

# HR/Benefits Review

News for University of California Faculty and Staff

February/March 2005

Transition to begin in July 2005

## New services provider for Defined Contribution and 403(b) Plans

In the next few months, participants in the University's Defined Contribution Plan (DC Plan) and Tax-Deferred 403(b) Plan (403(b) Plan) will receive information about important changes in account and recordkeeping services for the two plans.

Beginning in July 2005, participant account and recordkeeping services for the DC and 403(b) plans will be provided by Fidelity Investments Tax-Exempt Services Company, which already provides these services for UC's Deferred Compensation 457(b) Plan.

The UC Office of the Treasurer will provide oversight responsibility for the assets and investment options of the DC and 403(b) plans, as well as the 457(b) Plan.

This change will not affect existing UC in-house services and operations of the UC Retirement Plan (UCRP), which provides regular pension benefits.

### Enhanced services, expanded investment options

Recognizing that UC's own system resources are operating at capacity, last year the Board of Regents approved partnering with an independent provider of account and recordkeeping services. The

partnership is part of a long-term, multi-phased effort to improve services for DC Plan and 403(b) Plan participants, as well as the investment options available in those and the 457(b) Plans.

"We are very pleased that with this transition, we will be able to offer a number of service enhancements and streamlined account management processes that faculty and staff have requested over the years," said Judy Boyette, UC associate vice president for Human Resources and Benefits. "We also now have the opportunity to explore a wider range of investment options for participants," she added.

Among the enhanced service features that participants can expect are the following:

- Daily valuation of the UC funds (which historically have been valued monthly)
- A single website designed to help participants manage all their investments
- A quarterly account statement showing all DC, 403(b), and 457(b) Plan activity

### Fidelity selected on rigorous criteria

Fidelity Investments Tax-Exempt  
*continued on page 2*

## 2005 Health and Welfare

### random audit for employees, retirees and their enrolled family members

Beginning in May, UC HR/Benefits will commence its annual random audit of UC employees, retirees, and their family members enrolled in UC-sponsored health and welfare plan(s). This audit is required by UC plan regulations and helps ensure that your family members enrolled in health and welfare plans are fully eligible for coverage as described in UC's *Group Insurance Eligibility Factsheet*.

### Verification of eligibility

The University incurs significant costs to provide group insurance coverage for employees and their family members. To ensure that only those who are truly eligible for coverage are enrolled and to meet health contract obligations, UC must verify family member eligibility.

UC HR/Benefits will randomly select 20 percent of all UC members enrolled in medical plans and notify them in writing of the documentation required for each type of dependent.

Examples of documentation include marriage or birth certificates, verification of same-sex domestic  
*continued on page 3*

## Services provider *continued from page 1*

Services Company was selected as the new services provider from a field of applicants in a competitive search process led by UC Human Resources and Benefits and the Office of the Treasurer. Bidding firms were evaluated on a number of criteria, notably long-term suitability, service level, and cost.

Fidelity demonstrated particular strength in its sophisticated consumer web-based tools, its commitment to state-of-the-art technology, and its dedication to providing quality customer service. A joint UC and Fidelity team is currently finalizing the transition plan.

Participants will receive detailed informational mailings about the transition and service changes in the coming months.

### UC-managed investment funds for the plans

After the transition, participants will still be able to contribute to the six existing UC-managed funds.

In addition, the Treasurer's Office will review and update the overall investment choices, creating a set of prudently selected options within a range of asset classes called "Core Funds." These Core Funds will be available in the DC, 403(b), and 457(b) plans, and all communication and financial education efforts will focus on these funds.

Says UC Treasurer David Russ, "Our goal is to build and maintain a set of Core Funds which addresses the needs of all our participants. We see this as a natural role in our ongoing mission of serving the financial management needs of our community." Once the Core Funds are selected, the Treasurer's Office will monitor them on an ongoing basis and will make changes if needed.

## UC 457(b) Plan

### New deadlines and effective dates for enrollments, changes

**New** deadlines and effective dates for enrolling in the UC 457(b) Plan, changing 457(b) Plan deferrals, and canceling deferrals are effective in February 2005, and have been announced on the At Your Service website and in local communications.

Enrollments, changes, and cancellations that are completed at any time before the end of the last business day of a given month will take effect with the next month's earnings.

