

Senior Management Group Salary and Appointment and Compensation

other than the SMG, then the approval authority for all appointment and compensation actions is as described in Section IV.C. of this policy.

C. Market Reference Zones

A market reference zone (MRZ) is a unique range of base salary for each functional position in the Senior Management Group. SMG positions responsible for the same set of core functions will be assigned to the same MRZ. For example, the individuals performing the functions of a Vice Chancellor–Research at any location in the University system will be assigned to the same MRZ, even if their precise job titles are not identical.

The MRZ for a particular functional position reflects market data for base salary. The MRZ displays the 25th, 50th, 60th, 75th and 90th percentile base salary in the defined competitive market for that functional position. The market is defined as those organizations that are similar to the University in size and complexity and are therefore the organizations with which the University competes for talent.

1. Establishment of Market Reference Zones (MRZs)

The Regents have approved a market reference zone for each functional position in the SMG. Each MRZ reflects an assessment of the scope of responsibilities, complexity and breadth of job functions, experience requirements and other relevant factors for a particular functional position. Additional MRZs may be added by the Regents.

2. Purpose of Salary RangesMarket Reference Zones

The salary rangesMarket reference zones allow the University to administer and manage the salaries of SMG members in a manner that is competitive with the relevant external comparator groups, fostersmarket for each functional position, foster appropriate internal consistency, and facilitatesfacilitate budget control.

3. Review of and Adjustments of Salary Rangesto Market Reference Zones

Salary ranges are reviewed annually and may be adjusted periodically by the Regents to reflect market movement of salaries for comparable positions.

Adjustments to salary ranges do not automatically result in an increase in the salary paid to an SMG member. If the salary ranges are adjusted and an incumbent's salary falls below the minimum of the new salary range, adjustments may be recommended to bring the salary above the minimum, if documented sustained performance and contributions are at or above "Satisfactory" levels.

Adjustments may be made in one or more transactions over a period of time to bring the salary above the range minimum and are processed in conjunction with the merit and equity process and as part of that budget allocation.

Adjustments to the Salary Ranges must be approved by the Regents. Refer to Section IV. of this policy for additional information on approval authority.

4. Position in Salary Range

The Office of the President–Human Resources will review each MRZ annually and compare it to the market survey information. If an MRZ no longer reflects the base salaries offered in the relevant market for that functional position, a

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recommendation to adjust the MRZ may be made to the President. The President will recommend MRZ adjustments to the , with the concurrence of the Chair of the Committee on Compensation and the full Board for approval, has the authority to approve adjustments to MRZs.

An adjustment to an MRZ will not automatically result in a change in the base salary paid to an SMG member who holds a position assigned to that MRZ. Rather, any adjustments to an incumbent SMG's base salary will follow the process outlined in Sections E. and F., below, as applicable.

4. Level of Salary within the MRZ

The University's ability to pay competitively (total offer its leaders compensation) in terms that are competitive in the relevant regional and national marketplaces ultimately affects its ability to attract, motivate and retain the talent necessary to achieve the University's mission. It is the University's objective to offer The essential first step in establishing competitive compensation terms is to assign an appropriate base salary opportunities which are reflected in market competitive salary ranges within the applicable MRZ. A number of factors will be considered to determine the appropriate pay and position in the base salary range for individuals within the applicable MRZ, including, but not limited to, documented sustained performance and contributions, internal peer comparability, external market comparability, and scope and breadth of experience and responsibilities, as well as other factors. Please note that there are no automatic salary adjustments for individuals whose pay does not comport with the following guidelines. Any adjustments must be managed through existing programs and protocol, as to base salary will follow the process outlined in Sections B. J.E. and F., below.

Generally, salaries above the minimum and below the midpoint reflect an individual who may be learning the job's requirements and still improving his or her performance and contribution.

Salaries within 10 percent of the midpoint of the assigned salary range generally reflect competitive salaries in the marketplace for a fully competent, knowledgeable individual with documented sustained successful performance.

Salaries above the midpoint and below the maximum generally reflect an incumbent who has Generally, salaries near the 25th percentile of the MRZ will be assigned to SMGs who may require additional development, growth, or time in order to become fully proficient in the position. In addition, a salary near the 25th percentile of the MRZ may be assigned where the SMG's position is narrower or less complex in scope than that of peer positions or the benchmark position(s) used in surveys of the applicable market.

Salaries near the 50th percentile of the MRZ will be assigned to SMGs who have significant experience in the position, who is are proficient in the required skills, who are adept at managing the typical responsibilities, and who have documented and sustained high levels of performance.

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~~Placement above the salary range maximum may occur in unusual circumstances. Since the salary ranges reflect the full scope of market competitive salary rates for a position, if a proposed salary would be above the range maximum, the position should first be evaluated to ensure the grade assigned to the position reflects an up-to-date, market-competitive range of pay. In situations where a proposed action would place the salary above the range maximum, and the salary range appropriately reflects competitive pay, the specific facts and circumstances of the recommendation would need to be evaluated. In the event an incumbent's base salary exceeds the salary range maximum, the individual's performance reviews, internal and external comparability reviews, and other considerations are to be assessed in conjunction with the justification.~~

Salaries near the 75th percentile of the MRZ will be assigned to SMGs who are very experienced and have a unique skill set. In addition, a salary near the 75th percentile may be assigned where the SMG's position is moderately broader or more complex in scope than that of peer positions or the benchmark position(s) used in surveys of the applicable market. A salary near the 75th percentile may also be assigned in situations where the talent pool for the position is limited and/or very competitive.

A salary near the 90th percentile of the MRZ will be assigned to SMGs who have highly specialized credentials, professional accomplishments and expertise that set them apart from internal and external peers. In addition, a salary near the 90th percentile may be assigned where the SMG's position is highly complex and significantly broader in scope than that of peer positions or the benchmark position(s) used in surveys of the applicable market. A salary near the 90th percentile may also be assigned in situations where a very scarce candidate pool for the position exists and unique skill sets are critical.

D. Appointments

1. Criteria for Appointment

SMG positions must be filled through the appointment of ~~applicants~~candidates who, in the judgment of the hiring authority, possess the qualifications required to perform the duties of the position most effectively.

~~Refer to the *Policy on Appointment of Chancellors* and the *Procedure for Appointment of Laboratory Directors* for additional appointment information. Procedures for appointment of academic Deans and Provosts are specified in *Academic Personnel Policy 240, Deans and Provosts*.~~

2. Authority for Individual Appointment Appointments to Level One SMG Positions

Individual appointments to all Level One SMG positions must be endorsed by the President and approved by the Regents. Management and Senior Professional (MSP) This includes situations where a member of the SMG or some other personnel program members who assume a is appointed to a Level One SMG

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~~position in the Senior Management Group will be considered appointees on an acting or temporary basis.~~

3. Authority for Individual Appointments to Establish or Abolish Senior Management Level Two SMG Positions

~~Establishment or abolishment of SMG positions and assignment of SMG titles must be approved by the Regents.~~

Individual appointments to Level Two SMG positions must be approved under the appropriate approval authority as described in Section IV.C. of this policy. This includes situations where a member of the SMG or some other personnel program is appointed to a Level Two SMG position on an acting or temporary basis.

