

UCPath at UCLA

Composite Benefit Rates (CBR) & Vacation Leave Accrual (VLA) Implementation

UCPath Effective Dates

- **Monthly Paychecks:**
 - Pay Period 9/1 - 9/30
 - First Monthly Paycheck – 10/01/2018

- **Bi-Weekly Paychecks:**
 - Pay Period 9/9 - 9/22
 - First Bi-Weekly Paycheck – 10/03/2018

CBR Background

- UC's Current Payroll System:
 - Employee salaries charged to fund(s) on % of effort
 - Employee benefits charged to same fund(s) based on detailed rates (results in hundreds of rates)
 - Vacation accruals charged to same fund(s) utilizing complex formula until maximum accrual reached
- UCPath:
 - Employee salaries - No change
 - Employee benefits charged based on a CBR determined by a limited number of employee groups (Salary x Rate)
 - Vacation accruals charged based on simplified formula with no maximum

Background (cont.)

- May 2014 – Chancellors approved system-wide CBR model
 - Equity between campuses
 - 10 Employee Groups w/ option to create 4 campus specific groups or combine Employee Groups
- October 2015 – NIH Appeals Board Ruling upheld Cost Allocation Services decision not to allow salary cap for CBRs at UC

What is CBR?

- Pool employer-paid benefits instead of having many charges for individual benefits (taxes, retirement & health)
- Consistent method of charging benefit costs to all activities
- Rates based on Employee Groups
- Charged as a % to all components of pay except for vacation, certain bonuses, incentives & Z payments
- Overall cost of benefits won't change for UCLA – continue to pay actual costs
- No change to employee-paid portion of benefits

What's included in CBR?

- Medical & Dental Insurance
- Medicare & SDI taxes
- Post-Employment Health Benefits
- Pension & Other Retirement Contributions
- Worker's Compensation Insurance

- *What's not* – Accrued vacation leave, Tuition remission, Grad Student Health, Sabbatical costs, GAEL

