

EXECUTIVE BENEFITS SUMMARY



THE BENEFITS OF WORKING AT THE CALIFORNIA STATE UNIVERSITY

An overview of systemwide benefits available to executives of the California State University (CSU).

EXECUTIVE PERQUISITES

Trustee policy recognizes the extensive business-related, public relations and institutional development obligations of executives and provides special executive perquisites in recognition of these obligations. Campus foundations may supplement perquisites for presidents based on existing campus practice and local community preferences.

Executive perquisites may be taxable income and executives are encouraged to seek consult with a tax adviser regarding the potential effect of executive benefits and allowances.

- **HOUSING AND HOUSING ALLOWANCE**

The CSU campus presidents and chancellor are provided with an official CSU residence where available. If an official residence is not available, a housing allowance is provided to assist in securing a residence. Housing allowances vary by campus.

- **AUTOMOBILE ALLOWANCE** The CSU campus presidents are eligible for an automobile allowance of \$1,000 per month. Automobile allowances may also be available to executives in the Chancellor's Office.

- **PROFESSIONAL LEAVES** The chancellor may grant an executive a paid leave of up to one year for the purpose of studying or traveling for the benefit of the CSU. To be eligible, the executive must have served full time as an academic employee, executive employee, or an employee in an academic-administrative assignment, or any combination thereof, for six consecutive academic years.

- **EXECUTIVE PHYSICAL EXAMINATIONS** The CSU trustees require executives to undergo an annual physical examination. The CSU will pay up to \$900 per year for expenses not reimbursed by the medical provider. The benefit is not taxable to the executive.

- **RELOCATION BENEFITS** The CSU trustees recognize that relocation of newly hired executives may be required, and a relocation program is provided.

Executives are eligible to receive reimbursement for actual, necessary, and reasonable moving and relocation expenses, with the amount determined by the chancellor and funded by the campus for presidents and by the Office of the Chancellor for systemwide executives.

Relocation reimbursements include: movement of household goods; costs incurred for packing, insurance, storage in transit (maximum 60 days), unpacking and installation of household goods; and costs for lodging, meals, incidental expenses, and transportation.

If an executive is required to sell an existing residence to relocate to the new assignment, the executive may be reimbursed for actual and necessary selling costs as determined by prevailing practices within the area of sale. Selling costs may include brokerage commissions, escrow fees, prepayment penalties, taxes, and/or charges or fees fixed by a local authority required to complete sale of the residence. Claims for settlement of an unexpired lease will also be considered.

Repayment of relocation reimbursements may be required if employment with the hiring CSU campus is discontinued prior to two full years of employment.



HEALTH CARE BENEFITS

Executives have group medical, dental and vision plans from which to choose coverage. They may cover themselves, their eligible spouse or registered domestic partner and eligible dependent children (up to age 26). For medical and dental, executives should enroll within 60 days of employment, within 60 days of a qualifying change in status event (such as marriage or birth of a baby) or during any annual open enrollment period.

- **MEDICAL BENEFITS** The CSU provides a choice of various medical insurance plans. CSU contracts with the California Public Employees' Retirement System (CalPERS) for all of our medical plan options. The cost of the medical plan premiums are shared between the CSU and the employee. If you elect a medical plan, you are automatically enrolled in the Tax Advantage Premium Plan (TAPP) unless you opt out. This Plan provides for payment of the required medical plan premiums on a pretax basis.
- **DENTAL BENEFITS** The CSU provides two dental plans through Delta Dental—a PPO and a DHMO prepaid plan. The prepaid plan requires you to select a dentist from an approved list by Delta Dental. The CSU currently pays the full cost of the plan's monthly premium.
- **VISION BENEFITS** The CSU provides a vision care plan through VSP. The CSU currently pays the full monthly cost of the basic coverage for eligible executives and their dependents. Enrollment is automatic and begins on the first day of the month following your date of hire. Executives can purchase additional coverage under the premier plan, which is an enhancement to the basic vision plan.
- **FLEXCASH** Executives can receive \$128 FlexCash per month if they waive CSU medical coverage and/or \$12 FlexCash per month if they waive CSU dental coverage and are enrolled in other non-CSU group coverage. This payment is taxed as additional income. Proof of enrollment is required.

FLEXIBLE BENEFIT PLANS

Flexible benefit plans help executives save money by allowing them to pay for certain eligible expenses with pretax dollars. The tax savings help offset the impact of these expenses on disposable income.