4. Nature of Appointment

~~An SMG appointee serves at-will and, therefore, an SMG appointment may be terminated at any time with or without cause. An SMG member's at-will status cannot be altered except by amendment of this policy.~~

~~An appointment as an SMG member is normally at 100 percent time. A career appointment may be at less than 100 percent time, but cannot be less than 50 percent time, upon approval of the Regents.~~

5. Assignment of Titles

~~Each SMG position will be assigned a working title must be assigned to each SMG position that conveys the organizational level of the position and the nature and scope of the responsibilities assigned. That working title may not always be identical to the functional position title used to define the MRZ to which the SMG's position belongs. Major changes to SMG titles must be approved by the President. Minor changes to SMG titles may be approved by the Chancellor, Laboratory Director, or Executive Vice President – Business Operations for the Office of the President may approve minor changes to SMG titles. These changes will be reported to the Regents in the standard report of actions. The Regents must approve major changes to SMG titles, their respective locations.~~

6. Appointment Salary

~~The salaryAt the time of a newly appointed appointment to an SMG member should be position, the individual will be assigned a base salary within the salary range for the position. The position in the salary range, as applicable MRZ that is consistent with the criteria described in Section III.A.4. above, at the time of appointment is based on the following factors:C.4.~~

- ~~a. Prior relevant job experience~~
- ~~b. InternalThe appointment salary equity with similarfor any Level One SMG positions~~
- ~~c. Internal appointments should include relevant documented performance assessmentsrequires the endorsement of the President and appraisals~~
- ~~d. The availability of funding~~

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- ~~e. Market competitive~~ the approval of the Regents. Approval authority for a Level Two SMG's appointment salary depends on the proposed base salary rates

~~Appointment salaries must be approved by the Regents. Refer to~~ and the amount of any increase over the prior incumbent's base salary as stated in Section IV.C. of this policy for additional information on approval authority.

~~C. Merit Increase~~

- ~~1. Basis for Merit Increase~~

~~E. Salary Increases~~

~~Any increase in base salary for a Level One SMG requires the endorsement of the President and the approval of the Regents~~

~~The approval authority for increases in base salary for a Level Two SMG depends upon the base salary plus the amount of the proposed increase as described in Section IV.C. of this policy.~~

- ~~1. Systemwide Salary Program Increases (e.g., merit increases)~~

~~SMG members are eligible for consideration of an annual merit increase for systemwide salary program increases to base salary, such as merit increases, in accordance with University procedures and funding. The merit budgeting Universitywide guidelines. The process for making such increases will be conducted annually as part of the larger budgeting process for UC. Market assessments will be conducted to determine the competitive position and budget necessary to properly position UC base salaries with its competitors. Allocations will be based on relative need to achieve that market position and to reward employee contributions. Eligibility criteria and administrative details will be provided when such increases are implemented.~~

~~Annual Merit Budgets will be approved by the Regents. Refer to Section IV. of this policy for additional information on approval authority.~~

~~The amount of an individual's individual SMG's merit increase award is will be based on the following factors:~~

- ~~a.i. The SMG member's annual written performance appraisal and the SMG's contributions measured against predetermined goals and objectives that were assigned at the beginning of the performance period.~~
- ~~b.ii. The position of the SMG member's current position base salary within the salary grade range applicable MRZ and his or her base salary relative to internal comparable positions peers in that MRZ.~~
- ~~c.iii. The availability of approved merit funding.~~
- ~~d. The SMG member should have an appointment date on or before the first day of the final fiscal quarter (April 1) to be eligible for merit increase consideration. If the appointment occurs after April 1, the appointment salary or promotional increase of an SMG member should take into consideration~~

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~~his/her merit and contribution in the former position. Refer to Section III.A.4. of this policy for proper salary placement in the range.~~

~~Merit increases must be approved by the Regents. Refer to Section IV. of this policy for additional information on approval authority.~~

~~2. Performance Appraisal~~

~~An SMG member's most recent annual performance appraisal must be at least "Satisfactory" in order to receive a merit increase.~~

~~3. Merit Increase Timing~~

~~The SMG budget and effective date of annual merit increases are established and approved by the Regents each year and communicated systemwide through Human Resources.~~

~~D. Promotional Increase~~

~~1. Basis for Promotional Increase~~

~~A promotion is defined as either a transfer of an SMG member from an existing SMG position to another SMG position at a higher salary grade, or assignment of a higher salary grade to the SMG member's current position to reflect significantly new and higher-level responsibilities. Factors to consider in granting a promotional increase include:~~

- ~~a. Prior relevant experience, performance which is at least "Above Expectations", and demonstrated capability in meeting the new position's requirements.~~
- ~~b. The recommended salary in relation to the new salary range midpoint. Generally, a promotional increase should position the incumbent's salary below the midpoint if he or she is still learning the job and is not yet fully competent in all aspects of the job requirements. Salaries within 10 percent of the midpoint of the salary range reflect a fully functioning individual with documented sustained successful performance.~~
- ~~c. The SMG member's recommended salary in comparison with others in the same or a similar position.~~

~~Promotions and/or promotional increases must be approved by the Regents. Refer to Section IV. of this policy for additional information on approval authority.~~

~~2. Limitation on Promotional Increase~~

- ~~a. A promotional increase may not be awarded as a substitute for all or part of a merit increase.~~
- ~~b. An SMG member's most recent annual performance appraisal rating must be at least "Above Expectations" to receive a promotional increase.~~

~~E. Equity Increase~~

~~An equity increase may be granted to correct a significant salary inequity in individual circumstances that results from any number of causes, such as rapidly changing external market conditions or a disparity created by new hires in the same~~

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~~or substantially similar jobs who have comparable levels of skills and experience and higher salaries. Equity increases may also be appropriate for individuals whose salary is below the midpoint of their salary range, and whose documented sustained performance is consistently rated at least “Satisfactory”.~~

~~Equity increases must be approved by the Regents. Refer to Section IV. of this policy for additional information on approval authority.~~

~~When equity funds are made available, they are typically available systemwide once per year. The timing and budget of the annual equity increase program is established and approved by the Regents and communicated systemwide through Human Resources. Equity increases outside the annual program will be reviewed on a case-by-case basis and must be approved by the Regents.~~

F. Retention Increase

~~Retention increase recommendations are rare and must be based on *all* of the following factors:~~

~~1. The SMG member~~If an SMG is receiving an administrative stipend, the stipend will not be included in the determination of the base salary for purposes of calculating his/her merit increase.

