

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
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Date: January 30, 2004

Code: TECHNICAL LETTER
HR/Benefits 2004-05

To: Associate Vice Presidents/Deans of Faculty
Human Resources Directors
Benefits Officers

From: Cathy Robinson, Assistant Vice Chancellor
Human Resources Administration



Cordelia Ontiveros, Senior Director
Academic Human Resources



Subject: Benefits Update – Faculty (Unit 3)

The California State University (CSU) and the California Faculty Association (CFA) completed reopener negotiations to extend the current Agreement to June 30, 2005. Changes to the benefits program are effective January 27, 2004, unless specified otherwise, and are highlighted below.

Sick Leave – Article 24.9

Currently, the CSU campuses are required to provide employees with an annual statement of leave credits. Under terms of the new Agreement, CSU campuses now are required to develop a system, if not already available, that will provide bargaining unit employees, including lecturers, with monthly sick leave balances. A campus reporting system may include a campus electronic information on-line system, a paper system or an outside system such as the State Controller's Office California Leave Accounting System (CLAS). A separate correspondence will follow requesting each campus to provide the date its monthly sick leave reporting capability will be in place, if not already available. The Chancellor's Office is required to provide individual campus implementation dates to CFA by March 31, 2004.

(Next)

Distribution:

CSU Presidents
Vice Chancellor, Human Resources
Vice Presidents, Academic Affairs
Vice Presidents, Business/Administration
Budget Officers
Director, SOSS
Payroll Managers

Fee Waiver - Article 26.12-13

The following fees are added to those waived or reduced for eligible faculty unit employees or their dependents:

Employee – Health Services Fee is fully waived
Dependent – Health Services Fee is fully waived

Campuses may waive the above fees for Spring 2004 if administratively feasible; otherwise, implementation may be deferred to the next semester/quarter. The Fee Waiver Technical Letter will be updated to reflect these changes.

Rural Health Care Stipend - Article 32.5

Faculty unit employees who are enrolled in a non-HMO health plan during the January 2004 pay period are entitled to a Rural Health Care Stipend. Eligible full-time employees will receive a \$500 stipend; eligible part-time employees will receive a pro-rated stipend based on the January 2004 pay period time base. Payment of the 2003/04 stipend will be made in February 2004. Please refer to Technical Letter HR/Salary 2004-01 for additional information.

CSU Pre-Tax Parking Fee Deduction Plan – Article 32.21

Effective April 1, 2004 (deduction taken from March 2004 pay period), eligible employees will be enrolled automatically 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 March 12, 2004, 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 A is a draft letter for campuses to use to introduce the plan to faculty unit employees. Campuses will receive a supply of brochures to include with the letter.

Parking Passes – Article 32.22

Faculty unit employees employed at two or more campuses are no longer required to purchase multiple parking passes. CSU will implement procedures permitting parking at all campuses where a faculty member is employed provided that the faculty unit employee has purchased a parking pass during the same academic term at a CSU campus.

FERP Participants – Leaves of Absence Without Pay - Side Letter

Participants in the Faculty Early Retirement Program (FERP) may, at the discretion of the President, be granted during academic year 2003/04:

1. A leave of absence without pay during the spring 2004 semester at a semester campus,
or
2. A leave of absence without pay during the winter and/or spring 2004 quarter on a quarter campus,

provided that these are the terms that constitute the faculty member's complete period of FERP employment during academic year 2003/04. FERP participants granted such a leave shall have their period of FERP employment extended by one year.

In addition, participants in the FERP may, at the discretion of the President, be granted a leave of absence without pay for their complete period of FERP employment during academic year 2004/05, provided that the faculty member's period of FERP employment includes academic year 2004/05. FERP participants granted such a leave shall have their period of FERP employment extended by one year. Please refer to the Side Letter in the Agreement for further details for these provisions.

Golden Handshake – Side Letter

Pursuant to the Agreement, the CSU shall request the Governor to issue an Executive Order authorizing an Early Retirement Program during Fiscal Year 2003/04 and into Fiscal Year 2004/05 for CFA-represented employees who are eligible CalPERS State Miscellaneous members. The Program shall consist of two additional years of CalPERS service credit credited to eligible employees in accordance with provisions of Government Code Section 20901 and Education Code Section 22715. The program is contingent upon receiving an Executive Order from the Governor, in addition to receiving approval from the Department of Finance and the Legislative Analyst's Office. Further Program details will be provided, once available. Important Note: If the Golden Handshake Program is approved, faculty members who participate are ineligible to participate in the FERP provided in Article 29.

If you have any questions, please contact Cordelia Ontiveros in Academic Human Resources at (562) 951-4503 or by email at contiveros@calstate.edu or Pamela Chapin in Human Resources Administration at (562) 951-4414 or by email at pchapin@calstate.edu. This Technical Letter also is available on Human Resources Administration's Web page at: <http://www.calstate.edu/HRAdm/memos.shtml>.

CR/CO/pc

SAMPLE EMPLOYEE COMMUNICATION

January 2004

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

Dear _____:

This letter highlights details of the pre-tax benefit plan that California State University (CSU) is pleased to provide eligible faculty unit employees who currently pay for parking through payroll deduction with after-tax earnings. Effective April 1, 2004, if you are in an eligible position and currently pay for parking expenses through payroll deduction, you will be enrolled automatically 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 April 1 pay warrant (March pay period).

Eligibility

Faculty unit 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 automatically will qualify as an eligible pre-tax parking expense. The IRS monthly deduction limit for calendar year 2004 is \$195. 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,