EMPLOYEE-INITIATED REDUCTION IN TIME (ERIT) PROGRAM GUIDELINES

I. PROGRAM OBJECTIVE

The Employee-Initiated Reduction in Time (ERIT) Program is a temporary tool that department heads, with approval of their Principal Officer, may offer to their employees to achieve temporary salary savings. Under the program, eligible staff may request to reduce their time and corresponding pay in exchange for a number of advantages described below.

The program is effective July 1, 2012 through June 30, 2014.

II. ELIGIBILITY

All career (regular and probationary) staff employees, except Senior Management Group Members with appointments of at least 55 percent time are eligible to participate in ERIT.

For exclusively represented employees, participation in ERIT is subject to collective bargaining.

III. PROGRAM PLAN

A. Time Reductions. Eligible employees may volunteer to reduce their time from a minimum reduction of 5 percent of full-time to a maximum reduction of 50 percent of full-time as long as participants’ work schedules are not reduced below 50 percent time in any given month of participation. Time reductions are made in monthly increments with a minimum reduction of one month.

Employees are required to complete an ERIT contract prior to their participation in the program. Contracts may begin and end in any month between July 1, 2012 and June 30, 2014.

An eligible employee may participate in ERIT more than one time as long as participation ends by June 30, 2014.

B. Work Schedules. Reduced work schedules are at the convenience of the department and must be approved by the department head and supervisor based upon business operations and workload considerations.

C. Time Reduction Changes. The time reduction percentage under an ERIT contract may be changed by an employee during the term of the contract with approval by the department head and the Principal Officer/Designee and with 30 days of advance notice. The effective day of the change is the first of the month following receipt of the employee’s 30-day notice.

1 Throughout this document, “department head” shall be understood to mean the administrative head of the unit, and includes such designations as department or program chair, college provost, director, and principal investigator.
D. Early Termination. Participation may be terminated by the employee or the department head by giving 30 days advance notice of intent to terminate the ERIT contract. Advance notice of termination shall be waived if an employee is faced with an emergency situation.

E. Conclusion of an ERIT Contract. At the conclusion of an ERIT contract, the participant returns to his or her pre-ERIT percentage of time and salary (including merit increases and other adjustments to salary received while participating in ERIT). The right of return to the prior percentage of time and salary will apply unless the employee is subject to layoff or a reduction in time pursuant to the applicable personnel program or collective bargaining agreement.

F. Complaint Resolution. A Principal Officer and/or department head's decision not to implement ERIT in a particular department is not subject to review under the applicable personnel policy or collective bargaining agreement.

In a division/department that is participating in ERIT, a management decision denying an individual request to participate in ERIT or a complaint about the implementation of certain program features may be subject to review under the applicable personnel policy or collective bargaining agreement.

IV. BENEFITS OF PARTICIPATION

In return for a voluntary reduction in time, program participants will:

- Accrue vacation and sick leave credits at their rate accrued prior to participation in ERIT;
- Continue their UC health and welfare benefits without changes to premiums or benefits while participating in ERIT;
- Have their UC Retirement Plan (UCRP) contributions based on their reduced salary, and UCRP service credit will accrue based on their reduced appointment;
- Have other retirement benefits calculated based upon their pre-ERIT compensation rate as outlined within the proposed program guidelines.

V. APPROVAL

A. In all cases, participation in ERIT requires approval by the department head and Principal Officer/Designee. A principal officer may choose to delegate this authority to a department head,
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B. An ERIT contract specifying the reduced percentage of time and with begin and end dates of the contract must be signed by the employee and department head.

C. Some Principal Officers and their departments may elect to offer the program for the entire 24-month period; others may elect to offer the program only during certain months such as the summer months; and some may elect not to offer the ERIT program.

VI. EFFECT ON BENEFITS

A. Health and Welfare Plans. Eligibility for health and welfare benefits will not be affected by ERIT because an employee’s percentage of time on pay status under ERIT cannot be reduced below 50% time.

B. Medical Contribution Base. An employee’s full-time salary rate on January 1 of the previous year or on the hire date (whichever is later) is used to determine the Medical Contribution Base (MCB) for the current year. The MCB will not be impacted by an ERIT reduction.

C. Short-Term and Supplemental Disability Benefit Payments. Disability benefit payments for both the Short-term Plan and the Supplemental Plan will be based on an ERIT participant’s pre-ERIT salary. Premiums for the Supplemental disability plan will continue to be calculated on the full-time rate.