For Health Care and Dependent Care Reimbursement Accounts, executives may enroll within 60 days of employment, within 60 days of experiencing a qualifying change in status or during any annual open enrollment period.

- **HEALTH CARE REIMBURSEMENT ACCOUNT (HCRA) PLAN** With a Health Care Reimbursement Account, executives can set aside a portion of their pay, on a pretax basis, to reimburse themselves for eligible health care expenses. Each year, they may contribute up to the specified maximum amount allowed by the IRS and the plan through payroll deduction. Neither contributions nor reimbursements are taxed. A debit card is available, which allows an employee to use the card to pay for eligible health care expenses, eliminating out-of-pocket costs. Re-enrollment is required annually.
- **DEPENDENT CARE REIMBURSEMENT ACCOUNT (DCRA) PLAN** With a Dependent Care Reimbursement Account, executives can set aside a portion of their pay, on a pretax basis, to reimburse themselves for eligible dependent care expenses. Each year, they may contribute up to the specified maximum amount allowed by the IRS and the plan through payroll deduction. Neither contributions nor reimbursements are taxed. Please note: The maximum is reduced if you are married and filing a separate tax return. Re-enrollment is required annually.
- **PRETAX PARKING DEDUCTION PLAN** Executives may pay for parking in a CSU-qualified parking facility with pretax dollars. Premiums are automatically deducted from their paycheck, unless they opt out of the plan. They may change their election to participate at any time.

PLANNING FOR YOUR RETIREMENT

The CSU provides executives with a number of retirement benefit plans:

BASIC RETIREMENT PLANS

- **CALPERS RETIREMENT PLAN** CalPERS is a defined benefit plan, which provides a retirement benefit based on the executive's applicable retirement formula, age at retirement, years of service credit and compensation. Executives are automatically enrolled in the CalPERS Retirement Plan. To be eligible, full-time executives must be appointed for at least six months and one day. Executives are required to contribute a percentage of their gross monthly salary per month. There is a cap on annual salary that can be used to calculate retirement benefits. The contribution is not subject to federal and state taxes. For additional information about the CalPERS defined benefit plan go to www.calpers.ca.gov.

VOLUNTARY RETIREMENT SAVINGS PLANS

Three voluntary retirement plan options are available to executives. This allows executives to save toward retirement by contributing to tax-deferred investments and supplement their CalPERS Retirement Plan benefits.

These plans help executives save money on taxes now and invest in their futures at the same time. Contributions are automatically deducted from employees' paychecks. Executives are able to change investment options, beneficiary designations and contribution elections online at any time.

Executives may participate in any or all of the plans. Each plan is governed by a different section of the IRS code, resulting in different rules and provisions and subject to certain contribution maximums. The three voluntary retirement plan options are:

- **THE CSU 403(B) SUPPLEMENTAL RETIREMENT PLAN (SRP)** Executives can contribute a portion of their compensation to a pretax or after-tax (ROTH) account. To establish an account or manage monthly contributions, visit www.netbenefits.com/calstate.

- **THE STATE OF CALIFORNIA (CALHR) SAVINGS PLUS 457 DEFERRED COMPENSATION PLAN** Monthly contributions can be managed at www.savingsplusnow.com.
- **THE STATE OF CALIFORNIA (CALHR) SAVINGS PLUS 401(K) THRIFT PLAN** Monthly contributions can be managed at www.savingsplusnow.com.

INCOME PROTECTION BENEFITS

The following benefits provide executives with a source of income should they become disabled and unable to perform normal duties at work. To be eligible for NDI and IDL coverage, the employee must be a CalPERS member.

- **NONINDUSTRIAL DISABILITY INSURANCE (NDI)** NDI provides minimal coverage if an executive is unable to work because of a nonwork-related injury or illness. This CSU-paid program is effective at time of appointment and provides a weekly benefit for up to 26 weeks of disability.
- **INDUSTRIAL DISABILITY LEAVE (IDL)** IDL provides disability benefits if an executive is unable to work because of a work-related injury or illness. IDL is fully paid by the CSU and provides full pay for the first 22 days of disability and two-thirds pay for the next 11 months of disability.
- **WORKERS' COMPENSATION** If an executive suffers a work-related injury or illness, Workers' Compensation Temporary Disability payments may be selected in lieu of IDL payments and when IDL payments run out.
- **LONG-TERM DISABILITY (LTD)** LTD is an income protection program that provides benefits after 180 days of continuous disability. LTD is provided to supplement IDL, Social Security disability, retirement system payments, or any other group disability plan payments. If disability criteria are met, the executive will receive 66 2/3 percent of pay, up to a maximum of \$25,000 per month, until age 65 or Social Security normal retirement age.

