



# Supplement to Military Pay

<b>Academic Officer:</b>	Vice Provost – Academic Personnel and Programs
<b>Academic Office:</b>	APP – Academic Personnel and Programs
<b>Staff Officer:</b>	Vice President – Systemwide Human Resources
<b>Staff Office:</b>	SHR – Systemwide Human Resources
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<b>Scope:</b>	This policy applies to all University academic and staff employees, including Lawrence Berkeley National Laboratory employees.

	<b>Academic</b>	<b>Staff</b>
<b>Contact</b>	Rebecca Woolston (APP)	Aafia Ali Khan (HR)
<b>Email:</b>	<a href="mailto:Rebecca.Woolston@ucop.edu">Rebecca.Woolston@ucop.edu</a>	<a href="mailto:Aafia.alikhan@ucop.edu">Aafia.alikhan@ucop.edu</a>
<b>Phone:</b>	(510) 987-9153	(510) 987-0549

## TABLE OF CONTENTS

<b>I. POLICY SUMMARY .....</b>	<b>1</b>
<b>II. DEFINITIONS .....</b>	<b>2</b>
<b>III. POLICY TEXT.....</b>	<b>2</b>
<b>IV. COMPLIANCE/RESPONSIBILITIES .....</b>	<b>6</b>
<b>V. PROCEDURES .....</b>	<b>6</b>
<b>VI. RELATED INFORMATION .....</b>	<b>10</b>
<b>VII. FREQUENTLY ASKED QUESTIONS .....</b>	<b>11</b>
<b>VIII. REVISION HISTORY .....</b>	<b>12</b>

## I. POLICY SUMMARY

This policy describes the salary supplement that is provided to those University academic and staff personnel serving on active military duty in support of an ongoing overseas military mobilization campaign.

## II. DEFINITIONS

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Detailed information about common terms used within Personnel Policies for Staff Members (PPSM) can be found in [Personnel Policies for Staff Members 2 \(Definition of Terms\)](#).

Detailed information about common terms used within the Academic Personnel Manual (APM) can be found in [Academic Personnel Definitions \(APM-110\)](#).

**Supplement to Military Pay:** Compensation paid to a University employee who has been called to active military duty in support of an ongoing overseas military mobilization campaign. The Supplement to Military Pay is the difference between an employee's University pay and active military duty pay.

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## III. POLICY TEXT

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### A. Eligibility

All employees who, as members of the National Guard, the Armed Forces, the commissioned corps of the Public Health Service, or any other category designated by the President of the United States, are serving on active military duty in support of an ongoing overseas military mobilization campaign are eligible for supplements to their military pay.

For purposes of this policy, "employee" is meant to include individuals who hold an academic, career, limited, floater, casual-restricted, contract, or per diem appointment, regardless of the percentage of time worked.

### B. Components of an Employee's Supplement to Military Pay

An employee's Supplement to Military Pay will depend on the components of the employee's current University compensation as discussed below.

1. **Health Sciences Compensation Plan:** The University pay of employees compensated under the [Health Sciences Compensation Plan](#) is both the base salary and the negotiated compensation (exclusive of incentive payments) in effect and paid through the University payroll when military leave commences, plus faculty recruitment allowance, if applicable.
2. **Staff Physicians and Dentists Compensation Plan:** The University pay of employees compensated under the Staff Physicians and Dentists Compensation Plan is both the base salary and non-base salary (exclusive of incentive payments) in effect and paid through the University payroll when military leave commences.
3. **All Other Employees:**
  - a) **Eligible Earnings:** The University pay of all other employees is the employee's regular base pay rate plus any of the following eligible earnings:
    - shift differentials;
    - clinical nurse differentials;
    - non-base building pay for nurses;

University of California – Policy on Supplement to Military Pay  
Supplement to Military Pay

- police specialty pay;
- stipends (department chair, etc.); and
- faculty recruitment allowance.

**b) *Ineligible Earnings:*** Ineligible earnings include the following:

- overtime;
- uniform allowances;
- UNEX BYA;
- summer session salaries;
- on-call pay;
- honoraria;
- incentive and performance awards;
- non-elective deferred compensation
- consulting fees;
- pay for a position that is not normally full-time, except if paid on a salary or hourly rate basis;
- housing allowance;
- additional academic compensation, including summer and UNEX compensation; and
- terminal vacation pay.

**c) *Range Adjustments, Merit Increases, and Promotion Increases:*** The base pay rate will be adjusted for range adjustments, merit increases, and promotion increases that would have been granted had the employee not been ordered to active military duty.

**d) *Variable-Time Appointments: Staff:*** The base pay rate of an employee with a variable-time appointment will be adjusted for the average hours on pay status during the three calendar months (for an employee paid on a monthly basis) or six pay periods (for an employee paid on a bi-weekly basis) immediately prior to commencement of military leave, exclusive of hours attributed to overtime. If the consecutive three months or six bi-weekly pay periods immediately preceding the beginning of the military leave cannot be used due to approved leave without pay, the look-back period may be extended up to, but no longer than, one year prior to the beginning of the leave, using the most recent applicable pay periods.

- ***Academic Appointees:*** For academic appointees who report time on a variable basis, eligible earnings are an average of the appointee's eligible earnings for the three calendar months (for an appointee paid on a monthly basis) or six pay periods (for an appointee paid on a bi-weekly basis) immediately prior to the period in which the military leave begins, excluding

**University of California – Policy on Supplement to Military Pay**  
**Supplement to Military Pay**

periods with approved leave without pay. If the consecutive three months or six bi-weekly pay periods immediately preceding the beginning of the military leave cannot be used due to approved leave without pay, the look-back period may be extended up to, but no longer than, one year prior to the beginning of the leave, using the most recent applicable pay periods not to exceed the term of the appointment.