2. Market-Based Increases

A market-based increase in an SMG’s base salary may be appropriate in a variety of situations, including, but not limited to, the following:

- To better align an SMG’s base salary with the criteria described in Section III.C.4., above, given the SMG’s skills, experience, and contributions.
- To correct internal inequities in the relative placement of SMGs in their MRZ (e.g., in situations where new appointees with skills and experience comparable to incumbents who have been appointed with higher base salaries).
- When there has been a significant and permanent expansion in the scope and/or complexity of an SMG’s position.
- To retain an SMG who is considered a finalist for another position, and his/her immediate the SMG’s departure would result in severe operational, service, or functional disruption in accomplishing the mission of the University, and the University’s ability to accomplish its mission. Increases for this reason are rare.

~~2. The SMG member’s most recent annual~~To be eligible for a market-based increase in base salary, the SMG’s documented sustained performance rating was should be rated at least “Satisfactory”- *Performance.*”

~~Any retention increase recommendation must be approved by the Regents. Refer to Section IV. of this policy for additional information on approval authority.~~

G 3. Order of Salary Increases

~~If more than one salary increase is effective on the same date, actions are~~will be processed in the following order:

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1. Apply a ~~merit~~market-based increase, and then
2. A ~~promotional~~systemwide salary program increase
3. ~~Apply any equity increase based upon the appropriate position in the salary range.~~

F. Decrease in Base Salary

In certain circumstances, a decrease in an SMG's base salary may be warranted (e.g., when an SMG's position has been reduced in scope or complexity). Any decreases in base salary for a Level One SMG must be endorsed~~approved by the President with the concurrence of the Chair of the Committee on Compensation. and approved by the Regents.~~ Any decreases in base salary for a Level Two SMG must be approved by the President for the Office of the President, and the Chancellor or Laboratory Director for their respective locations.

G. Potential Transfers Between Locations (campus~~Campus~~, Laboratory, Office of the President)

A potential transfer between locations occurs when an SMG member considers accepting another comparable SMG position (typically a position in the same MRZ) at a location other than his/her present location. Any salary action recommendations ~~must~~will be based on the concepts regarding position placement in the salary range~~applicable MRZ~~ presented in Section III.AC.4. of this policy, above, including documented sustained performance and contributions. In such an event, and following the SMG member's tentative acceptance of the offer from the new location, the SMG member's current location will be provided with an opportunity to meet, but not exceed, the ~~wage~~salary offer of the new location for a comparable position. This section of the ~~salary administration~~ policy does not apply to situations in which an SMG member is contemplating another position ~~which~~that is not deemed to be comparable to his/her current position (e.g., a promotional opportunity or significant departure from the current position). The intent of this arrangement is to emphasize the career opportunities being presented in each offer and de-emphasize the competing salary offers. ~~The Office of the Vice President–Human Resources (or designee)~~ will serve as the broker of such transfer considerations and discussions.

Any increases or other compensation actions for a Level One SMG that result from these negotiations must be endorsed by the President and approved by the Regents. Refer to~~For~~ compensation actions for a Level Two SMG that result from these negotiations, the applicable approval authority will depend upon the proposed base salary (including any proposed increase) as set forth in Section IV.C. of this policy for additional information on approval authority.

I. Transfers and Reclassifications Within the Same Location (campus,~~Laboratory, Office of the President)~~

~~A transfer within the same location occurs when an SMG member changes from one position to another position in the same salary grade. While such lateral moves may be valuable to develop skills or enhance future promotion opportunities, typically they are not accompanied by an increase in pay at the time of transfer unless there is a significant increase in position scope and responsibilities and documented sustained performance and contributions are at least "Satisfactory".~~

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A reclassification occurs when an incumbent's job changes, with functions added or eliminated, but the majority of the job's functions remain intact. This may or may not result in a grade change. Each situation will be reviewed on a case-by-case basis to determine if a salary increase or decrease is warranted. Documented sustained performance and contributions of at least "Satisfactory" are a consideration in such determinations.

Transfer and reclassification salary increases or other actions must be approved by the Regents. Refer to Section IV. of this policy for additional information on approval authority.

J. Salary Decrease Upon Reduction in Salary Grade

When an individual transfers from an existing SMG position to another SMG position at a lower salary grade, or when an individual's current SMG position is assigned to a lower salary grade, any recommendation for a salary decrease is at the discretion of the President, Chancellor, or Laboratory Director. Documented sustained performance and contributions of at least "Satisfactory" are a consideration in such determinations. Salary decreases must be approved by the Regents in accordance with Section IV. of this policy.

K. Temporary Assignments and

H. Administrative Stipends for Temporary Assumption of Significant Additional Responsibilities

An employee SMG member may be asked to temporarily assume an SMG position. An SMG member may be asked to temporarily assume an SMG position at a salary grade higher than his/her career appointment. In rare instances, an SMG member may be asked to temporarily assume only a portion of the responsibilities of another SMG position responsibilities in addition to his/her current those already associated with his/her SMG position. While a temporary assumption of additional responsibilities does not typically warrant an increase in compensation, an increase may be warranted for Level Two SMG members in situations where the additional responsibilities are significant and the SMG member is held fully accountable for the additional responsibilities. In these circumstances, when the temporarily assumed responsibilities are deemed to be significantly greater in scope and level and when the employee is held fully accountable for the temporary responsibilities, the individual the Level Two SMG member may receive an administrative stipend so long as their his/her documented performance evaluations appraisals warrant the stipend.

These assignments and the accompanying this additional compensation. Administrative stipends (if appropriate) may may not be approved for an Level Two SMG member for any other purpose. In addition, an Level Two SMG member may not receive more than one stipend of any kind at any time. Level One SMG members are not eligible for administrative stipends.

An administrative stipend for a Level One SMG must be endorsed by the President and approved by the Regents. For an administrative stipend for a Level Two SMG member, must be approved by the applicable approval authority will depending upon the SMG's existing base salary plus the amount of the proposed administrative

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stipend; that combined amount will be considered the proposed base salary for purposes of this determination, using the criteria outlined in Section IV.C. of this policy.

An administrative stipend may initially be approved for a period of up to twelve months in duration. Extensions of such arrangements constitute One extension of an administrative stipend may be granted by the same approval authority that initially approved the administrative stipend, provided that the extension is for a period not to exceed twelve months. Any additional extension would be an exception to policy and may only be granted in intervals not to exceed twelve additional months. The purpose of such limitations is to ensure that adequate measures are being undertaken to install permanent stewardship of senior leadership positions.

