

MEMORANDUM

To: Deans; School Coordinators; Department Chairs
From: Anita L. Allen
CC: Jack Heuer, Louise Pedraz, Julie Shuttleworth, Trevor Lewis, Liz Notte
Date: December 2, 2015
Subject: Retroactive Appointments

This memo documents a recent change in University procedures related to payment of retroactive retirement fund contributions for those faculty receiving retroactive appointments.

Schools have sometimes allowed new faculty members to begin working before their faculty appointments have been approved by the Provost (through PSCS or PSC) and Trustees. Because of this practice from time to time, the Provost's office is asked by a School to make a recent full-time faculty appointment retroactive to a date in the past, usually the beginning of the current fiscal year. We have discouraged such requests, but they are occasionally made and approved.

When retroactive appointments have been approved by the Provost, some Schools or individual faculty members have then anticipated that the University will apply its retirement benefit plan retroactively and the University has complied with these requests when possible. However, we have been notified by the Vice President of Human Resources that the University is no longer able to make retroactive retirement fund contributions as this practice has become problematic under our Retirement Plans, particularly, the Matching Plan because the maximum contribution allowable per month is (5%) and we exceed this amount when trying to "make up" contributions for the missed months.

There are a number of pending faculty appointments which may be affected by this procedural change because they have been entered in a payroll job class category that is not eligible for retirement fund contributions; the most common category used is Instructor A. When these individuals receive their faculty appointment, these faculty members will not be eligible for retroactive retirement contributions for the time between the date of payroll entry to the date of the actual faculty appointment.

Moving forward, the Provost's Office and Human Resources have created a new payroll job class to be used exclusively for faculty members meeting the profile described below with prior approval from the Provost Office. This will enable retirement-contribution eligibility at the time of payroll entry: *140060, Faculty-Pending*.

Any faculty member currently in payroll with a pending appointment should be communicated to the Provost's Office. Once the Provost's Office has approved, they can be moved into the newly created job class category. In the future, schools wishing to use this job class code should send a request with justification to the Provost's Office for approval prior to using this job class category. Requests should be sent to Liz Notte at lotte@upenn.edu.

This letter should not be interpreted as endorsement of a faculty member being entered into payroll and to begin working prior to PSC or PSCS approval. Retroactive appointments should be rare, if ever, and only for those appointment types that require intensive processing such as PIK appointments, joint appointments, or non-PIK appointments with tenure or at the full or associate professor rank in the Clinician-Educator or Research tracks. Only in the most exceptional circumstances should appointments at the Assistant Professor rank (all tracks and categories) be retroactive, regardless of the benefits implications.