Date: July 18, 2005  

To: Human Resources Directors  
Benefits Representatives  

From: Cathy Robinson  
Assistant Vice Chancellor  
Human Resources Administration  

Subject: Retirement Plan Change for CSU Part-Time/Seasonal/Temporary Employees Formerly Enrolled in the University of California’s 401(a) Defined Contribution (UCDC) Plan – Update  

Effective July 1, 2005, the Part-time, Seasonal and Temporary (PST) Program administered by the Department of Personnel Administration's (DPA) Savings Plus Program replaced the University of California's Defined Contribution (UCDC) Plan for specific employee groups, and became the California State University’s (CSU) exclusive part-time employee retirement program for employees excluded from California Public Employees’ Retirement System (CalPERS) membership, who do not qualify for the student FICA exemption.

The purpose of this technical letter is to advise campuses on how the State Controller’s Office (SCO) is handling UCDC retirement contributions created subsequent to the June 2005 pay period due to retroactive employment history transaction processing. Campuses may refer to HR 2005-15 and HR/Benefits 2005-08 for additional information regarding this retirement plan change for employees excluded from CalPERS.

**Retroactive UCDC Retirement Contributions**

Pursuant to HR/Benefits 2005-08, UCDC retirement contribution codes became invalid effective with the June 2005 pay period. All affected employees should now be enrolled in the PST Program with their part-time retirement contributions deposited in the PST Program.

However, campuses that need to key retroactive employment history transactions impacting UCDC Plan contributions to existing accounts for pay periods effective prior to the June 2005 pay period (May 2005 pay period for intermittent employees) will require the SCO to forward those contributions to the UCDC Plan for these applicable retroactive pay period(s). The distribution of contributions is determined by the value keyed in PIMS Item 505; therefore, campuses are not responsible for any special processing to ensure the contributions are forwarded to UCDC. UCDC account codes (TX and TY) were terminated in the employment history database effective May 30, 2005.

It is important to note that retroactive new hires prior to June 1, 2005 (May 1, 2005 for...
intermittent employees) who did not previously have an account with UCDC must be enrolled directly in the PST Program. The UCDC Plan will not accept retroactive contributions without an established inactive account. If any appointments have been keyed in conflict with this direction, please correct all Employment History transactions to reflect the PST retirement account code so that contributions can be redirected to PST.

Upon review of this technical letter, it is recommended that campuses review their current employee population and correct any errors in contributions at this time, to ensure that contributions are being directed appropriately.

Questions regarding this technical letter may be directed to Michelle Hamilton at (562) 951-4413. This technical letter also is available on the Human Resources Administration’s web site at http://www.calstate.edu/HRAdm/memos.shtml.

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