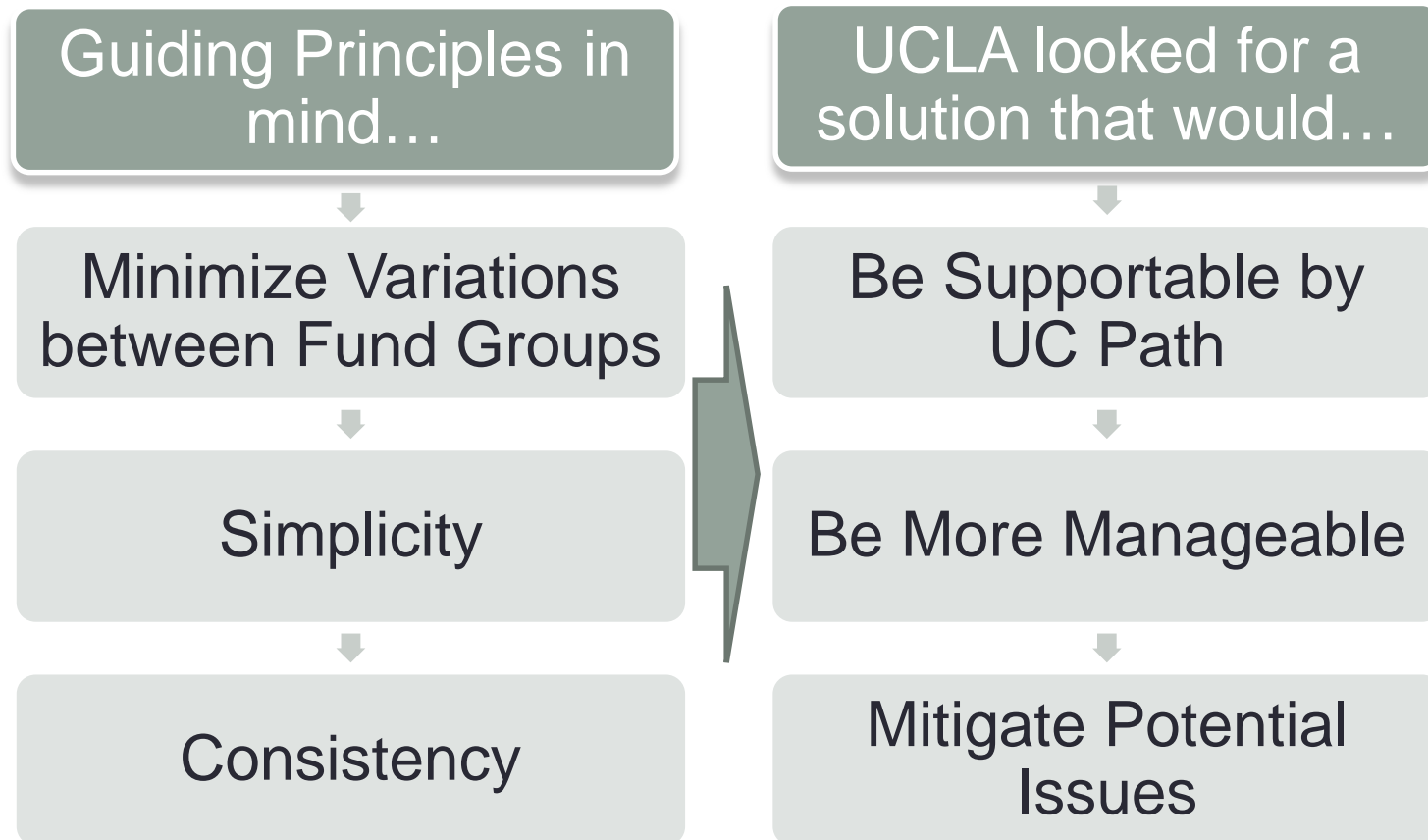
Other Research Universities

- Most large research universities utilize CBR for charging benefits to funds
- Harvard – 10 rates
- Caltech – 1 rate
- USC – 4 rates
- University of Wisconsin – 8 rates
- University of Illinois – 6 rates
- The Ohio State University – 7 rates

CBR Timing

- CBR Proposal to Federal Government – 01/01/2018
- CBR Federal Negotiations complete by Go-Live
- CBRs effective with UCPath Go-Live

UCLA Implementation Strategy



UCLA Employee Groups

Group #	Employee Group	Proposed FY19 CBR
1	Faculty Summer	5.0%
2	HCOMP Senior Faculty	26.0%
3	Faculty	31.8%
4	Other Academics	44.4%
5	Post Docs	31.8%
6	Staff Exempt	44.4%
7	Staff Non-Exempt	54.7%
8	Food-Custodian-Grounds	71.1%
9	Employees & Students with Limited Benefits	5.0%

Vacation Leave Accrual

- Goal – cover actual cost of vacation taken
- Simplify calculation
- Three Rates:
 - 6% - Fiscal Year Faculty
 - 7% - Accruing Staff & Non-Faculty Academics
 - 0% - Non-Accruing Staff & Academic Year Faculty
- VLA charge continues despite individual's vacation balance

Impact

- Campus impact of CBR and VLA expected to be low
 - Budgets have used CBR since Fall 2016
- Sponsored Award Mitigation
 - For Awards budgeted prior to CBR
 - Industry Clinical Trials Exempt
 - Contact me if impact >5% and \$10,000 of awarded direct costs

Benefit Assessment Calculations

- UC's Current Payroll System:
 - Benefits assessed on Regular Pay
 - Vacation Pool pays for Salary & Wages and Benefits
 - Vacation Credit to FAU reimburses Salary & Wages and Benefits
 - VLA charge stops when employee vacation reaches max
- UCPath:
 - CBR and VLA assessed on Regular Pay (net of vacation taken)
 - Vacation Pool pays for Salary & Wages
 - Vacation Pool does not pay for Benefits
 - Vacation Credit to FAU reimburses Salary & Wages
 - VLA continues when employee vacation reaches max

Payroll Expense Report (PPS)

Medicare Amount	Health Insurance Amount	Annuitant Health Insurance Amount	Other Postemployment Benefits Health Insurance Amount	Other Postemployment Benefits Administration Amount	Life Insurance Amount	UCNDI Amount	Workers Compensation Amount	Unemployment Insurance Amount	Dental Insurance Amount	Vision Insurance Amount	OPFR Amount	Employee Support Program Amount	Core Medical Insurance Amount	Core Life Insurance Amount
445.33	104.15	1,064.98	217.40	12.40	4.34	6.71	43.04	25.53	37.04	12.75	0.00	5.11	0.00	0.00
0.00	218.18	914.80	460.05	26.24	4.34	6.71	91.08	54.03	80.24	12.75	0.00	10.81	0.00	0.00
547.61	128.07	510.86	268.50	15.32	4.34	6.71	53.16	31.54	43.50	12.75	0.00	6.31	0.00	0.00
128.71	0.00	268.98	15.34	4.34	6.71	53.26	31.59	53.09	12.75	0.00	0.00	6.32	0.00	0.00
36.25	459.78	77.36	4.41	2.17	3.35	15.32	9.09	43.95	6.37	0.00	0.00	1.82	0.00	0.00
36.07	459.78											1.82	0.00	0.00
121.13	1,180.06													
120.69	510.86													



