

<b>Program:</b>	Employee-Initiated Reduction In Time (ERIT) Program
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<b>Contact:</b>	Olga Zundel
<b>Email:</b>	Olga.Zundel@ucop.edu
<b>Phone #:</b>	(510) 987-9546

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## I. PROGRAM SUMMARY

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The Employee-Initiated Reduction In Time (ERIT) Program is an optional tool that locations and organizational units may choose to implement as a flexible work resource. The ERIT Program provides an opportunity for employees to voluntarily reduce their current appointment percentage and corresponding pay.

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## II. DEFINITIONS

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Detailed information about common terms used within Personnel Policies for Staff Members (PPSM) can be found in [PPSM 2 \(Definition of Terms\)](#) and [PPSM 3 \(Types of Appointment\)](#).

**Regular Status Employee:** A career employee who is not required to serve a probationary period, or a career employee who has successfully completed a required probationary period and any extension thereof.

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### III. PROGRAM TEXT

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#### A. Objective

##### 1. Eligibility

All career staff employees (regular status and probationary), except Senior Management Group members.

- Participation for exclusively represented employees is dependent upon agreement by applicable union.

##### 2. Reduction in time:

- Appointment percentage reduction must be in increments of 5% of full-time.
- **Minimum reduction in time (appointment percentage):** 5% of full-time
- **Maximum reduction in time (appointment percentage):** 50% of full-time
- An employee's work schedule may not be reduced below 50% time in any calendar month (or biweekly cycle) of participation.
- For employees who are paid bi-weekly, an ERIT contract must start and end on a quadriweekly cycle. For employees who are paid monthly, an ERIT contract must begin on the first day of a month and end on the last day of a month.
- Time reductions are made in monthly increments or on a quadriweekly cycle for employees paid on a bi-weekly basis.

**3. Minimum length of participation in the program per contract:** One month

**4. Maximum length of participation in the program per contract:** 36 months

**5.** Locations may choose to renew ERIT contracts if the arrangement aligns with the operational needs of the department. Participation and renewal are subject to approval by an employee's department head.

**6.** Work schedules are subject to approval by an employee's supervisor.

**7.** An ERIT contract can be terminated by either party for any reason with reasonable notice.

#### B. Effect on Employee Benefits

1. **Vacation and Sick Leave:** Accrual is based on the employee's accrual rate prior to the commencement of the ERIT Program.
2. **University of California Retirement Plan (UCRP) Service Credit:** Service credit accrual is based on the reduced percentage of appointment. The effect of the ERIT Program on UCRP service credit is the same as a regular reduction in percentage of appointment.
3. **Savings Choice Service Credit:** Service credit accrued by a Savings Choice participant is earned based on the reduced percentage appointment. This service counts toward potential retiree health benefits, the effective date of a second choice election, and vesting in UCRP and the Defined Contribution (DC) Supplement. The effect of the ERIT Program on Savings Choice service credit is the same as a regular reduction in percentage of appointment.
4. **UCRP:** Highest Average Plan Compensation (HAPC), which is used to calculate [UCRP Monthly Retirement Income or Lump Sum Cashout](#), is based on monthly Full-Time Equivalent Compensation and does not change as a result of participation in the ERIT Program.
5. **Employee Pre-Tax Contributions to UCRP:** Employee contributions are based on the reduced salary.
6. **UCRP Pre-Retirement Survivor Income, Death Benefits for Members who became active before October 1, 1990, and Disability Income:** Based on the final salary, which is adjusted to reflect the appointment percentage or average percent of time on pay status during the preceding 36 months if an employee dies or becomes disabled while, or within 12 months of, participating in the ERIT program.
7. **Voluntary Employee Contributions to the Defined Contribution Plan (DC Plan), Tax-Deferred 403(b) Plan, and 457(b) Plan Deferred Compensation Plan:** If an employee's contributions are based on a percentage of compensation, the contributions during ERIT will be lower. Employees may adjust their contribution amount or the percentage contributed to these plans at any time.
8. **Mandatory Employee and Employer Contributions to the DC Plan:** As any mandatory employee and/or employer contributions to the DC Plan under the Retirement Choice Program (either Savings Choice or DC Supplement) are based on a percentage of compensation, both the employee and employer contributions during ERIT will be lower.

