

Defined Contribution Plan (DCP)

The Defined Contribution Plan (DCP) is a savings plan that allows participants to accumulate tax-sheltered money for retirement. Each pay period, 7.5% of salary will be deposited automatically in the DCP and credited to an individual tax-sheltered account. The contributions are made on a pre-tax basis, which means they are deducted from salary before income taxes are calculated, so taxable income is reduced. Income taxes on the DCP contributions, as well as any earnings, are deferred (i.e., postponed) until the money is withdrawn.

The money accumulated in the DCP is intended primarily for use when an employee retires. When a student employee leaves University service, the account balance may be withdrawn and rolled over into another employer's 401(a) or 401(k) retirement plan (or an IRA) to retain the tax-deferred status. Student employees may also choose to cash out the account balance when they leave University service; however they may have to pay federal and state penalty taxes in addition to federal/state income taxes which would be due upon tax filing. More information is also available by logging into [UCPath](#).

Student FICA (DCP/Medicare) or “Safe Harbor”

A student employee who is a U.S. citizen, permanent resident or resident alien must be registered a minimum of half-time (6 units for undergraduates and graduate students) and have appointments totaling less than 80% for any portion of the month to remain exempt from DCP/Medicare deductions.

During the academic year, a registered graduate student who has advanced to PhD candidacy is not subject to the unit requirement but is subject to the less than 80% requirement.

Units taken through summer session do count in figuring exempt status, however graduate student employees enrolled in the special IFG summer session program will not be exempt from DCP/Medicare charges during the summer, even if they have enough units, in accordance with current IRS regulations.

DCP withholding and Medicare charges will not be required during intercession and break periods.

September is typically an ‘exempt’ month due to the guidelines stating that: “as long as the pay period (of a month or less) falls partially within the term, the student is eligible for the exemption.”

Student employees who do not meet the minimum unit requirement will be subject to withholding in the same manner as other non-career employees; that is, they will be required

to contribute 7.5% of their gross earnings to the DCP and 1.45% to Medicare (total FICA percentage will equal 8.95%).

Appeals

Students who have been incorrectly charged DCP/Medicare may request a refund. Career Success will investigate and, if the student has been incorrectly charged, the student will be refunded the retirement portion of the charges.

If you have reason to believe that a student employee is registered for the minimum course units, please contact Career Success.

Work Schedules

Undergraduate Student Employees

Student employees who are enrolled full-time are encouraged to work fewer than 20 hours per week while their classes are in session. To allow the student to pursue their educational objectives, the hiring department must be flexible in scheduling work hours. The number of work hours must take into account the student's educational workload.

-Updated on 11.12.2020

Graduate Student Employees

Graduate students holding teaching assistant positions must receive approval from the Graduate Division. The Graduate Division must inform Career Success via email that the student is in good academic standing and that an increased workload is not expected to negatively affect the individual's academic performance.

Meal and Rest Periods

Meal Periods. "An employee whose total workday is at least five hours will be provided with a meal period of at least 30 minutes unless the employee and his/her supervisor agree to waive this period or unless operational considerations require the employee to continue working during this period. An employee must be completely relieved from duty during meal periods.

Meal periods are neither time worked nor time on pay status."

Rest Periods. "The supervisor will grant a full-time employee two 15-minute rest periods, one to be taken in the first half of the work day and one in the second half of the work day, unless operational considerations require the employee to continue working during these periods. The

supervisor will grant a part-time employee one 15-minute rest period for each work period of three continuous hours or more, not to exceed two rest periods per day, unless operational considerations require the employee to continue working during these periods. Such rest periods are considered time worked.”

For more information, confer [PPSM-30](#).

Worker's Compensation

The University is required by law to pay worker’s medical expenses and disability payments for on-the-job injuries. Contact SHR Operations or Risk Management for further information regarding Worker's Compensation.

Complaint Process

For all student employment issues, both on and off-campus, please contact the Career Success Associate Director of Experiential Learning, Dr. Veronica Heiskell, at vheiskel@ucsc.edu.

They will review and process all complaints related to Career Success policies and procedures that are submitted to Career Success by both students and employers. If an informal resolution cannot be reached, the Associate Director of Experiential Learning will advise the individual(s) of their options and of the available administrative resources.

A student employee has the right to file a complaint with the Career Success office and/or to utilize the campus grievance procedures in the following situations:

- if the student employee has reason to believe that an employer has not adhered to an established Student Employment policy and/or procedure; or
- in the case of alleged violation of Title VIII or Title IX regulations or of university policy precluding discrimination based on sex, race, religion, national origin, age, or sexual orientation.

Prior to contacting Career Success regarding a specific complaint, it is recommended that the individual(s) filing the complaint(s) first seek an informal in-house resolution to the issue of concern. Persons who are unsure as to how to attempt this informal in-house resolution should contact Career Success immediately for advice. After informal efforts have been exhausted and the complaint remains unresolved, it is then appropriate to seek advice from Career Success on how to proceed.

The Career Success Associate Director of Experiential Learning will hear all the facts. If it is determined that there may have been a misapplication of university policies or Career Success policies and/or procedures, the Career Success Associate Director of Experiential Learning will attempt to facilitate an informal resolution.

Additional Resources:

- [Office For Diversity, Equity, And Inclusion](#)
 - [Equity & Equal Protections](#)
 - [Title IX Office](#)
 - [Employee & Labor Relations](#)
 - [Dean of Students](#)
 - [Problem and Complaint Resolution Resources](#)
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Policy for Termination

Student employees may be terminated at any time without specifying a reason. Written notice shall not include a reason.

Best practices:

- Employers should strive to work out any disciplinary issues with their employees and dismissal should be used as a last resort. We recommend providing a verbal warning, then written warning, then a mediated conversation prior to termination.
- Student employees should be given as much notice as possible before changing schedules or terminating employment.
- Employers should provide feedback to improve and/or correct the conduct or performance of student employees.
- Employers should be fair and make sure all student employees are treated consistently.
- The Associate Director of Experiential Learning is available to mediate employee/employer problems.