### Example

For example, an enrollment, deferral change, or cancellation action that is completed before the end of the last business day in March (Thursday, March 31) will be effective for pay periods ending in April. For monthly-paid employees, actions will be reflected in April 29 direct deposit statements or paychecks (May 1 falls on a Sunday, so April monthly earnings are paid on Friday, April 29). For biweekly-paid employees, actions will be reflected in April 20 direct deposit statements or paychecks for the biweekly pay period ending April 9.

Payroll schedules for Los Alamos National Laboratory are different. For details, LANL participants should check with the person in their department who handles payroll matters.

The enrollment and deferral change deadlines comply with IRC regulation 1.457-4(b), which requires that 457(b) Plan deferral agreements be entered into before the first day of the month in which the compensation is paid or made available.

### To take actions

Recordkeeping services for the 457(b) Plan are provided by Fidelity Investments Tax-Exempt Services Company. To enroll in the Plan, or change or cancel your deferral election, log on to the Fidelity website ([www.fidelity.com/atwork](http://www.fidelity.com/atwork)) and choose "Your Account," or phone Fidelity at 1-800-343-0860.

Note: Enrollment and change deadlines for the UC Tax-Deferred 403(b) Plan are not changing. Deadlines for the 403(b) Plan are not the same as those for the 457(b) Plan because IRC regulations for the 403(b) Plan are different. Salary reduction actions for the 403(b) Plan are reflected with the next payroll processing cycle following receipt in Payroll, subject to processing deadlines. ▲

### Fidelity, Calvert

Participants in Fidelity Investments and the Calvert Group Socially Responsible Investment Funds will continue to have access to those investment options.

### More information

In the spring, DC Plan and 403(b)

Plan participants will receive detailed transition information and service guides. As it becomes available, additional information will also be posted on the At Your Service website and announced in this newsletter, as well as in local faculty and staff communications. ▲

**Random audit** *continued from page 1*

partnerships, adoption records, and tax records.

**De-enrollment period**

The result of an employee enrolling ineligible individuals, failing to respond to the University's eligibility verification, or failing to provide the required documentation when requested is a permanent de-enrollment (cancellation of coverage) of the ineligible individual. In addition, the employee and all family members will be de-enrolled for 12 months from any plan in which an ineligible individual is enrolled.

For example, if it is determined through the audit process that an ineligible individual is enrolled in a UC-sponsored medical plan such as Health Net, the employee, the ineligible individual and all other family members will be de-enrolled from Health Net.

In previous years, the de-enrollment period was 18 months. This year, UC has decided to reduce the period to ease the financial burden on employees whose only option to continue health & welfare coverage would be to purchase non-UC (COBRA) coverage during the de-enrollment period.

**Review eligibility of enrolled family members**

Before the verification process starts, we ask that you review your health and welfare plan enrollments to ensure that your enrolled family members are eligible for UC-sponsored coverage as defined by UC's eligibility rules.

If you have ineligible family members enrolled, such as a child who recently married or an ex-spouse you forgot to de-enroll, complete an

*Enrollment, Change, Cancellation, or Opt Out form* (UPAY 850) and submit the form to your local Benefits Office as soon as possible. This form is available online through the At Your Service website or from your local Benefits Office. Changes made during the audit will be subject to the penalties of the audit.

**Eligibility rules:** You can review eligibility rules for family members by going online (<http://atyourservice.ucop.edu>) and selecting the article under "Current News" called "UC HR/Benefits Audit of UC-sponsored Health and Welfare Coverage."

**Family members:** You can access your enrolled family member information on the At Your Service website (<http://atyourservice.ucop.edu>).

- 1) Select the blue "Your Benefits Online" icon located on the right side of the home page.
- 2) Sign in using your Social Security number or Username and password.
- 3) On the right side of the page under "Quick Links," select the "Your Benefits Summary" icon, then select "Enrollments."

If you have any questions about the random annual audit, please contact your local Benefits Office. ▲

Eligible family members for UC-sponsored coverage include:

- **Legal spouse**
- **Domestic partner (same-sex or opposite-sex; If opposite sex, either the employee or the domestic partner must be age 62 or older and eligible to receive Social Security benefits based on age)**
- **Natural or adopted child**
- **Stepchild, grandchild, or step-grandchild (must be dependent on the employee or spouse for at least 50% of their support and a tax dependent of the employee or the employee's spouse)**
- **Domestic partner's child or grandchild (must be dependent on the employee or domestic partner for at least 50% of their support and a tax dependent of the employee or the employee's domestic partner)**
- **Legal ward (enrolled 1/1/95 or after and dependent on the employee for at least 50% of their support and a tax dependent of the employee)**
- **Overage disabled child (except a legal ward) (must be approved by the carrier)**
- **Newly acquired disabled child and disabled child of a newly hired employee (except for legal wards) (must be approved by the carrier and enrolled during the child's Period of Initial Eligibility)**
- **Adult Dependent Relative (enrolled prior to 1/1/04 and a tax dependent of the employee)**

## Review your health and welfare enrollment

**Take** a few moments today to familiarize yourself with your UC-sponsored health and welfare plans. You will find it time well spent.