- 9. Health & Welfare Plans:** Current enrollments in employee health and welfare benefits will not be affected by ERIT. However, reduction in hours could result in the employee falling below the threshold required to continue benefits for future eligibility. More information regarding eligibility can be found in the [Group Insurance Regulations \(GIRs\)](#).
- 10. 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 Annual Base Benefit Rate (ABBR) for the current year. The ABBR will not be affected by an ERIT reduction.
- 11. Disability Benefit Payments:** Voluntary Short-Term and/or Long-Term disability benefit payments will be based on an ERIT participant's pre-ERIT salary. Premiums for the [Voluntary Short-Term and/or Long-Term Disability Plans](#) will continue to be calculated on the full-time rate.
- 12. Workers' Compensation Payments:** Disability benefit payments received from Workers' Compensation coverage will be based on an ERIT participant's ERIT salary. If an employee elects to supplement their Workers' 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.
- 13. Life Insurance:** [Supplemental and Dependent Life Insurance](#) will not be impacted by participation in ERIT – premiums and coverage will continue to be based on your full-time salary rate. [Basic Life insurance](#) will be calculated using your full-time salary rate and your pre-ERIT appointment percentage.
- 14. 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 their election during a Period of Initial Eligibility (PIE) or an open enrollment period.
- 15. Social Security and Unemployment Benefits:** Since Social Security and Unemployment Insurance benefits are calculated based on earnings, these benefits may be lower.

### **C. Other Considerations**

1. **Holiday Pay:** Holiday pay will be prorated based on the employee's ERIT appointment percentage.
2. **Temporary Reduction in Time:** Employees whose time was temporarily reduced either voluntarily or involuntarily prior to ERIT may request to participate in ERIT. Such employees may participate at their pre-ERIT percentage time, subject to the requirement that their percentage time is at least 50% of full-time. Employees who receive notice of a temporary reduction in time also may request to participate in ERIT at the reduced percentage of time, provided that their reduced time is at least 50% of full-time.
3. **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 and that their appointment percentage under ERIT is at least 50%.
4. **Indefinite Layoff or Reduction in Time:** In the event of a layoff or involuntary reduction in time, should one become necessary while an employee is participating in ERIT, participants will be granted right to recall and right to reemployment according to the ERIT participant's pre-ERIT percentage of time, or severance according to the ERIT participant's pre-ERIT percentage of time and salary.
5. **Seniority for Indefinite Layoff:** Seniority for purposes of determining the order of indefinite layoff will be maintained in accordance with a participant's percentage of appointment before ERIT. If an employee's position is being considered for layoff during ERIT, the employee's seniority will be calculated based on the percentage of appointment before ERIT.
6. **Transfer or Promotion to Another 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 employees will be required to enter into a new ERIT contract for the transfer/promotion.
7. **Exempt Employees:** Although exempt employees normally are 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. Therefore, it is important that supervisors make appropriate workload adjustments for exempt employees who participate in ERIT.
8. **Exempt/Non-Exempt Status:** Exempt employees participating in ERIT may become non-exempt if their resulting salary falls below the Fair Labor Standards Act (FLSA) salary threshold. Both the manager and employee should consider the impact of becoming non-exempt on the employee's overtime eligibility, time reporting and pay dates.
9. **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.

#### **D. Ending of an ERIT Contract**

At the end of an employee's ERIT contract, the employee returns to the pre-ERIT appointment percentage 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.

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### **IV. COMPLIANCE / RESPONSIBILITIES**

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The Vice President-Systemwide Human Resources is accountable for reviewing the administration of ERIT to ensure compliance.

Locations may periodically monitor compliance with these program guidelines.

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### **V. PROCEDURES**

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- A.** An [ERIT Contract \(U280\)](#) must be completed and signed by both the ERIT participant and the department head.
- B.** The [ERIT Contract Amendment \(U281\)](#) must be completed and signed by both the ERIT participant and the department head when an ERIT contract is terminated early, extended, or the percentage of time reduction is changed.
- C.** The contract must be completed and processed in UCPath directly through PayPath, in accordance with local procedures.
- D.** The ERIT participant's department is the office of record for the contract. Following local procedures, copies of the contract are to be provided to the employee, the local Human Resources Office, and to Retirement Administration Service Center, a division of the Office of the President.
- E.** Contracts are retained by the participant's department for five years after separation, except in cases of disability or retirement in which case contracts are retained until age 70.
- F.** Department heads should thoroughly review dept budgetary constraints and impacts, entitlements, etc., prior to approving an ERIT contract.

