



OFFICE OF THE VICE PROVOST --
ACADEMIC PERSONNEL

OFFICE OF THE PRESIDENT
1111 Franklin Street, 11th Floor
Oakland, California 94607-5200

April 7, 2014

COUNCIL OF VICE CHANCELLORS
LABORATORY DIRECTOR ALIVISATOS
ACADEMIC COUNCIL CHAIR JACOB
ANR VICE PRESIDENT ALLEN-DIAZ

Re: Systemwide Review of Proposed Revised University of California Policy on Supplement to Military Pay - Four-Year Renewal

Dear Colleagues:

Enclosed for Systemwide Review are proposed revisions to renew the University of California Policy on Supplement to Military Pay, covering all academic and staff employees. The Policy is scheduled to end on June 30, 2014. Under the current Policy, the University provides eligible employees with supplemental payments equal to the difference between the employees' University base pay and their military pay and allowances until the end of an employee's active military duty, or until June 30, 2014, while on active military duty in the Overseas Operations Contingency campaign.

In addition, under current Policy, while employees receive the military pay supplement, the University continues to pay the UC contribution to their health plan premiums and other UC sponsored health and welfare benefits. For employees who are not eligible for the supplement to military pay because their military pay exceeds their University wages, and who elect to continue their University plan coverage, the University pays the UC contribution to health plan premiums and other UC sponsored health and welfare benefits. Benefits under the Policy are subject to a two-year lifetime limit.

It is the University's desire to continue to provide reasonable assistance to academic and staff personnel who are called to active military duty. Therefore, the University has proposed that the Policy be renewed for a four-year period, effective July 1, 2014 through June 30, 2018.

For employees called to active military duty as of July 1, 2014, benefits would be provided until the end of the employee's active military commitment or until the June 30, 2018 end date of the policy, whichever comes first, subject to the two-year lifetime limit.

Systemwide Review

Systemwide Review is a public review distributed to the Executive Vice Chancellors, the Director, Lawrence Berkeley National Laboratory, and the Vice President of Agriculture and Natural Resources requesting that they inform the general University community, affected employees and union membership about policy proposals. Systemwide Review also includes a mandatory, three-month full Senate review. In the case of this policy distribution, the Senate has agreed to a two-month review.

Employees should be afforded the opportunity to review and comment on the draft policy reflecting the proposed four-year renewal, available online at: <http://www.ucop.edu/academic-personnel/academic->

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[personnel-policy/policies-under-review/index.html](#). Enclosed is a Model Communication which may be used to inform non-exclusively- represented employees affected by these proposals.

This letter and enclosures anticipate that you will begin Systemwide Review of the proposed draft and submit comments no later than June 9, 2014. Please send comments on the proposed policy to ADV-VPCARLSON-SA@ucop.edu. Questions may be directed to Janet Lockwood at Janet.Lockwood@ucop.edu or (510) 987-9499.

Sincerely,



Susan Carlson
Vice Provost
Academic Personnel

Enclosures: Proposed Revised UC Policy on Supplement to Military Pay (clean copy)
Proposed Revised UC Policy on Supplement to Military Pay (red line)
Model Communication

cc: President Napolitano
Chancellors
Provost and Executive Vice President Dorr
Executive Vice President Brostrom
Senior Vice President Vacca
Vice President Mara
Vice President Duckett
Vice Provosts – Academic Personnel
Academic Personnel Directors
Executive Director Fox
Executive Director Rodrigues
Executive Director Tanaka
Executive Director Winnacker
Director Skarakis
Deputy General Counsel Drown
Deputy/UCOP Compliance Officer Lane
Director Chester
Manager Lockwood
Human Resources Policy Analyst Bello
Human Resources Policy Analyst Kwan
Senior Administrative Analyst Rupert
Policy Coordinator Trifonov



Supplement to Military Pay

Academic Officer:	Vice Provost – Academic Personnel
Academic Office:	AP - Academic Personnel
Staff Officer:	Vice President – Human Resources
Staff Office:	Human Resources
Issuance Date:	July 1, 2012 <u>tba</u>
Effective Date:	July 1, 2012 <u>tba</u>
Scope:	This policy applies to all University academic and staff employees.