If you made any changes during Open Enrollment, including coverage changes, you and your family members should have received your new plan member packets and/or medical plan ID cards.

If/when you receive your new ID cards, confirm the information on the card(s); if any information is incorrect, notify your local Benefits Office immediately for updating.

If applicable, your HMO plan often includes your Primary Care Physician (PCP) information on your ID card. Contact your plan if the PCP information is incorrect on your ID card. A listing of plan telephone numbers is available to you on our At Your Service website (<http://atyourservice.ucop.edu>) under "Contact List."

### Verify family members

If you did not make any changes during Open Enrollment, your coverage and enrollment for 2005 is the same as it was for 2004. Although your plan information may be correct, you should also verify that your enrolled family member information is accurate. You may have someone covered who is no longer eligible, such as a divorced spouse, an ineligible domestic partner, or a child who is no longer supported by you. Those who are ineligible should be de-enrolled as soon as possible. See the article on page 1 for more details about the random audit for 2005.

### Check your plan materials

Be certain that you understand how your plans work. Note important facts about your medical plan: preauthorization requirements, deductible charges, emergency and urgent care procedures, and prescription drug plan and mail order drug service. Take a few minutes to thumb through your plan materials. You may learn about services you don't think you will need, but may require at a later date. If you have internet access, visit our website for additional information about your plans (<http://atyourservice.ucop.edu>).

If you need clarification about your benefits, contact your plan directly. Your local Benefits Office also has people trained to help explain your plan benefits. It is best to understand your options and costs before you or a family member requires services. If you run into a problem with a medical plan, make an appointment with your local Benefits Office or Health Care Facilitator to help resolve your problem.

You will find that the UC's medical plans are one of our most valuable benefits. All of our medical plans are first quality and a great value. But the true value of your plan is how well it works for you. By taking a few minutes now, you will be more prepared to derive the full benefit of your coverage. ▲

## Special Wellness Letter Offer

- Will a low-carb diet help me lose weight?
- Will taking Echinacea cure a cold?
- How much exercise should I do every day?
- What's the best way to lower my cholesterol and blood pressure?

**The** *University of California, Berkeley Wellness Letter* covers a wide range of topics and offers practical advice for daily living that can affect everybody's health and quality of life.

Experts from the School of Public Health sift through the latest research (and fads), evaluate it and provide honest, evidence-based information you can use to keep yourself healthy.

The monthly newsletter deals with some of the confusion that exists in daily newspapers, on television and the Internet. Readers trust the information in the *Wellness Letter* because it does not accept advertising, nor does it answer to special interest groups.

If you subscribe, each month, you'll receive eight pages packed full of useful advice for your physical, mental and emotional well-being.

To learn more about the newsletter and to subscribe at the special rate (**12 monthly issue of the *Wellness Letter* for just \$15.00**—nearly half off the regular price of \$28.00), visit the CalMarketplace website ([www.calmarketplace.org/well.html](http://www.calmarketplace.org/well.html)) or call 800-829-9170 and ask for the special offer 55CWNE. ▲

*The above offer was submitted by the editors of the University of California, Berkeley Wellness Letter*

# Competitive UC faculty hiring edge: the family friendly approach

**All** UC faculty are extremely busy with professional, caregiving, and household responsibilities, but women ages 30 to 50 with children are the busiest, logging over 100 hours per week in these combined activities.

This is one of the major findings from the 2002–2003 UC Faculty Work and Family Survey, conducted among ladder-rank faculty University-wide, with a remarkable 51 percent response rate (more than 4,400 respondents).

The survey also showed that despite the array of benefits and programs that currently exist, work and family stress is pervasive among UC faculty parents, and the vast majority would find additional family friendly initiatives useful.

A multi-year grant from the Alfred P. Sloan Foundation funded the survey. The grant is making it possible for UC to work toward enhancing existing policies for faculty with new, innovative elements of a family friendly package that will position UC with a competitive edge for faculty hiring, retention, and promotion.