Locations are authorized to develop local implementing procedures consistent with the provisions of the ERIT Program.

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## **VI. FREQUENTLY ASKED QUESTIONS**

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### **Basic Information about Participating in ERIT**

#### **1. What is ERIT?**

The ERIT program allows eligible employees to voluntarily reduce their appointment percentage and corresponding pay for a specified period of time.

#### **2. Why is ERIT being offered?**

ERIT is being offered as an optional tool the University can use as a flexible work resource. Check with your Human Resources Office and department head to find out if your location and department are offering ERIT.

#### **3. Are exclusively represented employees eligible to participate in ERIT?**

Participation in ERIT by exclusively represented employees is subject to agreement by the applicable union. Check with your local Human Resources Office regarding your eligibility to participate.

#### **4. Does the reduced percentage of time need to be the same during each month of my ERIT contract or can it vary as long as the average percentage reduction over the entire period of my participation in ERIT is the same as the percentage reduction reflected on my ERIT contract?**

You should have the same reduction in time and pay in each pay period of your ERIT contract. However, with your department head's approval, your work schedule within a pay period may be flexible from week to week as long as the total time reduced during the pay period is the same as the percentage time reflected in your ERIT contract.

#### **5. Is the minimum reduction of 5% of full-time equivalent to a specified amount of time?**

Yes, based on a 40-hour week, 5% of full-time would be 2 hours per week, regardless of whether your previous appointment was 100% or some other percentage.

#### **6. If I am already on a temporary reduction in time (voluntary or involuntary) before I have the chance to sign up for ERIT, can I still participate in the program?**

Yes, if you have a temporary voluntary or involuntary reduction in time prior to the starting date of ERIT, you may request to participate in ERIT prospectively. If your request is granted, you may enter into an ERIT contract and you need not increase to your appointment percentage prior to ERIT in order to reduce your time under ERIT. However, your appointment percentage under ERIT may not be less than 50%.

**7. If I have a part-time appointment, can I participate in ERIT?**

Yes, you may participate in ERIT by reducing your time at least 5% of full-time (2 hours per week). However, your appointment percentage under ERIT may not be less than 50%.

**8. How long may I participate in ERIT?**

The minimum length of participation is one month (or one quadriweekly cycle); the maximum length of participation is 36 months per contract. Locations may choose to enter into and renew ERIT contracts if the arrangement continues to suit the operational needs of the both the employee and department. Participation and renewal is subject to approval by an employee's department head.

**9. Must an ERIT contract begin only on the first day of a month and end only on the last day of the month?**

For employees who are paid monthly, an ERIT contract must begin on the first day of a month and end on the last day of a month. For employees who are paid bi-weekly, time reductions are to be made in two bi-weekly increments, so an ERIT contract would begin on the first day of the bi-weekly pay period and end on the last day of the second bi-weekly pay period.

**10. Can I continue my participation in ERIT if I transfer or if I am promoted to another position in the same or different department?**

If the relevant department head approves, you may continue your participation in ERIT for the term of your ERIT contract when you accept another position in the same or a different department.

**11. If I sign up for ERIT, will my workload be adjusted to reflect my reduction in time?**

ERIT participants should review their assigned workloads with their supervisors to work out a corresponding reduction in workload or assignments.



**12. Can an employee who has a variable appointment participate in ERIT?**

Employees with variable appointments are not specifically excluded from participating in ERIT; however, because of the fluctuating nature of variable appointments, it may be helpful to think of a reduction of a percentage of time in terms of hours for the purpose of calculating a variable appointment; for example, a 5% ERIT reduction would equate to 2 hours/week, and a 10% reduction would equate to 4 hours/week.

**13. Can an employee who works a 4/10 or 9/80 schedule participate in ERIT?**

Yes, employees who work these alternative schedules can participate in ERIT. For example, an employee on a 4/10 schedule who wants to reduce to 90 percent time could work a 4/9 schedule by reducing each work day by 10% (an hour each day); while an employee on a 9/80 schedule can work a 9/72 schedule by working 8 hours per day (a 10% reduction).