Contact:	Janet Lockwood (AP)	Melanie Kwan (HR)
Email:	Janet.Lockwood@ucop.edu	Melanie.Kwan@ucop.edu
Phone #:	(510) 987-9499	(510) 987-0360

I. POLICY SUMMARY

~~The Policy on the Supplement to Military Pay~~ This policy provides-describes the salary supplement that is provided reasonable assistance to those University academic and staff personnel serving on active military duty in the War on Terror Overseas Contingency Operations campaign.

II. DEFINITIONS

Exception to Policy: An action that exceeds what is allowable under current policy or that is not expressly provided for under policy. Any such action must be treated as an exception.

Executive Officer: The University President, Chancellor, Lawrence Berkeley National Laboratory Director, or Vice President of Agriculture and Natural Resources.

Top Business Officer: Executive Vice President-Business Operations for the Office of the President, Vice Chancellor for Administration, or the position responsible for the location's financial reporting and payroll as designated by the Executive Officer.

III. POLICY TEXT

A. Eligibility

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 in the ~~War on Terror~~ Overseas Contingency Operations campaign are eligible for supplements to their military pay salaries.

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.

B. Commencement

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

C. Duration

The supplement to military pay will extend for a period not to exceed the employee's tour of active duty, until June 30, 201~~8~~4, 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).

University ~~appointees~~ employees 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 will continue into the subsequent appointment until the end of the active duty, or until June 30, 201~~8~~4, 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)~~.

D. Benefits

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

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, 201~~8~~4, 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~~ under the Consolidated Omnibus Budget Reconciliation Act

of 1985 (COBRA) continuation provisions. In addition, participation in Legal Plan Insurance and Supplemental Life Insurance may continue through the sixth calendar month of military pay. Auto/homeowner's-Homeowner/Rental/Auto Insurance can be maintained throughout the leave.

Dependent Care Flexible Spending Account (DepCare FSA) 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 FSA is cancelled. However ~~Some~~ policies (e.g., Accidental Death and Dismemberment), ~~however,~~ have exclusions that apply to individuals on active military duty.

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

Employee retirement contributions to the 457(b) Deferred Compensation Plan and the 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 457(b) Deferred Compensation Plan and/or the 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 ~~provisions~~ University of California Retirement System (UCRS) provisions.

An employee on military leave may suspend Tax-Deferred 403(b) Plan loan repayments for the period of military leave as provided under USERRA and Tax-Deferred 403(b) Plan provisions.

Retirement service credit will be earned in accordance with the University of California Retirement Plan (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.

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 wagespay, 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, 201~~8~~⁴, 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)~~.

E. Special Situations

1. 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), will for the purpose of calculating supplemental pay, be returned to their regular status.

2. Temporary Reductions in Time: Employees who received orders to report for active duty while on a temporary reduction in time will, 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 will be responsible for adjusting supplemental payments at such expiration date.
3. Temporary Layoffs: Employees who received orders to report to active duty while on a temporary layoff will, 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 will 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.

4. Indefinite Layoffs: Employees who received orders to report to active duty while on an indefinite layoff are not eligible for supplemental payments.
5. Partial Year Career ~~Employees Positions: The m~~Military pay ~~of employees who hold partial year career appointments~~ will not be supplemented during the months when such employees are on furlough unless such employees have elected to spread their paychecks over 12 months. Periods of time spent on unpaid furlough will not be included in the calculation of the supplemental payments.

The employee's department will 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.

IV. COMPLIANCE / RESPONSIBILITIES

A. Implementation of the Policy

~~The Vice President Human Resources is the~~ Responsible Officers ~~for this policy and have~~ the authority to ~~implement the policy.~~ ~~The Responsible Officer may~~ develop procedures or other supplementary information to support the implementation of this policy. ~~Such supporting documentation does not require the approval of the President.~~ ~~The Responsible Officers and the Vice Provost Academic Personnel~~ may apply appropriate and consistent interpretations to clarify the policy provided that the interpretations do not result in substantive changes to the underlying policy.

