

UNIVERSITY OF CALIFORNIA, ACADEMIC SENATE

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Chair of the Assembly and the Academic Council
Faculty Representative to the Board of Regents
University of California
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

October 18, 2011

**GARY SCHLIMGEN, DIRECTOR
PENSION AND RETIREMENT PROGRAMS
UNIVERSITY OF CALIFORNIA**

Re: Proposed UCRP employee contribution rate for 2013-14

Dear Gary:

In response to the proposal to increase UCRP employee contributions to 6.5% effective July 1, 2013, UCFW drafted the attached restatement of existing Senate policy. I concur with UCFW that the statement accurately reflects existing Senate policy, adopted by the Academic Council over a number of years.

My understanding is that the Regents' item addressing this is likely to be finalized prior to the Academic Council meeting on October 26. If this is correct, I ask that UCFW's wording be incorporated into the Regents' item as the statement of the Senate position on this proposal. If there will be an opportunity to revise the Regents' item after October 26, please let me know as soon as possible and I will place this on the Council agenda.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Robert M. Anderson, Chair
Academic Council

Copy: Dwaine Duckett, Vice President, Human Resources
Academic Council
Martha Winnacker, Academic Senate Executive Director

Encl.



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)
William Parker, Chair
william.parker@uci.edu

Assembly of the Academic Senate
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October 17, 2011

**ROBERT ANDERSON, CHAIR
ACADEMIC COUNCIL**

RE: Response to Proposed 6.5% Employee UCRP Contribution Rate for 2013-14

Dear Bob,

Recognizing the importance of a healthy UCRP to the vitality of the University of California, the Academic Senate has long and consistently advocated for a prompt restart and rapid ramp-up of contributions to UCRP. Given the importance of competitive total remuneration to recruitment and retention of faculty, the Senate has also consistently advocated for competitive total remuneration, supported the Regents' Total Remuneration studies, and held that the long-term employee contribution for the current UCRP plan must be no higher than 7 percent. The recently proposed contribution rate of 6.5% for 2013-14 places the University on a trajectory incompatible with both competitive total remuneration and a 7% maximum employee contribution. Should a 6.5% contribution be recommended to the Regents, language should be included that explicitly recognizes a 7% cap on employee contribution and proposes additional salary to offset this contribution. We note that UC has made little progress on ladder-rank faculty cash compensation since the 2009-10 valuation and is still lagging approximately 10% below the average of the comparison universities, and that even with a 5% employee contribution UC's pension benefit is below the market average valuation of the comparison universities. Hence, a further increase in employee contributions to 6.5%, without offsetting salary increases, is unacceptable.

Sincerely,

A handwritten signature in blue ink that reads "William Parker".

William Parker, UCFW Chair

Copy: UCFW
Martha Winnacker, Executive Director, Academic Senate