

UNIVERSITY OF CALIFORNIA EDUCATION ABROAD PROGRAM

FACULTY HANDBOOK SECTION TWO: Compensation and Benefits

Information and Policies for Study Center Directors Serving Abroad

I. FINANCIAL ARRANGEMENTS

The compensation package provided by UCEAP is designed to *mitigate* costs associated with living abroad. Other financial factors that impact compensation while living abroad are cost of living, exchange rates, and tax liabilities and advantages. It is important to carefully and thoroughly review these financial arrangements and other factors in order to understand and assess the costs associated with Study Center Director appointments.

A. Base Compensation and Benefits:

Each Study Center Director remains on her/his home campus department's payroll for the duration of his/her appointment (except for emeritus appointees). Compensation is at the academic year salary, plus an administrative stipend equal to the difference between the appointee's current UC academic salary and fiscal year salary, paid to appointees at their home departments. Faculty on 11-month appointments receive their regular academic year compensation. Partial year appointments are prorated according to the number of service months in-residence abroad.

Methods of payment are as follows:

EAP will provide the home campus with replacement teaching funds, an amount equivalent to the salary of an *Associate Professor Step One, nine months, regular rank*. The home department will provide instructions to EAP regarding the appropriate account to credit with replacement teaching funds.

Employee benefits and sabbatical leave accrual continue to be the responsibility of the home department and remain the same as those associated with the appointee's home department position. Benefits are administered by each campus Human Resources and Benefits Offices. Please note that vacation time is not accrued during EAP service.

B. Additional Financial Support: (please refer to the *Financial Arrangements and Procedures Matrix* for processing procedures)

1. Housing and Post allowances:

EAP provides a housing subsidy based on the Living Quarters Allowance from the U.S. State Department. A Post Allowance, also based on State Department rates, is provided to mitigate the costs of living abroad. See Appendix A for a complete description of how the Housing and Post allowances are determined and allocated. With proper documentation, the same subsidy is available for appointees who intend to reside in personally owned real-estate properties (in host country) during their terms of residency abroad.

2. Relocation Travel and Removal expenses:

a. EAP provides one-way transportation to and from home city according to appointment letter departure and arrival destinations at lowest economy rate airfare per UCLA Travel quote for the appointee; this benefit will be provided only once during the appointee's term

EAP will provide one-way transportation to and from home city and appointment Destination according to appointment letter departure and arrival destinations at lowest economy rate airfare per UCLA Travel quote for a spouse, and children under 18 years of age that will reside abroad for a minimum of one-quarter; this benefit will be provided only once during the appointee's term.

- b. A removal subsidy (for shipping expenses, which include excess baggage fees) is provided for an appointee serving one-quarter or more.

For removal to host country: EAP will provide a maximum of up to \$1,500 for the Director, up to \$2,000 for a couple, or up to \$2,500 for families with minor children less than 18 years of age.

For return removal to California: EAP will provide a maximum of up to \$2,000 for the Director, up to \$2,500 for a couple, or up to \$3,000 for families with minor children less than 18 years of age.
 - c. Family removal expenses for an appointee serving for one quarter or less are ineligible for EAP support.
 - d. Allowances for return transportation and removal expenses are not provided in the event the appointee does not complete the contracted term of service.
 - e. There is a one-year limitation on EAP responsibility for provision of return travel and relocation for SC Directors who plan sabbatical leaves directly following their tenure with EAP. This limitation also applies to dependant travel.
- 2. Costs to obtain a **visa/residency permit** will be reimbursed (receipts required) by EAP. However, EAP does not process Visa applications for SC Directors. Upon request, EAP will provide SC Directors with a Certification of Employment letter from the Universitywide Director of EAP to facilitate the process, as required.
 - 3. EAP will provide an education allowance at a rate of \$3,000 per child per academic year for minor children, under the age of 18, residing abroad for at least one year. Annual amount for education subsidy will be prorated for appointment term of residency in-country as Study Center Director. Proof of enrollment is required.
 - 4. All subsidies and allowances listed above are subject to U.S. taxation.

II. For your consideration:

- 1. Subject to meeting Internal Revenue Service regulations, appointees may, in some cases, be eligible to exclude some earned income (earned while abroad) in calculating their U.S. federal taxes each year. UOEAP encourages SC Directors to consult their personal tax accountant for eligibility and the US Office of the Treasury Internal Revenue Service website at: <http://www.irs.ustreas.gov/sitemap/index.html>
- 3. Because of coverage limitations, SC Directors may need to change their health insurance plans for the period of time that they are abroad. Therefore, monthly premiums, deductibles, and amounts of coverage may be different. SC Directors will need to consult with a Health Care Facilitator on their home campus about these issues http://atyourservice.ucop.edu/directories_contacts/index.html. EAP is not able to offer supplemental insurance coverage.
- 4. Subject to insurance coverage plan, EAP will provide medical evacuation and/or repatriation services.