The ~~Chancellor, Lawrence Berkeley National Laboratory Director, or Vice President of Agriculture and Natural Resources Executive Officer are each location~~ is authorized to establish and is responsible for local procedures ~~necessary~~ to implement the policy.

Local procedures must be consistent with the policy. Exceptions to procedures required by this policy must be approved by the Executive Officer.

B. Revisions to the Policy

The President is the Policy Approver and has the authority to approve policy revisions upon recommendation by the Responsible Officers. Vice President–Human Resources and the Vice Provost–Academic Personnel.

The Vice President–Human Resources and the Vice Provost–Academic Personnel Responsible Officers ~~have~~ has the authority to initiate revisions to the policy, consistent with approval authorities and applicable Bylaws and Standing Orders, and Policies of the Regents.

The UC Provost and Executive Vice President–Business Operations ~~has~~ have the authority to ensure that policies are regularly reviewed, updated, ~~and~~ in a manner that is consistent with other ~~governance~~ University policies.

C. Approval of Actions

Actions within this policy must be approved in accordance with local procedures. Chancellors–Executive Officers and ~~the Responsible Officers~~ Vice President–Human Resources are authorized to determine responsibilities and authorities at secondary administrative levels in order to establish local procedures necessary to implement this policy.

All actions that exceed this policy, or that are not expressly provided for under any policy, must be approved by the Responsible Officers. Vice President–Human Resources or the Vice Provost–Academic Personnel.

D. Compliance with the Policy

Noncompliance with the Policy is managed in accordance with *Personnel Policies for Staff Members 61, 62, 63, 64, 65, and 67* pertaining to disciplinary and separation matters, and in accordance with other University policies, including but not limited to, *The Faculty Code of Conduct (APM - 015)* and *University Policy on Faculty Conduct and the Administration of Discipline (APM - 016)*, *Non-Senate Academic Appointees/Corrective Action and Dismissal (APM - 150)* or, as applicable, collective bargaining agreements. Reference Section VI and Appendices I and II.

~~The following roles are designated at each location to implement compliance monitoring responsibility for this policy:~~

~~The Top Business Officer and/or the Executive Officer at each location will designate the local management office to be responsible for the ongoing reporting of policy compliance.~~

The Executive Officer at each location will designate the local management office responsible for ~~is accountable for~~ monitoring, ~~and~~ enforcing, and reporting compliance

~~mechanisms, and ensuring that monitoring procedures and reporting capabilities are established.~~

~~The Senior Vice President – Chief Compliance and Audit Officer will periodically audit and monitor compliance with the Policy.~~

~~The Vice President – Human Resources is accountable for reviewing the administration of this policy. The Director – HR Compliance may periodically monitor compliance to this policy.~~

V. PROCEDURES

A. Documentation Required to Initiate Supplemental Payments

1. Supplement to Military Pay Worksheet: ~~Both t~~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, will be responsible for documenting/estimating the military pay. If available, a Leave and Earnings Statement (LES) will 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 will be submitted along with the completed worksheet.

5. Short-Term and Supplemental Disability: An Enrollment, Change, Cancellation, or Opt-Out Form (UPAY 850) will be given to the employee, or the person who holds the power of attorney on behalf of the employee. ~~Because e~~Employees are not eligible for disability benefits if the disability ~~was ino~~ccurred while on extended military leave. ~~,~~ Supplemental disability and ~~Ss~~hort-term disability plans must be cancelled by the employee. ~~as F~~ailure 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 will 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 t~~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 within these procedures. ~~Implementation Guidelines~~.
2. If the Employee Has Reported To Active Military Duty and Not Returned: The department will attempt to contact and inform ~~all employees~~the employee on military leave (or the persons who hold powers of attorney on behalf of ~~the employees~~such employees) of the supplement to military pay and the procedures required to initiate the supplemental payments.

Supplemental payments will 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 will be calculated and issued upon the employee's return to work.