The determination of the stipend amount, if any, must be based upon guidance provided in this policy regarding incumbent range placement. Additionally, the temporary assignment of a faculty member to an SMG position must take into account the adjusted faculty salary which is inclusive of an assumption of eleven and one-half months of salary (typically involving the addition of two and one-half summer months to a nine-month academic appointment). An administrative stipend must amount of any administrative stipend should be commensurate with the additional responsibilities being assumed by the SMG member. An administrative stipend will not be included in the determination of the base salary for purposes of calculating an incumbent's merit increase under a systemwide salary program.

Any stipends or other actions must be approved by the Regents. Refer to Section IV. of this policy for additional information on approval authority.

I. L. Salary Compensation Restriction

An SMG member who is appointed at 100 percent time must not receive additional cash compensation above his/her base salary from an entity managed exclusively by the University (e.g., the Office of the President, the Lawrence Berkeley National Laboratory, a UC campus, or a UC medical center) for any work or services, regardless of source or type of payment. However, allowable circumstances in which an SMG member may receive additional compensation are as follows, except in the following limited circumstances:

1. Payments for teaching University Extension courses (UNEX-), provided that such payments are approved as set forth in Section IV.C. of this policy.
2. Administrative stipends payable under as set forth in Section KH. of this policy.
3. Incentive and recognition awards payable in accordance with approved from an incentive plans and recognition awards provisions described in plan that has been approved in the policy on Cash manner required by Senior Management Group Incentive and Recognition Awards. Health Science Compensation Plan participants are not eligible for additional incentive awards outside of APM 670. (Regents Policy 7712).
4. SMG members who are Academic Deans and Provosts may receive up to a 1/12 payment for summer research based on their annual SMG salary, subject to approval as set forth in Section IV.C. of this policy. In such instances, accrued

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vacation proportionate to the research days worked will be forfeited for the year in which the compensation for research is received.

Payments and income derived through Outside Professional activities, are permitted, provided that such activities have been approved in accordance with the policy on Senior Management Group Outside Professional Activities. (Regents Policy 7707).

- ~~5. Academic Deans and Provosts may receive a 1/12 payment for summer research based on their annual SMG salary. In such instances, accrued vacation is forfeited for the year in which the 1/12 compensation for research is received.~~

~~Actions or payments as noted above must be approved by the Regents. Refer to Section IV. of this policy for additional information on approval authority.~~

J. Home Loan Eligibility

~~Eligibility~~All SMG members are authorized to participate in the University home loan program, which conforms with all aspects of the home loan policy, Home Loan Program (Program) under the terms of Policy on University of California Mortgage Origination Program (Regents Policy 5305). Although this policy provides the approval necessary for participation, an SMG member still must be designated to participate. The President may be approved by designate the participation of a Level One SMG. The Chancellor, Lawrence Berkeley National Laboratory Director, or the Executive Vice President – Business Operations for the Office of the President. Loans with non-standard terms must be approved by the Regents – Business Operations may designate a Level Two SMG for participation at their location based on the location's determination of its recruitment and retention needs. The authority to designate individuals for participation cannot be delegated. Neither authorization to participate nor approved designation for participation in the Program constitutes loan approval. Loan approval is contingent upon satisfaction of all Program requirements. Program parameters can be viewed at <http://www.ucop.edu/facil/olp/productsloan-programs/loan-programs/index.html> with further details available from the Director – Office of Loan Programs or the campus or Laboratory local Housing Programs Representative.

~~Eligibility for participation in the University Home Loan Program does not constitute loan approval.~~

~~The Regents will be informed of Home Loan activity as follows:~~

- ~~1. The Office of the President, Office of Loan Programs will provide an annual report to the Regents entitled *University of California Annual Report on University Housing Assistance Programs*. This report will include the number, total dollar amount, and average loan amount of loans made to SMG members during the fiscal year.~~
- ~~2. Human Resources will provide eligibility information and the maximum loan amount in the report to the Regents entitled *Bi-monthly Transaction Monitoring Report*.~~

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- ~~3. Human Resources will provide information on the current, actual loan amounts in the annual report to the Regents entitled *Annual Report on Executive Compensation*.~~
- ~~4. Home Loan Program eligibility for newly hired SMG members will be identified in the original Regents item pertaining to their appointment and compensation.~~

IV. APPROVAL AUTHORITY

A. Implementation of the Policy

The Vice President–Human Resources is the Responsible Officer for this policy and has the authority to implement the policy. The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy. The Office of the President Human Resources will work with the Responsible Officer of each policy to implement each policy.

B. Revisions to the Policy

The Regents is the Policy Approver for this policy and has the authority to approve any policy revisions upon recommendation by the President.

The Vice President–Human Resources has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* and *Standing Orders* of the Regents.

The Executive Vice President–Business Operations has the authority to ensure that policies are regularly reviewed and updated, and are consistent with the *Principles for Review of Executive Compensation* (Regents Policy 7201) and other governance policies.

C. Approval of Actions

~~The President must endorse and the Regents must approve all salary and appointment actions, including~~ All actions within this policy, these must be approved in accordance with the following requirements. All actions that exceed are exceptions to this policy, or those (including retroactive actions) or not expressly provided for under any policy. It must be approved by the Regents.

1. SMG Level One

For Level One SMG members, the Regents' approval is expected that an appropriate required for all appointment and compensation study will accompany any request for an SMG member's actions, except as otherwise specifically provided for in this policy.

2. SMG Level Two

For Level Two SMG members, the approval authority for all appointment and compensation actions within this policy, except as otherwise specifically provided

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for in this policy, depends on two factors: (1) the placement of the proposed base salary within the position's MRZ, and (2) whether an increase of ten percent or more is being proposed.

If the base salary increase plus any administrative stipend will be below the 60th percentile of the position's MRZ, the approval of the Chancellor, Laboratory Director, or Executive Vice President – Business Operations is required for SMGs at their respective locations. If the base salary plus any administrative stipend will be at or above the 60th percentile of the position's MRZ, the President's approval is required. If the base salary plus any administrative stipend will be at or above the 75th percentile of the position's MRZ, the Regents' approval is required. Notwithstanding the foregoing, for systemwide salary increases, the approval of the Chancellor, Laboratory Director, or Executive Vice President – Business Operations is required for SMGs at their respective locations where the SMG's resulting base salary will be below the 60th percentile of the position's MRZ; the approval of the President will be required where the resulting base salary will be at or above the 60th percentile of the position's MRZ.

Additionally, the next higher level of approval authority will be required if the proposed action will:

- a. Result in an incumbent receiving an increase in base salary of ten percent or more in that position over the course of a calendar year, excluding any increases received as part of a systemwide salary program; or
- b. Result in a new appointee receiving a base salary that exceeds the previous incumbent's base salary by ten percent or more.