APPENDIX A:

HOUSING AND POST ALLOWANCE FOR EAP STUDY CENTER DIRECTORS

HOUSING ALLOWANCE METHODOLOGY

The U.S. State Department uses a variety of methods to support State Department employees working abroad, including a Living Quarters Allowance (LQA) which provides employees with an annual housing allowance. The State Department conducts regular, region-specific analyses of housing costs. Specific LQA's are produced for many cities throughout the world, including many of the locations where EAP has Study Centers. A general "Other" LQA is established that covers those cities within a country that do not have a specific city LQA calculation. LQAs received by employees are based on employee personnel classifications and the number of family members accompanying the employee. The State Department conducts regular updates of actual costs of housing so the allowance rates are current. UOEAP uses the State Department housing cost information as its guide for all decisions regarding the UOEAP's housing allowance.

Further information about the State Department methodology can be found at:

http://aoprals.state.gov/content.asp?content_id=241&menu_id=81

Further information about the actual rates for the State Department Living Quarters Allowance (LQA) can be found at: http://aoprals.state.gov/Web920/lqa_all.asp?MenuHide=1

The rates are updated regularly and the information changes frequently.

HOUSING ALLOWANCE POLICY:

UOEAP will reimburse Study Center Directors for actual housing costs not to exceed 40% of the State Department Living Quarters Allowance for families as defined in the methodology above. Please refer to the Allowance table at the end of this document for specific Study Center Housing Allowance amounts. Documentation of actual housing costs must be provided to the UOEAP Finance Unit.

UOEAP has several locations where housing is arranged and/or subsidized as part of the agreement with the host institution. Those situations will be managed on a case by case basis in the event that questions arise about the application of the Housing and Post Allowance policy.

POST ALLOWANCE METHODOLOGY

The State Department also analyzes the overall cost of living in certain locations and they provide funds, called a Post Allowance, to employees living abroad. The State Department web site explains the Post Allowance as follows:

Commonly referred to as the "cost of living" allowance, this is an allowance based on a percentage of "spendable income," i.e. money you can really put your hands on to spend on goods and services. The amount varies depending on salary level and family size. The post allowance is calculated by comparing costs for goods and services in 11 categories - including food (consumed at home or in restaurants), tobacco/alcohol, clothing, personal care items, furnishings, household goods, medical services, recreation, public transportation, vehicle-related expenses, and household help – to the cost of those same goods and services in Washington, D.C.

Our office determines a ratio between the average cost of goods and services at the post abroad to costs in Washington, D.C. We then evaluate expenditure patterns between the overseas location and Washington, D.C. to establish an overall cost index, which may be adjusted biweekly for exchange rate fluctuations. If the overall cost of goods and services at a foreign post, taking into account expenditure patterns, are at least 3% above the cost of the same goods and services in the Washington, D.C. area, we establish a post allowance.

The amount of a Post Allowance is based on the annual salary of State Department employees. UOEAP will provide a Post Allowance to Study Center Directors in addition to the housing allowance.

Most of the locations in which UOEAP has Study Center Directors have Post Allowance ratios ranging from 10-60%, representing the increased cost of goods abroad compared to costs in Wash. D.C.. The percentage amount or ratio is applied to a salary level that provides for a specific post allowance. UOEAP will use a base salary of

\$100,000 for all Study Center Directors and the table for a two person household (Table 2) regardless of actual salary or actual family size.

The Post Allowance rates by location can be found at:

http://aoprals.state.gov/Web920/location.asp?menu_id=95

The tables that describe the Post Allowance amounts by number in household (Table 2) and salary can be found at:

<http://aoprals.state.gov/content/Documents/DSSR229PaymentTables.pdf>

POST ALLOWANCE POLICY

UOEAP will pay 40% of the Post Allowance as delineated by the State Department and defined by the methodology above. Please refer to the Allowance table at the end of this document for specific Study Center Post Allowance amounts. This lump sum payment will be provided to the Study Center Director to use as he or she wishes. No receipts will need to be submitted to obtain the Post Allowance.

