings 323, 523, 533, 543, 623, 723 and 446 are invalid for a U code (see section 5.1.1.1 of the Requirements Definition). If even one active appointment meets this criteria, the employee is not eligible for a U code, and the program will go to evaluate for a code N. If the Title Code does not exist on the Title Code Table it will be treated as eligible.

If any appointments are eligible, they must then pass all the following tests.

Title Code utility program PPTCTUTL will be called for each appointment Title Code to return Retirement Code I (TCI_RETIREMENT_CODE_2 returned as XTCL-RETIREMENT-CODE-2). If its value is 1, the appointment qualifies for UCRP.

If the Title Code does not exist on the Title Code Table it will be treated as valid for UCRP.

If the appointment has no distributions it is valid for UCRP.

If the appointment has distributions, the DOS code will be compared to External DOST-DESCR-OF-SERV-TABLE to determine if the DOS Code has a Payment Category Code of N and a DOS Type of Hours of R. If one distribution has such codes, the appointment qualifies for UCRP.

If the Appointment Type Code is not 6, i.e. not Per Diem, the appointment qualifies for UCRP.

If the Appointment Rate Code is not B, i.e. not By Agreement, the appointment qualifies for UCRP.

The Appointment Begin and End Dates and Percentage Time of UCRP eligible appointments, if any, will then be evaluated

If a Hire or Rehire, and the aggregate time totals at least 400 50% for a continuous period of one year from the earliest appointment begin date equal to or after the Hire/Rehire date, a Retirement System Code of U will be assigned.

Except, if a Rehire has a current Retirement System Code of 1, it will be left as 1.

~~If a Hire or Rehire, and the UC Student Status Code is 1, 2 or 5, and the aggregate time totals at least 50% for a continuous period of one year from the earliest appointment begin date equal to or after the Hire/Rehire date, a Retirement System Code of U will be assigned.~~

~~Except, if a Rehire has a current Retirement System Code of 1, it will be left as 1.~~

If a Continuing Employee, and the aggregate time totals at least 400 50% for a continuous period of one year previously, and part of that continuing period includes the current month, a Retirement System Code of U will be assigned. However, if there is a pending derivation, no appointments with a Begin date greater than the Separation Date will be included.

~~If a Continuing Employee, and the UC Student Status Code is 1, 2 or 5, and the aggregate time totals at least 50% for a continuous period of one year previously, and part of that continuing period includes the current month, a Retirement System Code of U will be assigned. However, if there is a pending derivation, no appointments with a Begin date greater than the Separation Date will be included.~~