30+ Categories

Health Insurance Amount	UCNDI Amount	Workers Compensation Amount	Unemployment Insurance Amount	Dental Insurance Amount	Vision Insurance Amount
4.34	6.71	43.04	25.53	37.04	12.75
4.34	6.71	91.08	54.03	80.24	12.75
4.34	6.71	53.16	31.54	43.50	12.75
4.34	6.71	53.26	31.59	53.09	12.75
2.17	3.35	15.32	9.09	43.95	6.37
2.17	3.36	15.32	9.09	43.96	6.38
4.34	6.71	52.05	30.88	80.24	12.75
4.34	6.71	49.85	29.57	43.50	12.75
30.38	46.97	373.08	221.32	425.52	89.25
0.00	0.00	0.60	0.35	0.00	0.00
0.00	0.00	1.20	0.71	0.00	0.00
0.00	0.00	0.24	0.14	0.00	0.00
0.00	0.00	2.04	1.20	0.00	0.00

Distribution of Payroll Expense Report (UCPath) (draft)

CBR	Leave Assessment	Vacation Fringe Expense	GAEL (EL)	GAEL (GL)	GAEL (AL)	GAEL (LP)	GAEL (PR)	Other	Fringe Costs (Total)
17.62	0.00	0.00	0.99	0.53	0.04	0.07	1.27	0.00	20.52
17.62	0.00	0.00	0.99	0.53	0.04	0.07	1.27	0.00	
									20.52
1,330.30	170.23	0.00	6.81	3.64	0.23	0.49	8.76	0.00	
1,330.30	170.23	0.00	6.81	3.64	0.23	0.49	8.76	0.00	1,520.46
1,263.79	161.73	-121.60	6.47	3.47	0.23	0.46	8.32	0.00	1,322.87
1,263.79	161.73	-121.60	6.47	3.47	0.23	0.46	8.32	0.00	
									2,843.33
33.95	47.53	0.00	1.90	1.02	0.07	0.14	2.44	0.00	87.05
33.95	47.53	0.00	1.90	1.02	0.07	0.14	2.44	0.00	87.05
									174.10
979.34	125.32	0.00	5.01	2.69	0.18	0.37	6.44	0.00	
979.34	125.32	0.00	5.01	2.69	0.18	0.37	6.44	0.00	1,119.35
979.35	125.33	0.00	5.01	2.69	0.18	0.36	6.45	0.00	1,119.37
									2,238.72
8.40	0.00	0.00	0.47	0.25	0.01	0.03	0.60	0.00	9.76
11.40	0.00	0.00	0.64	0.34	0.02	0.05	0.82	0.00	13.27
									23.03
6.60	0.00	0.00	0.37	0.20	0.01	0.03	0.48	0.00	7.69
4.80	0.00	0.00	0.27	0.14	0.01	0.02	0.35	0.00	5.59
									13.28
12.90	0.00	0.00	0.72	0.39	0.03	0.05	0.93	0.00	
6.30	0.00	0.00	0.35	0.19	0.01	0.03	0.45	0.00	
									22.35
742.36	95.00	-226.19	3.80	2.03	0.14	0.27	4.88	0.00	622.29
742.36	95.00	-226.19	3.80	2.03	0.14	0.27	4.88	0.00	
742.36	95.00	-226.19	3.80	2.03	0.14	0.27	4.88	0.00	
989.81	126.66	0.00	5.06	2.71	0.18	0.37	6.51	0.00	1,131.30
989.81	126.66	0.00	5.06	2.71	0.18	0.37	6.51	0.00	
									1,753.59
8.10	0.00	0.00	0.45	0.24	0.02	0.03	0.58	0.00	9.42
9.00	0.00	0.00	0.50	0.27	0.02	0.04	0.65	0.00	10.48
									19.90
6,437.97	899.33		40.72	21.82	1.45	2.95	52.37	0.00	7,108.82

UCPath 2-Month Example

Month 1. No Vacation

Sub 00/01/02	Type	FAU	Period	Sub 03	Type	FAU	Sub 06	Type	FAU
10,000	REG	Fund A	Current	100	GAEL	Fund A	5,000	CBR Assmnt	Fund A
							1,000	VLA Assmnt	Fund A
10,000				100			6,000		TOTAL

Month 2. Vacation Taken (50%)

Sub 00/01/02	Type	FAU	Period	Sub 03	Type	FAU	Sub 06	Type	FAU
10,000	REG	Fund A	Current	50	GAEL	Fund A	2,500	CBR Assmnt	Fund A
-5,000	REG	Fund A	Prior				500	VLA Assmnt	Fund A
5,000	VAC	Fund A	Prior				-5,000	Vac Usage CR	Fund A
10,000				50 ↓			-2,000 ↓		TOTAL

Configuration

Earn Code	GAEL	CBR	VLA
REG	Subject	Subject	Subject
VAC	Not	Not	Not

Key

CBR Rate = 50%

VLA Rate = 10%

GAEL Rate = 1%

Thank You!

David Beckstrom

Senior Director, Sales & Service, Costing Policy & Analysis

UCLA Corporate Financial Services

10920 Wilshire Blvd., Suite 500

Los Angeles, CA 90024

Phone: 310-983-3095

dbeckstrom@finance.ucla.edu