

SR 81536

Created: June 1, 2006

SR81536 Requirements

2006 Rate Change for Covered Compensation Limit

Objective:

Modify the 2006 Rate for Covered Compensation Limit

Requested by:

FMgmt-Payroll Coordination

Analyst:

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Cycle Date(s):

06/15/06

Overview

The Internal Revenue Service has announced a cost of living adjustment applicable to the covered compensation limit for defined benefit retirement plans. Therefore, effective July 1, 2006, the new limits are as follows:

- The annual compensation limit for employees who became active University of California Retirement Plan (UCRP) members prior to July 1, 1994 has been increased from \$315,000.00 to \$325,000.00,
- The annual compensation limit for employees who became active UCRP members on or after July 1, 1994 has been increased from \$210,000.00 to \$220,000.00.

Attached is a System Parameter Table form displaying the new rate. The tolerance limit is blank because it is set locally. The changes must be made available to campuses so that they can update their tables after processing June earnings has been completed but before any computes with July earnings are processed.

Please make the rate changes available to campuses via an FTP.