D. Workers Compensation Payments. Disability benefit payments received pursuant to the Workers’ Compensation Act will be based on an ERIT participant’s ERIT salary. If an employee elects to supplement his or her Worker’s Compensation disability benefit payments with sick and/or vacation leave accruals, upon exhaustion of sick leave, Extended Sick Leave benefit payments will become available. Departments will supplement these payments so that the aggregate benefit is equivalent to what would have been received if the payment were based on the pre-ERIT salary.

E. Life Insurance. Basic life insurance coverage will be calculated based upon full-time salary and pre-ERIT appointment percentage. Supplemental life insurance premiums and coverage are not impacted by participation in ERIT.

F. Dependent Care and Health Flexible Spending Accounts. Dependent Care Flexible Spending Account (DepCare FSA) and/or Health Flexible Spending Account (Health FSA) contributions will continue at the same level unless the ERIT participant changes his or her election during a Period of Initial Eligibility (PIE) or an open enrollment period.
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G. Defined Contribution Plan, 403(b) and 457(b) Plans. If a participant’s contributions are based upon a percentage of earnings, the contributions during ERIT will be lower. Participants may adjust their contribution amount or the percentage contributed to these plans at any time.

H. Social Security and Unemployment Benefits. Since Social Security and Unemployment Insurance benefits are calculated based upon earnings, these benefits may be lower.

VII. OTHER CONSIDERATIONS

A. Holiday Pay. Holiday pay will be prorated based upon the employee’s ERIT appointment percentage.

B. Temporary Reduction in Time. Employees whose time was reduced either voluntarily or involuntarily prior to ERIT may request to participate in ERIT. Such employees may participate at their pre-ERIT reduced percentage of time, subject to the requirement that their percentage of time is at least 50% of full-time. Employees who receive notice of a temporary reduction in time may also request to participate in ERIT at the reduced percentage of time, provided that their reduced time is at least 50%.

C. Part-Time Employees. Employees whose regular appointments are part-time appointments may participate in ERIT, provided that they reduce their time under ERIT at least 5% of full-time (2 hours/week) and that their appointment percentage under ERIT is at least 50%.

D. Transfer or Promotion to a different Position. If an employee is transferred or promoted to another position in the same or different department, continued participation in ERIT will be subject to approval by the new department head and supervisor.

E. Exempt Employees. Although exempt employees are normally expected to work their appointment percentage, greater emphasis is placed on meeting the responsibilities of the employee’s position than on working a specified number of hours. For this reason, it is important that supervisors make appropriate workload adjustments for exempt employees who participate in ERIT.

F. Indefinite Layoff or Reduction in Time. In the event that a layoff or involuntary reduction in time should become necessary while participating in ERIT, program participants will be:

1. Granted recall rights according to a ERIT participant’s pre-ERIT percentage of time; and will be
2. Granted rehire/transfer rights according to the ERIT participant’s pre-ERIT percentage of time.
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3. Granted severance according to an ERIT participant’s pre-ERIT percentage of time.

Seniority for determining the order of layoff will be calculated as though the reduction in time under ERIT had not occurred.

G. Time Off Pay Status. Time off pay status, such as a leave without pay or a temporary layoff, will not automatically terminate or extend an ERIT contract. The department head will determine whether an employee’s ERIT contract will be terminated or extended but no extension can be granted beyond June 30, 2012 unless the University extends the ERIT Program.

VIII. ENDING OF AN ERIT CONTRACT

At the end of an employee’s ERIT contract, the employee returns to his or her pre-ERIT percentage of time and salary (including merit increases and other adjustments to salary received while participating in ERIT). The right to return to the prior percentage of time and salary will apply unless the employee is subject to layoff or a reduction in time pursuant to the applicable personnel program or collective bargaining agreement.

IX. PROCESS OVERVIEW

Employee discusses with their supervisor participation in the ERIT Program and if supervisor concurs with the request the employees completes an ERIT Contract Agreement, U280, (R6/12)

Supervisor in conjunction with the Department Head approves the request based upon business operations and workload considerations. Approved ERIT agreement is forwarded to the HR Partner for review.

HR Partner reviews contract for adherence to the ERIT Program Guidelines, informs supervisor and employee of receipt and verification of contract for accuracy, and forwards to the Operations Specialist for processing.

Operations Specialist enters the ERIT action in PPS. Refer to the PPS User Manual 4.15 for instructions.

Operations Specialist distributes copies of the agreement as follows:

- Original to the Employee Personnel File
- One copy to the employee
- One copy to: Retirement Administration
  Office of the President
  300 Lakeside Dr.
  5th Floor, Oakland, Ca 94612