## Sloan Grant research and recommendations

Under the Sloan Grant, UC has been given the opportunity to conduct scholarly research into work and family issues that impact faculty in higher education, and to translate the findings into viable initiatives for making UC a leader in providing faculty with the tools necessary to meet family responsibilities while being productive in their academic work.

Principal investigators for the

project are Mary Ann Mason, dean of UC Berkeley's Graduate Division, and Angelica Stacy, UC Berkeley associate vice provost for Faculty Equity.

Project co-managers are Marc Goulden, a UC Berkeley principal research analyst, and Carol Hoffman, work/life manager at UC Berkeley.

Of her three colleagues, Hoffman said, "Their scholarly research (the "Do Babies Matter" project) in this project has garnered national recognition. We have the opportunity to make great strides in this critical decade of tenure track hiring at UC as both faculty retirements and student enrollment growth rise significantly."

In conducting the project, Mason, Stacy, Goulden, and Hoffman consult with a 22-member advisory committee representing the ten campuses and Office of the President.

## Proposed initiatives

Survey results indicated that not all faculty are aware of, or fully understand, UC's existing excellent package of family friendly policies. The survey showed that faculty believe there is room for augmenting the package with additional elements, along with stepped-up communication about how the policies can advantage family caregivers.

The current package includes active service-modified duties and the stopping of the tenure clock for faculty who have substantial responsibility for the care of a new child, along with a variety of paid and unpaid leaves.

Among proposed new initiatives are a flexible part time option, more

## UC Faculty Family Friendly Edge Website

<http://ucfamilyedge.berkeley.edu>

A visit to this website is worth while, educational, and stimulating. You can find everything there is to know about the UC Faculty Family Friendly Edge research project at the site, including: a detailed presentation of results of the UC Faculty Work and Family Survey; comments on and endorsements for the project from UC President Robert C. Dynes and former UC President Richard C. Atkinson, who was a project ground-breaker; information about the Sloan Grant and scholarly findings of the grant principal investigators; an overview of existing and proposed new elements of a family friendly package for UC ladder-rank faculty; summaries of faculty family friendly initiatives at the UC campuses; and articles about the project that have appeared in U.S. scholarly journals.

high quality child and infant care, relocation counselors who can assist with spousal or partner employment, adoption benefits, and back-up emergency child care.

The proposals include the recommendation that UC's family friendly package be marketed as a major faculty recruitment tool.

## New policies coming

According to Sheila O'Rourke, executive director in Academic Advancement at the Office of the President and a consultant to the Sloan Grant Advisory Committee, the division of Academic Affairs is developing proposals for a number of new family friendly leave and other policies.

Universitywide faculty review and consultation on the proposals will take place in the coming months, and "the Sloan Grant project will inform those deliberations significantly," O'Rourke said. ▲

## Social Security benefits may be reduced for those whose wages at UC are not subject to Social Security taxes

[www.ssa.gov](http://www.ssa.gov)

### Please note:

- If you, like most UC faculty and staff, are a UCRP member coordinated WITH Social Security, these provisions do not apply to you.
- Medicare benefits are not affected.
- UCRP benefits are not affected.

If you are a UCRP member not coordinated with Social Security or a UCRP Safety member, your UC wages are not subject to Social Security taxes. Because your UCRP benefits will be based on work not covered by Social Security (“noncovered employment”), those benefits may reduce any Social Security benefits to which you are also entitled.

The potential reduction is spelled out in two Social Security provisions directed at people whose “government” retirement plan benefits are based on noncovered employment. As defined by the Social Security laws, UCRP is a “government” retirement plan.

The “Windfall Elimination Provision” and the “Government Pension Offset,” explained in detail at the Social Security website ([www.ssa.gov](http://www.ssa.gov)), may affect Social Security benefits based on your own work or the work of your current or former husband or wife. These provisions encompass Social Security retirement, disability, spouse, widow, and widower benefits, and they may apply when you receive UCRP benefits based on noncovered employment.

### Avoiding false expectations

Michele French, executive director of policy and program design in Human Resources and Benefits, noted that some noncovered UCRP members may think that they will be entitled to full Social Security benefits when they attain Social Security “full retirement age.”

“We are particularly concerned about UCRP members in noncovered employment who may have earned some quarters of coverage through covered employment before working for UC,” she said. “Upon leaving UC or retiring, they may go to another job in covered employment, thinking that when they reach 40 quarters of covered work, they will be entitled to full Social Security benefits.”