3. Officers of the University

For non-SMG Officers of the University, the President must approve all compensation and appointment actions, except that increases received as a part of a systemwide salary program may be approved by the Chancellor, Laboratory Director, or Executive Vice President – Business Operations as applicable.

4. Exclusions

This policy does not apply to

- a. incentive awards, which are governed by *Incentive Awards (Regents Policy 7712)*, or
- b. settlement or separation agreements with SMG members or Officers of the University, which are governed by the *Policy on Settlement of Litigation, Claims, and Separation Agreements (Regents Policy 4105)*.

V. COMPLIANCE

A. Compliance with the Policy

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

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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, including collecting all relevant compensation package activity, and creating specified regular compliance reports (such as a monthly compensation compliance report) for review by the location's Top Business Officer.

The Top Business Officer establishes procedures to collect and report information, reviews the specified regular compliance reports (such as a monthly compensation compliance report) for accuracy and completeness, reviews policy exceptions and/or anomalies to ensure appropriate approval has been obtained, and submits a copy of the compliance report to the Executive Officer for signature.

The Executive Officer is accountable for monitoring and enforcing compliance mechanisms, ensuring monitoring procedures are in place, approving the specified regular compliance reports (such as a monthly compensation compliance report), and sending notice of final approval for the reports to the Senior Management Compensation Office, Top Business Officer, and Local Resources.

The Vice President–Human Resources is accountable for reviewing the administration of this policy. The Senior Vice President–Chief Compliance and Audit Officer will periodically audit and monitor compliance to these policies, and the process and results will be reported annually to senior management and the Regents through the Committee on Compensation.

B. Noncompliance with the Policy

Noncompliance with the policy is handled in accordance with the Regents' *Guidelines for Corrective Actions Related to Compensation Practices and Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews.*

Noncompliance is reported in the monthly compliance report from each location as approved by the Executive Officer and reviewed by the Senior Vice President–Chief Compliance and Audit Officer and the Regents at least three times per fiscal year.

VI. 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:

- *Senior Management Group Salary and Appointment (Regents Policy 7701), dated March 1, 2009*

The following document was rescinded as of March 1, 2009:

- *Senior Management Group Salary and Appointment (Regents Policy 7701), effective September 1, 2008*

The following documents were rescinded as of September 1, 2008, the originally approved effective date of ~~this policy~~: *Senior Management Group Salary and Appointment (Regents Policy 7701)*:

Senior Management Group ~~Salary and Appointment~~ and Compensation

- *Personnel Policies for Senior Managers II-37 (Establishment of Senior Management Positions, Titles, Salary Grades)*, dated July 1, 1996
- *Personnel Policies for Senior Managers II-30 (Salary)*, dated July 1, 1996
- *Personnel Policies for Senior Managers II-21 (Appointment)*, dated July 1, 1996
- *Delegation of Authority 2113* (as it applies to SMG members), dated February 14, 2000

VII. IMPLEMENTATION PROCEDURES

The Responsible Officer may develop procedures or other supplementary information to support the implementation of this policy. Such supporting documentation does not require approval by the Regents.

Pending Approval

University of California – Regents Policy 7705

Senior Management Group Hiring Bonus



Additions shown by underscoring; deletions shown by strikethrough

IV. APPROVAL AUTHORITY

A. *Implementation of the Policy*

The Vice President–Human Resources is the Responsible Officer for this policy and has the authority to implement the policy. The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy. The Office of the President Human Resources will work with the Responsible Officer of each policy to implement each policy.

B. *Revisions to the Policy*

The Regents is the Policy Approver for this policy and has the authority to approve any policy revisions upon recommendation by the President.

The Vice President–Human Resources has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* and *Standing Orders* of the Regents.

The Executive Vice President–Business Operations has the authority to ensure that policies are regularly reviewed and updated, and are consistent with the *Principles for Review of Executive Compensation* (Regents Policy 7201) and other governance policies.

C. *Approval of Actions*

All actions within this policy, or that exceed this policy, must be approved in accordance with Section IV.C. of the policy on *SMG Appointment and Compensation* (Regents Policy 7701). ~~or~~ All actions that are applicable to members of the Senior Management Group or Officers of the University that are not expressly provided for under any policy must be approved by the Regents.

V. COMPLIANCE

A. *Compliance with the Policy*

* * * * *

The Senior Vice President–Chief Compliance and Audit Officer will periodically monitor compliance to these policies, and the process and results will be reported annually to senior management and the Regents through the Committee on Compensation.

Pending Approval

University of California – Regents Policy 2.3257706

Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions



Approved September 18, 2008

Amended February 9, 2009

Additions shown by underscoring; deletions shown by strikethrough

* * * * *

Responsible Officer: Vice President–Human Resources

Responsible Office: Human Resources

Effective Date: ~~January 1, 2009~~

Next Review Date: The Responsible Officer will review the policy annually for update purposes and will conduct a full review at least every three years.

Who is Covered: All UC retired employees (Senior Management Group members, including Deans; staff employees; and academic appointees) who are reemployed into Senior Management Group positions or staff positions. Recall appointments for academic appointees are governed by Academic Personnel Policy ~~200-22205~~ (Recall for Academic Appointees) and ~~Academic Personnel Policy 200, Appendices A and B,~~ and the *Guidelines for Rehire of UC Retirees*. This policy is applicable to retired academic appointees who are rehired into SMG or staff positions; however, it does not apply to academic appointees recalled into academic administrator, faculty teaching, or academic research, or service appointments.

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Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions

I. POLICY SUMMARY

This policy governs the reemployment of all Retired Employees (as defined in Section II. below) into Senior Management Group (SMG) or staff positions.

II. POLICY DEFINITIONS

Career Appointment: An appointment established at a fixed or variable percentage of time at 50 percent or more of full-time, ~~which~~ that is expected to continue for one year or longer.

COBRA: The Consolidated Omnibus Budget Reconciliation Act (COBRA), which gives University employees and their covered family members the right to temporarily continue their UC-sponsored group health coverage in situations that would ordinarily cause the individual to lose coverage.

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

Executive Officer: The University President, Chancellor, or Laboratory Director.

Normal Retirement Age: Normal retirement age under UCRP means age 50 with a minimum of 5 years of service credit for Safety Members and age 60 with a minimum of 5 years of service credit for all other Members.

Retired Employees: Former University employees (SMG members, staff employees, and academic appointees) who have separated from University service and elected monthly retirement income or a lump sum cashout under the University of California Retirement Plan.

Senior Management Group: As defined by Regents Action Item on Governance, dated _____, 2008. Individuals whose career appointments are in the Senior Management Group personnel program. Employees with a dual academic appointment at 0% and an appointment to a Senior Management Group position will be considered to possess a career appointment in the Senior Management Group.