**14. How can an exempt (salaried) employee participate in ERIT, since the employee works whatever time it takes to get the job done?**

An exempt employee may reduce his or her time and corresponding pay from 5% to 50% of full-time under ERIT. An appropriate workload reduction and a focus on working to meet job responsibilities rather than working a specified period of time are the intended approaches to ERIT for exempt employees. Because time records for purposes of pay cannot be kept for exempt employees who receive the same salary each pay period regardless of hours worked, exempt employees who participate in ERIT may find a schedule involving full days off useful. However, this would not preclude occasionally working some time on those days if necessary to meet a deadline.

**Changes in My Benefits Once I Am Participating in ERIT**

**15. Does ERIT affect the amount of vacation and sick leave that I earn?**

No, you will continue to accrue vacation and sick leave at your pre-ERIT appointment percentage.

**16. How does my participation in ERIT affect my holiday pay?**

Under ERIT, you will receive holiday pay in proportion to your reduced time, in accordance with the applicable personnel policy or collective bargaining agreement.

**17. How does ERIT affect my UCRP or Savings Choice service credit?**

Under ERIT, UCRP or Savings Choice service credit will accrue in accordance with your ERIT appointment percentage, so if you reduce your appointment from 100% to 75%, you will accrue 75% service credit.

Additionally, if you reduce your time under ERIT in the 12 months preceding an approved UCRP Disability Date, participation in the ERIT program can reduce the UCRP service credit you accrue while receiving UCRP Disability Income.

**18. Can I purchase the UCRP service credit that I would have accrued if I didn't participate in the ERIT program?**

No. There is no provision in UCRP to allow for the purchase of service credit for a reduction in time under the ERIT program. The option of a service credit purchase only applies to leaves of absence that are unpaid.

**19. How does ERIT affect contributions to UCRP or pre-tax contributions to the DC Plan (DC Savings Choice or DC Supplement)?**

Under ERIT, employee contributions to UCRP or DC Plan will be reduced as they are based on a percentage of salary.

Any University contributions into the DC Savings Choice or DC Supplement plans on the behalf of Retirement Choice Program participants will also be reduced.

**20. What is the impact of ERIT on my 403(b) Plan or 457(b) Plan contributions?**

If your [Tax-Deferred 403\(b\) Plan](#) or [457\(b\) Deferred Compensation Plan](#) contributions are deducted as a percentage of your compensation, your contributions will be reduced if you participate in ERIT.

In addition, your maximum annual contribution to the [Tax-Deferred 403\(b\) Plan](#) or [457\(b\) Deferred Compensation Plan](#) may be affected by your participation in ERIT as the maximum contribution amount is the lesser of your adjusted gross salary or a fixed amount based on age.

**21. Will ERIT affect my Highest Average Plan Compensation (HAPC) used for calculating my retirement benefit or my Final Salary used for calculating Preretirement Survivor Income or Disability Income benefits?**

HAPC, which is used to calculate UCRP Monthly Retirement Income or Lump Sum Cashout (if eligible), is based on monthly Full-Time Equivalent Compensation and does not change as a result of participation in the ERIT program.

In most cases, Final Salary, which is used to calculate Preretirement Survivor Income, Death Benefits for Members who became active before October 1, 1990,

and UCRP Disability Income, will not be adjusted to the extent your Final Salary is based on your normal appointment percentage. If your average percent of time on pay status during the preceding 36 months (or during total period of employment, if less) of a pre-retirement death or UCRP Disability Date is higher than your normal appointment percentage, then participating in the ERIT program could reduce those benefits if an employee dies or becomes disabled while participating in the ERIT program.

**22. Does ERIT affect my current eligibility for employee health and welfare (medical, dental, vision) benefits?**

No, your current eligibility for health and welfare benefits will not be affected by ERIT. Your health and welfare benefits remain in place throughout your current Stability Period. More information on eligibility can be found in the [GIRs](#).

**23. Does ERIT affect my future eligibility for health and welfare (medical, dental, vision) benefits?**

ERIT could affect your future eligibility for health and welfare benefits. Reductions in appointment percentages will lead to you working fewer hours. All employees are required to meet eligibility thresholds to continue health and welfare benefits for the following Stability Period. If your appointment is considered a Group A appointment, you are required to meet or exceed an Average Weekly Hours of Service threshold of 17.5 hours. If your appointment is considered a Group B appointment, you are required to meet or exceed an Average Weekly Hours of Service threshold of 30 hours. More information on eligibility can be found in the [GIRs](#).

Eligibility for retiree health and welfare benefits is determined, in part, by your UCRP and/or Savings Choice service credit (aka [Retiree Health Service](#)). Under the ERIT program, you earn less service credit and this could impact your future eligibility for retiree health benefits.

