

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
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Date: July 17, 2002

Code: TECHNICAL LETTER
HR/Benefits 2002-13

To: Human Resources Directors
Benefits Officers

From: Cathy Robinson, Senior Director
Human Resources Administration



Subject: **Benefits Update – CSEA Employees (Units 2, 5, 7, and 9)**

The California State University (CSU) and the California State Employees' Association (CSEA), Units 2, 5, 7, and 9, reached agreement on a three-year memorandum of understanding (MOU) for fiscal years (FY) 2002/03, 2003/04 and 2004/05. Benefit program changes are highlighted below.

Catastrophic Leave Donation Program

Effective July 1, 2002, CSEA employees may donate a maximum of forty (40) hours of leave credits per fiscal year.

Family Medical Leave

Effective July 1, 2002, an eligible employee may take Family Medical Leave to care for his/her domestic partner who has a serious medical condition. In order to access this benefit, the employee's domestic partnership must be registered through the Secretary of State designated process.

Funeral Leave

Effective July 1, 2002, upon request, an employee shall be granted five (5) days of leave with pay for each death of a significantly close relative or an immediate family member as defined in the CSEA contract. This leave is no longer tied to a travel requirement.

(Cont.)

Distribution: All without Attachments

CSU Presidents
Vice Chancellor, Human Resources
Vice Presidents, Administration
Associate Vice Presidents/Deans of Faculty
Budget Officers
Director, SOSS
Payroll Managers
Employee Relations Designees

Maternity/Paternity/Adoption Leave

Effective July 1, 2002, a CSEA employee shall be entitled to up to thirty (30) workdays of maternity/paternity/adoption leave with pay which shall commence within sixty (60) days of the arrival of a new child. Once the leave begins, the days must run consecutively. Maternity/Paternity/Adoption leave may no longer be taken in hourly increments for non-exempt employees.

Life and Accidental Death and Dismemberment (AD&D) Insurance

Effective August 1, 2002, benefits eligible CSEA employees will be covered by CSU-paid life and AD&D insurance in the amounts of \$10,000 through The Standard Insurance Company (Standard). Enrollment will be through an automated process requiring no campus processing. Standard will send campuses beneficiary forms in approximately two weeks. The certificates of coverage require updating to reflect the addition of CSEA employees and will be available mid to late August. Attachment A is a draft letter to be used by campuses to introduce this benefit to CSEA employees. Because this letter includes the beneficiary form, it should go out to employees no later than July 30, 2002, so employees may designate the appropriate beneficiary as close to August 1 as possible.

Please note: The deduction code for the CSEA life and AD&D insurance benefits will be 250-027 and the premium payment will be \$2.09 monthly effective with the July pay period.

Dependent Fee Waiver

Employees eligible for the CSU fee waiver program may transfer their existing fee waiver benefit entitlement maximum to a spouse or dependent child. Please refer to HR/Benefits 2002-02 for the list of fees eligible for waiver. Campuses may implement this program for Fall 2002 if administratively feasible; otherwise, implementation may be deferred to the next semester/quarter. This benefit is subject to the following conditions:

- the courses are taken by a spouse or dependent child who is matriculated toward a degree and the courses are for credit toward the degree's requirements,
- this fee waiver benefit does not apply to out-of-state tuition, and
- the administration determines that there is space available in such course offerings for the spouse or dependent child.

CSU Pre-Tax Parking Fee Deduction Plan

Effective September 1, 2002, eligible employees will automatically be enrolled into the CSU Pre-Tax Parking Fee Deduction plan through a State Controller's Office (SCO) process. Employees who choose to continue to pay for parking with after-tax dollars will need to complete and submit a CSU Pre-Tax Parking Deduction Election Authorization form to the campus Human Resources office to disenroll and pay for parking through after-tax payroll deduction. Campuses must submit all Authorization forms to the SCO by August 12 to ensure those employees opting out of the program will continue to pay for parking expenses with after tax dollars. In preparation for implementation, Attachment B is a draft letter for

campuses to use to introduce the plan to CSEA employees. Campuses will receive a supply of brochures to include with the letter.