3. If the Employee Has Returned From Active Military Duty: The employee will submit copies of all ~~Leave and Earning Statements~~LES covering the period of time in which the employee was eligible for supplemental payments. The employee's department will 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 will be responsible for submitting all retroactive paperwork, including the PAF or equivalent document, Sabbatical Leave/Special Leave of Absence Form (UPAY 573), and late pay transactions. If an employee is eligible for future supplemental payments, the department will 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 will 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 will 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 will be subject to Federal income tax, State income tax, OASDI, and Medicare. Garnishments/Earnings Withholding Orders for Support, if applicable, will be withheld.
 - b) Voluntary Deductions: Voluntary deductions will 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, s~~ Supplemental payments will be issued as part of the normal payroll cycle for each affected employee, ~~except for retroactive payments~~. The supplemental pay will be distributed to the disposition selected by the employee.
6. Terminating Supplemental Payments: The employee's department will 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 will submit a LES for each month for which supplemental military pay was earned or received. The employee's department will be responsible for reconciling actual supplemental military payments with all ~~Leave and Earnings Statements~~ LES. Any overpayments or underpayments will 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 will 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: Employees who elect to terminate their University appointment will be responsible for contacting their former departments to initiate reconciliation between their estimated and actual military earnings. Employees who have been underpaid will receive the balance due. Overpayments will be repaid to the University.

Overpayments will be forgiven if an employee is killed or is disabled to the extent that such employee cannot return to University employment.

VI. RELATED INFORMATION

Not applicable.

- [Overseas Contingency Operations](#)
- [Consolidated Omnibus Budget Reconciliation Act of 1985 \(COBRA\)](#)
- [Legal Plan insurance](#)
- ~~[Supplemental Life Insurance](#)~~
- [Homeowner/Rental/Auto Insurance](#)
- [Dependent Care Flexible Spending Account \(DepCare FSA\)](#)
- [Accidental Death & Dismemberment \(AD&D\)](#)
- [457\(b\) Deferred Compensation Plan](#)
- [Tax-Deferred 403\(b\) Plan](#)
- [The Uniformed Services Employment and Reemployment Rights Act \(USERRA\)](#)
- [University of California Retirement System \(UCRS\)](#)
- [University of California Retirement Plan \(UCRP\)](#)
- [Sabbatical Leave/Special Leave of Absence \(UPAY 573\)](#)
- [Supplement to Military Pay Worksheet](#)
- [Enrollment, Change, Cancellation, or Opt-Out Form \(UPAY 850\)](#)
- [Health Sciences Compensation Plan](#)
- [Personnel Policies for Staff Members 61, 62, 63, 64, 65, and 67](#)
- [The Faculty Code of Conduct \(APM - 015\)](#)

- [University Policy on Faculty Conduct and the Administration of Discipline \(APM - 016\)](#)
- [Non-Senate Academic Appointees/Corrective Action and Dismissal \(APM - 150\)](#)

VII. FREQUENTLY ASKED QUESTIONS

General

1. *What is the definition of University pay for purposes of this policy?*

- 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~~faculty recruitment allowance, 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:
 - shift differentials;
 - clinical nurse differentials;
 - non-base building pay for nurses;
 - police specialty pay;
 - stipends (department chair, etc.); and
 - ~~academic housing allowances~~faculty recruitment allowance.
 - b. Ineligible Earnings: Ineligible earnings shall include the following:
 - overtime;
 - uniform allowances;
 - UNEX BYA;
 - summer session salaries;
 - on-call pay;
 - honoraria;
 - incentive and performance awards;
 - additional academic compensation, including summer ~~and UNEX~~ compensation ~~and UNEX~~; and
 - terminal vacation pay.

- c. Range Adjustments, Merit Increases, and Promotion **Increases**: The base pay rate shall be adjusted for range adjustments, merit increases, and promotion **increases** 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.

2. *What is the definition of military pay for purposes of this policy?*

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

3. *How is military pay funded for purposes of this policy?*

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.

VIII. REVISION HISTORY

As a result of the issuance of this policy, the following document is rescinded as of the effective date of this policy and is no longer applicable:

- Supplement to Military Pay Policy, dated July 1, 2012

This policy was reformatted into the standard University of California policy template effective July 1, 2012.

~~The renewal of this policy supercedes the version the policy issued on July 1, 2012.~~