SMG Level One: The position of President, all SMG positions that directly report to the Regents and/or the President, and the Chief Executive Officers of the medical centers.

SMG Level Two: All SMG positions that are not in SMG Level One.

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. Scope

Retired Employees may be reemployed by the University in accordance with the provisions of this policy, which incorporates requirements developed [1] to address legal concerns regarding preservation of the tax-qualified status of the University of California Retirement Plan (UCRP) as described in Section B. below and [2] to address the University's concerns

Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions

regarding operation of a public retirement plan, administrative feasibility, and compliance as described in Section C. below.

B. IRS Restrictions for Preserving the Tax-Qualified Status of UCRP

The Internal Revenue Code imposes restrictions on the timing of the distribution of benefits to participants in defined benefit plans such as UCRP. Generally, payments are permitted when an employee retires or attains normal retirement age. Otherwise, retirement benefits should remain in the plan so they will be available to provide support to participants after they cease working. Failure to satisfy the distribution timing restrictions could disqualify the plan, which could cause the vested benefits of UCRP members to become immediately taxable.

If an employee retires before reaching the normal retirement age under a pension plan, the Internal Revenue Service (IRS) may question whether the employee's retirement is a true separation from service or a strategy to access retirement funds that otherwise would not be available to the employee.

Normal retirement age under UCRP means age 50 with a minimum of 5 years of service credit for Safety members and age 60 with a minimum of 5 years of service credit for all other members. Once an employee attains normal retirement age, the IRS no longer is concerned about an employee's access to retirement funds because those funds were intended to be available at that age.

The following factors support a determination that a true separation from service has occurred for an employee who has not reached normal retirement age:

- The employee and the employer did not engage in discussions regarding reemployment before the employee's separation from service. The IRS has singled out this factor as critical to support the occurrence of a true separation. Therefore, for employees who have not reached normal retirement age, discussions about reemployment are prohibited until after the employee has received his or her first monthly payment or lump sum cashout or 30 days after separation, whichever is later. (For employees who have reached normal retirement age, discussions about reemployment prior to actual separation are not prohibited.)
- The length of the break in service before reemployment is reasonable
- Both the employer and the employee intended that a separation from service occur and that it be permanent
- Upon separation from service, the employee surrendered something of value, such as seniority rights or access to benefits available only to active employees
- The employer processed the employee as if he or she were separating from service. For example, a COBRA election or information on retiree health insurance coverage was provided to the employee upon separation, or benefits not available to anyone other than active employees were terminated, or a separation date was entered into the payroll/personnel system
- The employee is reemployed into a position that requires different skills from those used in his or her prior position or is with a different department or supervisor
- The employee was employed by an unrelated employer prior to reemployment

C. University Policy Restrictions

The following restrictions on the reemployment of Retired Employees are based on University policy which has been developed to reflect responsible stewardship of the University related to the perception of individuals drawing a retirement benefit and another

Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions

UC income simultaneously, and to provide public accountability, transparency, and sound succession planning. Individuals receiving UCRP monthly retirement income who are reemployed into career appointments and suspend their monthly retirement payments are exempted from complying with certain restrictions as delineated in ~~paragraph~~ Section 5 below.

1. University Need

Reemployment must be as a result of University need, such as the Retired Employee possesses skills and institutional knowledge that the hiring department cannot otherwise obtain with equal cost effectiveness; the hiring department anticipates a prolonged process for hiring a replacement; or the hiring department anticipates that the Retired Employee will assist a replacement to acquire necessary skills and knowledge.

For situations in which a Retired Employee is reemployed on a temporary basis into a career position (such as the same position held before retirement or another vacant career position), the job must be posted and a search begun within 30 days of the vacancy being created and a minimum 30-day recruitment period must be held.

Written documentation on University need must be provided for all reemployment actions, including specification of the duration of the appointment in order to support the existence of University need.

~~The President must endorse a request based on University need before submission to The Regents for approval for Retired Employees reemployed into SMG positions, and for Retired Employees whose annualized base salary plus any other cash compensation in the rehire position meets or exceeds the current Indexed Compensation Level. (The total compensation at the appointment rate in the rehire position will be used and not the conversion to derive a “full-time equivalent” amount, e.g., at 100% percent.)~~

~~For staff positions, the local campus, medical center, or laboratory Chief Human Resources Officer (CHRO), or designee, as applicable, must review and sign off on a request based on University need prior to submission to the location’s Executive Officer for approval.~~

2. Break in Service

A Retired Employee must not be reemployed until there has been a break in service of at least 30 days, but preferably 90 days. The break in service restriction is not required to preserve the tax-qualified status of UCRP if the Retired Employee has reached normal retirement age at the time of separation from service; however, this policy requires that the break in service restriction be applied to all Retired Employees.–

In addition, employees who have not reached normal retirement age must not engage in discussions concerning reemployment until after they have received their first monthly payment or lump sum cashout or 30 days after separation, whichever is later.

3. Appointment Percentage

Due to potential Medicare complications and to minimize situations where individuals draw a retirement benefit and another UC income simultaneously, this policy requires that Retired Employees be reemployed with an appointment of no more than 43% during any 12 month period. Appointments may not normally exceed 12 months. Appointments in excess of 43% time may be ~~requested by following the process outlined later in this section~~ approved in accordance with Section IV.C. or Section IV.D. of this policy as appropriate. Extensions beyond 12 months may be ~~requested by following the process outlined in section 4, below~~ approved in accordance with Section

Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions

IV.C. or Section IV.D. of this policy as appropriate. Appointments at 43.75% time or more provide eligibility to Retired Employees for UC-sponsored employee medical coverage, which makes Medicare become the secondary payer.

It is the intent of this policy that Retired Employees be reemployed with limited appointments that do not qualify them for active employee health and welfare benefits, regardless of whether the Retired Employee has elected monthly retirement income or a lump sum cashout.

Appointment at no more than 43% also ensures that Retired Employees who elected monthly retirement income are reemployed with limited appointments and do not become active members in UCRP.