**24. Will ERIT affect my exempt status?**

Exempt employees participating in ERIT may become non-exempt if their resulting salary falls below the Fair Labor Standards Act (FLSA) salary threshold. Both the manager and employee should consider the impact of becoming non-exempt on the employee's overtime eligibility, time reporting and pay dates.

**25. Does my lower salary under ERIT have any effect on my voluntary short-term and/or long-term disability and life insurance benefits?**

[Voluntary Short-Term and/or Long-Term Disability](#) benefit payments will be based on your pre-ERIT salary and your premiums will continue to be based on your pre-ERIT salary.

[Supplemental and Dependent Life Insurance](#) will not be impacted by participation in ERIT— premiums and coverage will continue to be based on your full-time salary rate. [Basic Life Insurance](#) will be calculated using your full-time salary rate and your pre-ERIT appointment percentage.

**26. If I am on an ERIT contract and elect to use the Pay for Family Care and Bonding (PFCB) pay option for a qualifying leave, how will my pay be affected?**

If you are eligible to use the PFCB pay option during an approved qualifying leave while you are participating in ERIT, PFCB will provide you with pay calculated at 100 percent of your pre-ERIT eligible earnings.

**27. Are there other effects of ERIT that I should know about?**

Refer to the list of “Important Considerations” in the [ERIT contract \(U280\)](#).

**Changes in My Contract Once I Am Participating**

**28. What if I change my mind about reducing my time after ERIT begins?**

Deciding to participate in ERIT represents a commitment. However, an unforeseen change of circumstances during your participation may occur that requires you to end your contract. If you wish to return to your pre-ERIT percentage of time, you may do so provided that you give your supervisor reasonable advance notice. Advance notice of termination will be waived if your request to terminate your contract is due to an emergency situation. You must complete the [ERIT Contract Amendment \(U281\)](#) and return it in accordance with local ERIT procedures.

**29. Can a department “call back” an employee to his or her original percentage of time?**

ERIT is intended to be two-way commitment between the employee and his or her department for the benefit of both. However, when there is a business need, a department head may end an ERIT contract with reasonable notice.

**30. Can I adjust my ERIT percentage of time after initial approval?**

Since ERIT commitments will be used to project departmental budgets and for planning purposes during the fiscal year, percentages of time should not be changed. However, circumstances beyond your control may warrant an increase or decrease in the percentage reduction. ERIT participants may change their percentage reduction once during the ERIT contract with reasonable notice. You

must complete the ERIT contract amendment and return it in accordance with local ERIT procedures.

## **Relationship Between ERIT and Other Budget-Related Actions**

### **31. Can I be laid off while on ERIT?**

Yes, ERIT does not protect employees from being laid off.

### **32. If I am laid off while on ERIT, are my recall and preferential rehire rights limited to positions at the same or lesser percentage of time as the ERIT position?**

No, you will retain recall and preferential rehire rights to positions at the same or lesser percentage of time as your position prior to ERIT, in accordance with applicable personnel policies or collective bargaining agreements.

### **33. What happens to my seniority for purposes of determining the order of indefinite layoff while I am on ERIT?**

Your seniority for the purpose of indefinite layoff will be treated the same as if you had not volunteered for ERIT. When calculating seniority for the purpose of layoff, departments will need to be sure ERIT participants are credited appropriately.

## **How to Sign Up**

### **34. How do I sign up for ERIT?**

After you have worked out an appropriate work schedule which has been approved by your department head, you and your department head must sign the [ERIT Contract \(U280\)](#) and return it, keeping a copy for yourself, in accordance with local ERIT procedures.

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## **VII. REVISION HISTORY**

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Program changes effective as of **October 30, 2023**:

- Changed the 36-month lifetime ERIT contract maximum to 36 months per contract. Locations may choose to renew an ERIT contract if operational needs require, beginning a new 36-month maximum period.
- Made clarifying edits/updates to terms and definitions in the Health and Welfare benefits, UC Retirement and Compliance language.
- Consolidation of Program, Procedures and FAQs into one program document.

Program changes effective as of **July 1, 2017**:

- Indicated that the program is being renewed on an ongoing basis;
- Maintained a 3 year maximum limit on participation; and

- Included language stating that appointment percentage reductions must be in increments of 5% in order to resolve UCPATH Time Reporting System compatibility issues.