PAYMENT METHODS

Both the Housing Allowance and the Post Allowance will be paid annually to the Study Center Director on a date to be determined in consultation with UOEAP's Budget and Finance Unit. Receipts of actual costs are required for the Housing Allowance but not required for the Post Allowance. All allowances are paid through the "home" campus payroll and subject to taxes.

IMPLEMENTATION OF HOUSING AND POST ALLOWANCE FOR STUDY CENTER DIRECTORS

A. Housing Allowance Implementation

1. Group 2 "With Family" LQA schedules will serve as the basis for UOEAP's housing allowance maximum regardless of the actual number of family members living abroad during a Study Center Director's service period¹.
2. Total housing allowances are based on actual costs and are not to exceed forty percent (40%) of the LQA for a particular location (or the general "other" location in a particular country if a specific city is not calculated) as defined in A.1. above.

B. Post Allowance Implementation

1. UOEAP will use the State Department tables associated with a salary of \$100,000 for a two person household to determine the annual Post Allowance, regardless of the actual salary of the Study Center Director or the actual family size.
2. UOEAP will pay forty percent (40%) of the Post Allowance figure as represented on the State Department Table 2 as defined in B.1. above. <http://aoprals.state.gov/content/Documents/DSSR229PaymentTables.pdf>

¹ The State Department uses the Group 2 category for employees at a GS 14-15 level; the salary ranges for these grades are \$74,335 (GS 14, Step 1) to \$113,674 (GS 15, Step 10). Most UC faculty who are serving as Study Center Directors are within this salary range.

C. General Implementation Information

1. UOEAP housing and post allowances will be calculated on an annual basis. At the start date of each Study Center Director's tenure (usually July 1), the LQA and the Post Allowance in effect (for the date closest to July 1) will serve as the basis for the calculation. New rates will be calculated after January 1 for those Study Center Directors whose regular terms start in January.
2. At the start date for each successive year of an appointment, the published LQA and Post Allowance on the first day of the successive year's appointment will be used to calculate the successive year's EAP housing allowance. For those Study Center Directors whose appointment term is for a partial year, the total amount will be prorated according to the required length of residency.
3. UOEAP will require that a Study Center Director submit housing receipts or documents for reimbursement.
4. Receipts are not required for payment of the POST Allowance.
5. The attached "UCEAP Table of Housing and Post Allowances" is updated at the beginning of each fiscal year.
6. On an annual basis as explained above, UOEAP will review the State Department data and make adjustments according to the new LQA and Post Allowance rates in effect. As a result, all Study Center Directors need to be aware that the amounts of the housing and post allowances may go up or down depending on the most recent rates in effect July 1 and/or January 1, whichever is applicable.
7. UOEAP will not negotiate exceptions to this policy with individual Study Center Directors.

Adopted May, 2006

2009-2010 UCEAP TABLE OF HOUSING AND POST ALLOWANCES

(data as of June 21, 2009)

7-10-09 \ SAK		With Family			With Family		
Country	Location	U.S. Dept. of State Group 2 LQA Annual	UOEAP 40% Allowance for Housing *	U.S. Dept. of State POST Allowance percentage	U.S. Dept. of State POST Allowance Payment for Base \$100,000	UOEAP 40% Post Allowance *	UOEAP Total Maximum Housing + POST Allowance Payment *
Australia	Melbourne	26,700	10,680	25	9,250	3,700	14,380
Brazil	Rio de Janeiro	35,100	14,040	42	15,540	6,216	20,256
Chile	Santiago	45,500	18,200	5	1,850	740	18,940
China	Beijing	71,200	28,480	25	9,250	3,700	32,180
China	Shanghai	71,200	28,480	30	11,100	4,440	32,920
France	Lyon	47,100	18,840	70	25,900	10,360	29,200
France	Paris	82,600	33,040	70	25,900	10,360	43,400
Germany	Berlin	49,500	19,800	42	15,540	6,216	26,016
India	New Delhi	16,000	6,400	5	1,850	740	7,140
Italy	Other	55,000	22,000	60	22,200	8,880	30,880
Japan	Tokyo City	101,100	40,440	60	22,200	8,880	49,320
Japan	Yokohama (Meiji-Gakuin)	n/a	n/a	50	18,500	7,400	7,400
Mexico	Mexico City, D.F.	44,000	17,600	0	0	0	17,600
Russia	Moscow	90,900	36,360	25	9,250	3,700	40,060
Spain	Madrid	67,000	26,800	50	18,500	7,400	34,200
Sweden	Other	16,000	6,400	35	12,950	5,180	11,580
United Kingdom	London	82,900	33,160	42	15,540	6,216	39,376

* This annual amount will be prorated for term of residency in-country at Study Center