If reemployment is to exceed a 43%, the request must be approved as follows:

- ~~▪ The President must endorse the request prior to submission to The Regents for approval for Retired Employees reemployed into SMG positions and Retired Employees whose annualized base salary plus any other cash compensation in the rehire position meets or exceeds the current Indexed Compensation Level. (The total compensation at the appointment rate in the rehire position will be used and not the conversion to derive a “full-time equivalent” amount, e.g., at 100 percent.)~~
- ~~▪ The Chief Human Resources Officer or designee must review and sign off on the request prior to submission to the Executive Officer for approval for Retired Employees reemployed into staff positions.~~

4. Duration of Reemployment

Reemployment in one or multiple positions must not exceed a total of 12 months. If reemployment is necessary after 12 months has expired, the request must be approved as follows in accordance with Section IV.C. or Section IV.D. of this policy as appropriate.:

- ~~▪ The President must endorse the request prior to submission to The Regents for approval for Retired Employees reemployed into SMG positions and Retired Employees whose annualized base salary plus any other cash compensation in the rehire position meets or exceeds the Indexed Compensation Level. (The total compensation at the appointment rate in the rehire position will be used and not the conversion to derive a “full-time equivalent” amount, e.g., at 100% percent.)~~
- ~~▪ The Chief Human Resources Officer or designee must review and sign off on the request prior to submission to the Executive Officer for approval for Retired Employees reemployed into staff positions.~~

5. Reemployment into Career Appointments

A Retired Employee who is receiving UCRP monthly retirement income, but agrees to suspend the payments, may be reemployed into a career appointment subsequent to an appropriate recruitment and break in service, and is not subject to the policy restrictions in Sections 1, 3 and 4 above, but is subject to Section 2.

A Retired Employee who took a lump sum cashout may not be reemployed into a career appointment and is subject to the above Sections 1, 2, 3 and 4 above.

D. Reporting Requirements and Disclosure

1. Reporting Requirements

Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions

For each Retired Employee reemployed into a staff position, the locations must submit a completed *UCRP Retired Employee Election Form* (not required for Retired Employees who received a lump sum cashout) to the Vice President–Human Resources at the time the Retired Employee is reemployed:

a.

b.

In addition, the locations must submit a summary report semi-annually by June 30 and December 31 of each year to the Vice President–Human Resources that incorporates a list of all reemployed Retired Employees, with identification of appointments greater than 43% within a 12-month period and appointments for which other types of variations from policy have been approved, and provide documentation that required approvals were obtained.

2. Disclosure

In accordance with University policy, individuals inside or outside the University are entitled to have access to information in employees' personnel records in conformance with State of California statutes and University records policies. The Executive Officer is to establish procedures for the release of information. Examples of information which is public information and is to be released upon request include name, current salary, retirement compensation, and appointment type.

IV. APPROVAL AUTHORITY

A. *Implementation of the Policy*

The Vice President–Human Resources is the Responsible Officer for this policy and has 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 approval by the Regents. The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy. The Office of the President Human Resources, will work with the Responsible Officer of each policy to implement each policy.

B. *Revisions to the Policy*

The Regents is the Policy Approver for this policy and has the authority to approve any policy revisions upon recommendation by the President.

The Vice President–Human Resources has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* [\[link\]](#) and *Standing Orders* [\[link\]](#) of ~~The~~ the Regents.

The Executive Vice President–Business Operations has the authority to ensure that policies are regularly reviewed and updated, and are consistent with the ~~Senior~~ *Management Group Compensation Policy Principles* [\[link\]](#) *Principles for Review of Executive Compensation* (Regents Policy 7201) and other governance policies [\[link\]](#).

C. *Approval of Actions Authorized by this Policy*

Actions authorized by this policy must be approved in accordance with this section.

Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions

1. For Retired Employees reemployed into Level One SMG positions, Level Two SMG positions, or positions designated as Officers of the University but that are not part of the SMG, reemployment actions must be approved in accordance with Section IV.C. of the policy on *SMG Appointment and Compensation* (Regents Policy 7701). The base salary at the appointment rate in the rehire position will be used to determine appropriate placement in the Market Reference Zone or salary grade, as applicable.
2. For Retired Employees reemployed into staff positions and whose base salary plus any other cash compensation in the rehire position (the total cash compensation at the appointment rate in the rehire position will be used) exceeds the Indexed Compensation Level:
 - a. The Regents has the authority to approve reemployment actions that are applicable to reemployed Retired Employees who report directly to the President or who are designated by the President as Other Specified Employees.
 - b. For staff positions at the Office of the President, the President has the authority to approve reemployment actions that are applicable to reemployed Retired Employees who do not report directly to the President.
 - c. For staff positions at a campus or the Lawrence Berkeley National Laboratory, the President has the authority to approve reemployment actions that are applicable to reemployed Retired Employees who report directly to the Chancellor or Laboratory Director.
 - d. For staff positions at his/her location, the Chancellor and Laboratory Director have the authority to approve reemployment actions that are applicable to reemployed Retired Employees who do not report directly to the Chancellor or Laboratory Director.

The President must endorse, and The Regents must approve, all reemployment actions (actions authorized by this policy, that exceed this policy, or that are not expressly provided for under any policy) for:

- ~~Retired Employees reemployed into SMG positions~~
- ~~Retired Employees whose annualized base salary plus any other cash compensation in the rehire position meets or exceeds the Indexed Compensation Level. (The total compensation at the appointment rate in the rehire position will be used and not the conversion to derive a “full-time equivalent” amount, e.g., at 100 percent.) (Normal appointment approval shall be followed for a Retired Employee reemployed into a Career Appointment, following regular UC recruitment procedures and after an appropriate break in service, who elects suspension of UCRP monthly retirement income.)~~

3. For Retired Employees reemployed into staff positions and whose base salary plus any other cash compensation in the rehire position (the total cash compensation at the appointment rate in the rehire position will be used) does not exceed the Indexed Compensation Level:
 - a. Reemployment actions authorized by this policy must be approved in accordance with local procedures, which must include a provision for review and sign off by the local Chief Human Resources Officer prior to approval by the location’s Executive Officer Chancellor or Laboratory Director.

~~The Executive Officer Chancellor or Laboratory Director may delegate the authority to approve actions authorized by this policy that are applicable to~~

Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions

Retired Employees reemployed into staff positions and whose base salary plus any other cash compensation in the rehire position does not exceed the Indexed Compensation Level., ~~but~~ The Chancellor and Laboratory Director remains accountable for all reemployment actions at his/her location and for submission of timely and accurate reports in compliance with Section V.A. of this policy. Documentation of the delegation of authority must be submitted to the Vice President—Human Resources. The Office of the President will conduct periodic audits of delegations and reemployment actions.

D. Approval of Variations From Exceptions to this Policy

Unless there is explicit and specific authorization for an action by this policy, the action is considered to be ~~an~~ variation from the exception to this policy and must be approved as follows: in accordance with this section.

1. For Retired Employees reemployed into Level One SMG positions, Level Two SMG positions, or positions designated as Officers of the University but that are not part of the SMG, reemployment actions must be approved in accordance with Section IV.C. of the policy on SMG Appointment and Compensation (Regents Policy 7701). The base salary at the appointment rate in the rehire position will be used to determine appropriate placement in the Market Reference Zone or salary grade, as applicable.
2. For Retired Employees reemployed into staff positions and whose base salary plus any other cash compensation in the rehire position (the total cash compensation at the appointment rate in the rehire position will be used) exceeds the Indexed Compensation Level:
 - a. The Regents has the authority to approve reemployment actions that are applicable to reemployed Retired Employees who:
 - i. Are designated as Other Specified Employees by the President;
 - ii. Will report directly to the President;
 - iii. Will report directly to the Chancellor or Laboratory Director, or
 - iv. Work at the Office of the President.
 - b. The President has the authority to approve reemployment actions that are applicable to reemployed Retired Employees who do not report directly to the Chancellor or Laboratory Director.

