

CUCEA Chair. Charles Hess, offers some observations from the October 10th UC Faculty Welfare Committee Meeting and a September 25th UCRS Advisory Board Conference Call.

Outsourcing UCRP Administration

The interviews and site visits to the potential vendors who have bid to outsource UCRP administration have been completed. There is concern that adequate justification for outsourcing has not been provided, that there is a lot of uncertainty about the quality of service that can be provided by a vendor unfamiliar with UC expertise and culture, and the cost effectiveness is in doubt. An alternative suggestion has been to “co-source” that is to keep the current UCRP administration and bring in a vendor to upgrade the inhouse information technology, a model that CalPERS has followed. A decision by UCOP may occur before the joint CUCEA/CUCRA meeting on October 30th.

Employee and Employer Contributions

A plan was announced at the September 2008 Regents meeting to resume employee and employer contributions to the UC Retirement Plan (UCRP) effective July 1, 2009. The actual amounts of the contributions will be made at a future Regents meeting.

Assembly Constitutional Amendment No. 5

The amendment to establish a new Board of Trustees to advise on the investment management and administration of UC’s post-employment benefits, including retiree health benefits, never came to a vote in the full Assembly and therefore it is not an initiative on the November ballot. This outcome will provide time for additional negotiation between the University and the sponsors of the amendment.

Retiree Rehire Policy

At the their September meeting, the Regents approved new policy to replace guidelines for the reemployment of UC retired employees into senior management group and staff positions effective January 1, 2009. The policy does not cover the recall of faculty into academic appointments. However, concern has been expressed that the new policy is too restrictive in that it limits appointments to 43% and for no longer than 12 months. The policy is not clear as to what the 43% refers (a day, week, month or year or to the income that is received). An example of the concern is that the policy may reduce the ability of a department to rehire an experienced MSO to fill a vacancy in a department because of illness or unexpected resignation. Modifications to the policy may be considered at the November Regents meeting.

Charles Hess, October 15, 2008