LEAVE PROGRAMS

The CSU provides executives with a variety of paid and unpaid leave programs.

PAID LEAVE

- **HOLIDAYS** The CSU offers executives 15 paid holidays each year; 14 scheduled on specific days and a personal holiday that may be taken any time during the year.
- **VACATION** Executives earn two vacation days (16 hours) per month from date of hire. Vacation may be accrued up to a maximum of 480 hours.
- **SICK LEAVE** Executives accrue eight hours of sick leave each month with no maximum accrual. Unused sick leave may be converted into additional service credit at the time of retirement as defined in CalPERS regulations.
- **BEREAVEMENT LEAVE** If an executive experiences the death of an immediate family member or a significantly close relative, the CSU provides five days of bereavement leave with pay.
- **CATASTROPHIC LEAVE** The CSU Catastrophic Leave Program allows executives who have exhausted their leave credits and must miss work because of a prolonged illness or injury (including that of an eligible family member) to request catastrophic leave. This may also be due to the effect of a natural disaster/state of emergency on the executive's principal residence.
- **PARENTAL LEAVE** An executive is eligible for 30 days of paid maternity/paternity/adoption leave starting within 60 days of the arrival of the new child.
- **ORGAN DONOR LEAVE PROGRAM** After exhausting all available sick leave, executives are eligible for up to 30 continuous calendar days of paid leave if they donate an organ, and up to five days of paid leave if they donate bone marrow.

- **JURY DUTY** The CSU will continue an executive's salary while they are on jury duty, regardless of length of jury service. For executives to receive their salary for days served in a state court, executives must submit Proof of Service, which will be provided to them as a state of California employee. Executives who serve as a juror in a federal court must make their jury duty stipend payable to the CSU. Executives are entitled to keep any reimbursed travel expenses (e.g., mileage) associated with jury duty service.

UNPAID LEAVE

- **CSU FAMILY MEDICAL LEAVE (FML)** Under the CSU FML Policy, an employee may take up to 12 weeks of unpaid leave to care for a new child(ren), or care for a seriously ill spouse, registered domestic partner, child, parent (and parent in-law), sibling, grandparent, grandchild or designated person. An employee may also use CSU FML if they suffer a serious health condition or non-work related injury. Sick leave and vacation days, as approved, must be used first before going on unpaid leave.
- **LEAVES OF ABSENCE** Additional leave programs are available. Executives can contact their campus benefits office for further information.

SURVIVOR PROTECTION BENEFITS

If an executive dies while employed by the CSU, their surviving beneficiary(ies) will receive benefits from a number of CSU-sponsored plans and from any voluntary plans the executive is enrolled in.

- **LIFE INSURANCE BENEFITS** The CSU provides executives with \$250,000 in life insurance coverage and an additional \$250,000 in accidental death and dismemberment coverage effective the first day of the month following appointment. Employer-paid life insurance in excess of \$50,000 results in imputed income to the executive; therefore, the executive has the option to waive excess coverage.





- **VOLUNTARY LIFE INSURANCE** Executives may be eligible to purchase up to \$1.5 million of additional life insurance for themselves. They may also purchase life insurance coverage of up to \$750,000 for their spouse/registered domestic partner and/or up to \$20,000 for their eligible dependent children. The CSU offers coverage at reduced group rates. Executives pay the full cost on an after-tax basis. New executives are eligible to receive guaranteed issue coverage up to \$150,000 for themselves, up to \$50,000 for their spouse/registered domestic partner and up to \$20,000 for their eligible dependent children—no health questions asked. For guaranteed issue, coverage must be elected within 60 days of employment. Coverage elected outside of this time period, or above the guaranteed issue amount, will be subject to Evidence of Insurability. Current executives may enroll or increase coverage at any time but must provide Evidence of Insurability. Coverage begins on the first day of the month after the application is approved.
- **VOLUNTARY ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) INSURANCE** Executives are eligible to purchase Group AD&D Insurance coverage for up to \$1 million for themselves, in the event of death or dismemberment, as a result of a covered accident. Coverage is also available for a spouse/registered domestic partner and/or eligible dependent children. Executives can enroll in this plan at any time—no health questions required.
- **CALPERS PRERETIREMENT DEATH BENEFITS** If an executive should die before retirement, CalPERS may pay the designated beneficiary a \$5,000 tax-free death benefit. Depending on the executive's length of service, the beneficiary may receive additional benefits. CalPERS may also pay the executive's beneficiary a lump-sum payment equivalent to six months of salary.