Rural Health Care Stipend – 2002/2003

Eligible employees enrolled in health benefits in April 2002 who on April 30, 2002, reside in a zip code determined by CalPERS to be a rural area in which no CalPERS board approved Health Maintenance Organization exists, are eligible to receive a one time stipend of five hundred dollars (\$500) to be paid during fiscal year 2002/03. Please refer to HR/SA 2002-14 for information regarding implementation of this stipend.

If you have any questions, please contact Pamela Chapin in Human Resources Administration at (562) 951-4414 or by email at pchapin@calstate.edu. This technical letter is also available on Human Resources Administration's web page at: <http://www.calstate.edu/HRAdm/memos.shtml>.

Attachment
CR/pc

SAMPLE EMPLOYEE COMMUNICATION

July 2002

RE: CSU-Paid Life and Accidental Death and Dismemberment Insurance for CSEA Employees

Dear _____:

The CSU is pleased to inform you that effective August 1, 2002, you are covered by the CSU-paid \$10K Basic Term Life and \$10K Accidental Death and Dismemberment (AD&D) insurance plan administered by The Standard Insurance Company (Standard). You will receive a copy of the Standard Insurance Company certificate of coverage that summarizes the plan once it has been updated to reflect inclusion of CSEA employees. Please retain this certificate of coverage for future reference.

Enclosed is a Beneficiary Designation form for you to complete and send to The Standard. Please note: If you have filed a Declaration of Domestic Partnership with the Secretary of State, the Basic Term Life Insurance and AD&D contract includes domestic partner as a beneficiary under the definition of spouse. If you do not complete a Beneficiary Designation form, benefits will be paid out in the order specified in the Certificate under "Benefit Payment and Beneficiary Provisions." Please review this form carefully. If you choose to complete it, please retain a copy of this form for your records. Standard will send you an acknowledgement upon receipt of your Beneficiary Designation form.

If you have any questions, please contact the campus Benefits Office at _____.

Sincerely,

Attachment

SAMPLE EMPLOYEE COMMUNICATION

July 2002

RE: CSU PRE-TAX PARKING DEDUCTION PLAN IMPLEMENTATION FOR ELIGIBLE CSEA EMPLOYEES

Dear _____:

This letter highlights details of the pre-tax benefit plan that California State University (CSU) is pleased to provide eligible CSEA employees who currently pay for parking through payroll deduction with after-tax earnings. Effective September 1, 2002, if you are in an eligible position and currently pay for parking expenses through payroll deduction, you will automatically be enrolled as a participant in the CSU Pre-Tax Parking Deduction Plan. As a participant, a specified amount you pay for parking expenses through payroll deduction will be tax exempt, which means parking deductions will be taken from your pay before federal, state, Social Security, and Medicare taxes are calculated. Your taxable income will be reduced, and consequently, your taxable income reflected on your annual W-2 statement will be reduced. Your first pre-tax deduction under the plan will be reflected in your September 1 pay warrant (August pay period).

Eligibility

CSEA employees are now eligible to participate in the pre-tax plan. In order to participate, you must be able to pay for CSU parking expenses through payroll deduction.

If you are not currently parking in a CSU parking facility established by this campus and are interested in doing so, please contact _____.

Enrollment

If you are currently paying for parking expenses through payroll deduction, enrollment in this plan is automatic unless you choose to continue paying for parking expenses with after-tax dollars. If you wish to continue your parking deductions with after-tax dollars, please complete a CSU Pre-Tax Parking Deduction Election Authorization form. You may change your election to participate at any time. This form is available in the _____ office and must be submitted to your campus benefit/payroll office by _____.

Eligible Expenses

Since you are currently paying for CSU parking through payroll deduction, your parking expenses will automatically qualify as an eligible pre-tax parking expense. The IRS monthly deduction limit for calendar year 2002 is \$185. If your monthly parking deduction is more than the IRS limit, the difference will be paid in after-tax dollars.

For additional Plan details, please refer to the CSU Pre-Tax Parking Deduction Plan brochure available in the Human Resources office or contact _____ at _____.

Sincerely,