But this is not necessarily true due to the years of UC service in noncovered employment. Employees in this situation are encouraged to check the Social Security website or call Social Security for information and personal assistance.

### For detailed information and assistance

The University cannot provide details or give personal assistance or advice about Social Security matters. There are exceptions to both the Windfall Elimination Provision and the Government Pension Offset Provisions. These exceptions and other important details are explained in publications available at the Social Security website ([www.ssa.gov](http://www.ssa.gov)).

To obtain the publications or receive personal assistance, phone Social Security toll free at 1-800-772-1213 (TTY 1-800-325-0778) or visit your local Social Security office. ▲

## HCRA and DepCare Reimbursement Accounts Deadline

Submit your claims by April 15  
[www.shps.net](http://www.shps.net)

Your HCRA and DepCare claims for 2004 must be postmarked by April 15, 2005 to be eligible for reimbursement.

You may obtain individual account information by calling SHPS at 1-877-270-3915 or by visiting SHPS online account services, mySHPS at [WWW.SHPS.net](http://WWW.SHPS.net).

mySHPS is available 24 hours a day, seven days a week through SHPS website and provides access to your personal account information, claims forms, and more.

Please note that the IRS requires that you forfeit any unclaimed money in your DepCare or HCRA account after the claims deadline.▲

# Federal occupational illness benefits for energy employees

**LBL, LLNL, LANL employees may be eligible**

[www.dol.gov/esa/regs/compliance/owcp/eoicp/main.htm](http://www.dol.gov/esa/regs/compliance/owcp/eoicp/main.htm)

**Federal** occupational illness compensation and payment of medical expenses may be available to individuals, and their eligible survivors, who have become ill as a result of work at federal atomic weapons facilities.

This includes employees and eligible survivors of employees of the University's Department of Energy (DOE) Laboratories who have become ill as a result of exposure to radioactive and toxic substances in their work. UC's DOE laboratories include the Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory.

Two kinds of payments and benefits are provided under the Energy Employees Occupational Illness Compensation Program Act (EEOICPA), Parts B and E. Applications for benefits undergo a rigorous review by a physician panel to determine that the medical condition exists and is likely to have been caused by the workplace exposure.

## Part B benefits

EEOICPA Part B provides a lump-sum payment of \$150,000 to qualified employees, or their survivors, who have beryllium disease, silicosis, or radiation-induced cancer. Medical benefits for covered illnesses may also be payable.

## Part E benefits

EEOICPA Part E provides medical benefits and compensation payments that vary based on the type of illness, for employees with qualified illnesses caused by exposure to any toxic substance while working at a DOE facility. Qualified survivors may also be eligible for compensation.

## To get help

For additional information, or if you have been diagnosed with an illness and wish to file a claim, visit the website listed above, or contact an Energy Employees Compensation Resource Center listed at the website. ▲

### Resource Centers in California, New Mexico, and Nevada:

California Resource Center	Espanola Resource Center	Las Vegas Resource Center Flamingo Executive Park
2600 Kitty Hawk Road, Suite 101 Livermore, CA 94551 (866) 606-6302	412 Paseo De Onate, Suite "D" Espanola, NM 87532 (866) 272-3622	1050 East Flamingo Road, Suite W-156 Las Vegas, NV 89119 (866) 697-0841

## HR/Benefits Review

February / March 2005

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By authority of the Regents, University of California Human Resources and Benefits, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (1-800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. Contact your Human Resources Office for more information.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides for continued coverage for a certain period of time at applicable monthly COBRA rates if you, your spouse, or your dependents lose group medical, dental, or vision coverage because you terminate employment (for reasons other than gross misconduct); your work hours are reduced below the eligible status for these benefits; you die, divorce, or are legally separated; or a child ceases to be an eligible dependent. Note: The continuation period is calculated from the earliest of these qualifying events and runs concurrently with any other UC options for continued coverage. See your Benefits Representative for more information.

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Director of Diversity and Employee Programs, University of California Office of the President, 300 Lakeside Drive, Oakland, CA 94612 and for faculty to Director of Academic Affirmative Action, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

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Este boletín informativo estará disponible en **español** a partir de hoy.

Nos complace anunciar que el boletín *HR/Benefits Review* estará disponible en español. Visite "At Your Service" en la Internet (<http://atyourservice.ucop.edu>). Cuando llegue a la página web haga clic en "Forms and Publications" y seleccione "Newsletters". Normalmente, la traducción al español del boletín estará disponible dos semanas después de la publicación de la versión impresa en inglés.