ADDITIONAL CSU BENEFITS

- **FEE WAIVER PROGRAM** This benefit waives specific fees for up to two courses, or six units, whichever is greater, per term. The executive may transfer the fee waiver benefit to a spouse, registered domestic partner or eligible dependent child.
- **CRITICAL ILLNESS INSURANCE** Group Critical Illness insurance provides a lump-sum payment to cover out-of-pocket medical expenses and costs associated with life changes, following the diagnosis of a covered critical illness (enrollment in a health insurance plan is required). Coverage is available for executives and their spouse or registered domestic partner and children at an additional cost to the executive. Newly appointed executives may enroll in the plan within 60 days of employment or during open enrollment.
- **ACCIDENT INSURANCE** This insurance can help executives recover and provide financial support from an unexpected accident at an additional cost. It can assist with out-of-pocket expenses such as deductibles, copays, transportation to medical centers and more. Newly appointed executives may enroll in the plan within 60 days of employment or during open enrollment.
- **AUTO, HOME AND RENTERS INSURANCE** Executive-paid auto, home and renters insurance coverage is available and can be paid for through payroll deductions. Executives can enroll in this benefit at any time.
- **LEGAL PLAN** The CSU offers a group legal plan to executives at an additional cost. It provides representation for many personal legal services for executives and their eligible dependents. Covered legal services performed by network attorneys are fully paid for by the plan. Newly appointed executives may enroll in the plan within 60 days of employment or during open enrollment.
- **PET INSURANCE** Executives have the option to purchase insurance for pets that can be used at any vet anywhere, including specialists and emergency providers. There are various benefit options available to cover pet accidents, illness and preventive care as well as wellness services. Executives can enroll in this benefit at any time.
- **TRAVEL ASSIST PROGRAM** This no-cost program provides executives with information, referral, assistance, transportation and evacuation services to help with emergencies that may arise during travel, whether business or personal related. This benefit is available to all executives enrolled in the CSU-paid life insurance.
- **LIFE SERVICES TOOLKIT** executives have access to the Life Services Toolkit that includes digital identity archive, online estate planning, funeral planning and concierge services. This benefit is available to all executives enrolled in the CSU-paid life insurance.
- **CREDIT UNION** There are a number of credit unions available that provide payroll savings programs as well as standard credit union services.
- **EMPATHIA LIFE MATTERS EMPLOYEE ASSISTANCE PROGRAM (EAP) (Available at all campuses)** Programs provide free, confidential counseling and referral services to executives and members of their household—including dependents living away from home—24-hour access to confidential services that support emotional well-being, safety and productivity in the workplace. To access benefits please call (800) 367-7474, or visit Life Matters online at www.mylifematters.com. Contact your campus benefits office for your campus-assigned password.

WHEN YOU RETIRE FROM THE CSU

Executives who retire from the CSU and meet the criteria listed below will be eligible to enroll in CalPERS retiree medical benefits, CSU retiree dental benefits and CSU voluntary retiree vision benefits if:

- The eligibility criteria for retirement is met; and
- The individual is deemed eligible for medical, dental and vision benefits while an active employee; and
- Retirement occurs within 120 days of separation.

HIRED ON OR AFTER JULY 1, 2018

Executives hired by the CSU and who become members of CalPERS on or after July 1, 2018, must have 10 years of service credit with CalPERS to be eligible to enroll in CalPERS Retiree Medical Benefits and CSU Retiree Dental Benefits.

GENERAL INFORMATION

- **APPOINTMENT PROCESS** Executives, as CSU employees, are employed under the public personnel statutes and regulations of the state of California. Employees, including executives, receive letters of appointment rather than employment contracts. Executives serve at the pleasure of the trustees and the chancellor.
- **PAYROLL PROCESS** CSU executives are paid on a monthly basis, on or near the first of the month, with warrants from the California State Controller's Office. Direct deposit of salary through electronic transfer to a bank or credit union is available.







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The benefit plan documents supersede information in this document

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