~~The President must endorse, and The Regents must approve, the variation to the policy for:~~

- ~~▪ Retired Employees reemployed into SMG positions~~
 - ~~▪ Retired Employees whose annualized base salary plus any other cash compensation in the rehire position meets or exceeds the current Indexed Compensation Level. (The total compensation at the appointment rate in the rehire position will be used and not the conversion to derive a “full-time equivalent” amount, e.g., at 100 percent.)~~
3. For Retired Employees reemployed into staff positions and whose base salary plus any other cash compensation in the rehire position (the total cash compensation at the appointment rate in the rehire position will be used) does not exceed the Indexed Compensation Level:
 - a. , requests for approval for variations from this policy must be reviewed and signed off on by t The local Chief Human Resources Officer must review and sign off on a request for an exception to this policy before submission to the

Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions

~~location's Chancellor or Laboratory Director for approval and documented and approved by the location's Executive Officer.~~

The Chancellor and Laboratory Director may delegate the authority to approve exceptions to this policy but remain accountable for all reemployment actions at his/her location.

V. COMPLIANCE

A. *Compliance with the Policy*

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, including collecting all relevant compensation package activity, and creating specified regular compliance reports (such as a monthly compensation compliance report) for review by the location's Top Business Officer.

The Top Business Officer establishes procedures to collect and report information, reviews the specified regular compliance reports (such as a monthly compensation compliance report) for accuracy and completeness, reviews policy exceptions and/or anomalies to ensure appropriate approval has been obtained, and submits a copy of the compliance report to the Executive Officer for signature.

The Executive Officer is accountable for monitoring and enforcing compliance mechanisms, ensuring monitoring procedures are in place, approving the specified regular compliance reports (such as a monthly compensation compliance report), and sending notice of final approval for the reports to the Senior Management Compensation Office, Top Business Officer, and Local Resources.

The Vice President–Human Resources is accountable for reviewing the administration of this policy. The Senior Vice President–Chief Compliance and Audit Officer will periodically monitor compliance to these policies, and the process and results will be reported annually to senior management and The the Regents through the Committee on Compensation.

B. *Noncompliance with the Policy*

Noncompliance with the policy is handled in accordance with ~~The the Regents' Guidelines for Corrective Actions Related to Compensation Practices~~ ~~[link]~~ and ~~Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews~~ ~~[link]~~.

Noncompliance is reported in the monthly compliance report from each location as approved by the Executive Officer and reviewed by the Senior Vice President–Chief Compliance and Audit Officer and ~~The the Regents~~ at least three times per fiscal year.

REVISION HISTORY

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

Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions

- *Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions* (Regents Policy 7706), dated January 1, 2009

The following documents were rescinded as of January 1, 2009, the original effective date of this policy, and are no longer applicable for to Retired Employees reemployed January 1, 2010 or later into Senior Management Group and or staff positions rehired Retired Employees, and academic appointees rehired into SMG or staff positions:

- *Guidelines for Rehire of UC Retirees*
- *Reappointment Guidelines for Rehired Retirees*

IMPLEMENTATION PROCEDURES [\[link\]](#)

RELATED DOCUMENTS

- UCRP Retired Employee Election Form (referenced in Section III.D.1. of this policy)
- Bylaws of The Regents [*include the specific Bylaws that are applicable*] (referenced in Section IV.B. of this policy)
- Standing Orders of The Regents [*include the specific Standing Orders that are applicable*] (referenced in Section IV.B. of this policy)
- Senior Management Group Compensation Policy Principles (referenced in Section IV.B. of this policy)
- Other Governance Policies (referenced in Section IV.B. of this policy)
- Guidelines for Corrective Actions Related to Compensation Practices (referenced in Section V.B. of this policy)
- Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audit and Management Reviews (referenced in Section V.B. of this policy)
- Returning to UC Employment After Retirement Factsheet and Election Form
- Medicare Factsheet for Employees and Retirees
- Recall Appointments for Academic Appointees -- Academic Personnel Policy 200-22 (APM -- 200-22)
- Pre-Retirement Recall Guidelines for Faculty Recalled for Post-Retirement Teaching -- Academic Personnel Policy 200 (APM -- 200), Appendix A
- UCRP Reappointment Guidelines for Rehired Retirees -- Academic Personnel Policy 200 (APM -- 200), Appendix B

FREQUENTLY ASKED QUESTIONS

University of California – Regents Policy 7709

Senior Management Group Automobile Allowance



Additions shown by underscoring; deletions shown by strikethrough

IV. APPROVAL AUTHORITY

A. *Implementation of the Policy*

The Vice President–Human Resources is the Responsible Officer for this policy and has the authority to implement the policy. The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy. The Office of the President Human Resources will work with the Responsible Officer of each policy to implement each policy.

B. *Revisions to the Policy*

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The Vice President–Human Resources has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* and *Standing Orders* of the Regents.

The Executive Vice President–Business Operations has the authority to ensure that policies are regularly reviewed and updated, and are consistent with the *Principles for Review of Executive Compensation* (Regents Policy 7201) and other governance policies.

C. *Approval of Actions*

All actions within this policy, or that exceed this policy, must be approved in accordance with Section IV.C. of the policy on *SMG Appointment and Compensation* (Regents Policy 7701). ~~or~~ All actions that are applicable to members of the Senior Management Group or Officers of the University that are not expressly provided for under any policy must be approved by the Regents.

V. COMPLIANCE

A. *Compliance with the Policy*

* * * * *

The Senior Vice President–Chief Compliance and Audit Officer will periodically monitor compliance to this policy, and the process and results will be reported annually to senior management and the Regents through the Committee on Compensation.

Pending Approval

University of California – Regents Policy 7710

Senior Management Group Moving Reimbursement



Additions shown by underscoring; deletions shown by strikethrough

IV. APPROVAL AUTHORITY

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V. COMPLIANCE

A. *Compliance with the Policy*

* * * * *

The Senior Vice President–Chief Compliance and Audit Officer will periodically monitor compliance to these policies, and the process and results will be reported annually to senior management and the Regents through the Committee on Compensation.

Pending Approval

University of California – Regents Policy 7711

Senior Management Group Relocation Allowance



Additions shown by underscoring; deletions shown by strikethrough

IV. APPROVAL AUTHORITY

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V. COMPLIANCE

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* * * * *

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Pending Approval