- e) *Irregular-Shift Assignments:*** The shift differential component of the gross University pay of employees who are not assigned to the same shift on a regular basis will be calculated by taking an average of the shift differentials paid over the three months prior to commencement of military leave.

**C. Duration**

Supplement to Military Pay, as defined in this policy, will begin on the first day of unpaid military leave. The Supplement to Military Pay will extend for a period not to exceed the employee's tour of active duty, or until the separation date of an employee's University appointment, whichever comes first.

A University employee who has a separation date due to budgetary restrictions or an appointment end date may be reappointed in accordance with University policy and procedures. If such a reappointment occurs during the employee's active military duty, the employee's Supplement to Military Pay will continue into the subsequent appointment until the end of the active duty.

Benefits provided under the policy are subject to a two-year lifetime limit, dating back to December 14, 2001 (the policy's original start date).

**D. Benefits**

**1. Health and Welfare Benefits**

An employee receiving a Supplement to Military Pay will be considered to be on pay status. To determine the circumstances in which employees can continue health and welfare benefits while receiving a Supplement to Military Pay, please refer to the [Group Insurance Regulations \(GIRs\)](#) under Military Leave for further information.

If an employee is enrolled in TRICARE military medical coverage during the employee's tour of active military duty and the employee continues coverage in a UC medical plan, TRICARE becomes the primary insurer with regard to the employee's medical coverage, while eligible family members' primary coverage will continue to be through the University plan.

Active military duty is considered employment, and some UC-sponsored health and welfare benefits exclude coverage of employment-related injuries or illnesses. In addition, some plans have coverage exclusions for injuries or illnesses that occur due to combat or acts of war. See the applicable Plan Documents for more detail.

If an employee is separated from University employment while on a tour of active military duty, the employee's coverage will cease at the end of the month in which the separation occurs. An employee may opt to continue health and welfare benefits through COBRA, conversion, or porting, as applicable. Please refer to the GIRs for detail.

**University of California – Policy on Supplement to Military Pay**  
**Supplement to Military Pay**

An employee not eligible for the Supplement to Military Pay, because their military pay exceeds their University pay, may elect to use accrued vacation, PTO and/or compensatory time off (CTO), in order for the University to continue to pay the University's contribution to their health plan premiums through the employee's tour of active duty, or until the separation date of an employee's University appointment, whichever comes first. Benefits provided under the policy are subject to a two-year lifetime limit, dating back to December 14, 2001.

**2. Retirement Benefits**

Any applicable University and employee contributions to the University of California Retirement System plans, including the [University of California Retirement Plan \(UCRP\)](#), the [Defined Contribution Plan \(DC Plan\)](#), the [Tax-Deferred Plan \(403\(b\) Plan\)](#), and the [457\(b\) Deferred Compensation Plan \(457\(b\) Plan\)](#) will continue for eligible employees in accordance with the plan provisions while a paycheck is received and will stop with the employee's last paycheck. Employee contributions during the military leave will be based on the Supplement to Military Pay amount and any employee elections as applicable.

An employee on military leave may suspend 403(b) Plan loan repayments for the period of military leave as provided under the [Uniformed Services Employment and Reemployment Rights Act \(USERRA\)](#) and the 403(b) Plan provisions.

Retirement service credit (UCRP and Savings Choice service credit) will be earned in accordance with the UCRP and DC Plan provisions for the period of military service and for a period following military service, provided that the employee returns to University employment following the leave or notifies the University in writing of the employee's intent to return to work in accordance with any applicable reemployment rights.

If the employee returns to University employment, the employee may be eligible to make up contributions to the DC Plan, the 403(b) Plan, and/or the 457(b) Deferred Compensation Plan that were missed due to the period of military leave, in accordance with USERRA and applicable plan provisions.

**E. Special Situations**

- 1. Leaves With and Without Pay:** Employees who received orders to report to active military duty while on an approved leave, with or without pay (e.g., sabbatical, personal, or research leave), will, for the purpose of calculating the Supplement to Military Pay, be returned to their regular status.
- 2. Temporary Reductions in Time:** Employees who received orders to report to active military duty while on a temporary reduction in time will have their reduced time used to calculate Supplement to Military Pay payments. However, if at the expiration date of such temporary reduction in time, the employee remains on active military duty and eligible for Supplement to Military Pay, the employee will be returned to their regular status for purposes of calculating Supplement to Military Pay payments.
- 3. Temporary Layoffs:** Employees who received orders to report to active military duty while on a temporary layoff, will not be eligible for Supplement to Military Pay

payments. However, if the employee is recalled before the expiration date of the temporary layoff and the employee remains on active military duty and eligible for Supplement to Military Pay, the position for which the employee is recalled will be used to calculate Supplement to Military Pay payments.

The employee's department or applicable unit will be responsible for submitting the documentation required to initiate the Supplement to Military Pay payments at such expiration date. The Supplement to Military Pay payments should begin at the expiration date of the temporary layoff.

4. **Indefinite Layoffs:** Employees who received orders to report to active military duty while on an indefinite layoff are not eligible for Supplement to Military Pay payments.
5. **Partial Year Career Employees:** Military pay will not be supplemented during the time when employees are on furlough unless such employees have elected to spread their paychecks over 12 months. Time spent on unpaid furlough will not be included in the calculation of the Supplement to Military Pay payments.

The employee's department or applicable unit will be responsible for terminating the Supplement to Military Pay payments when such employee would normally go on unpaid furlough and for reinstating the Supplement to Military Pay payments when such employee would normally return to pay status.

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## IV. COMPLIANCE/RESPONSIBILITIES

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### A. Implementation of the Policy

Executive Officers (the University President, Chancellors, Lawrence Berkeley National Laboratory Director, or Vice President of Agriculture and Natural Resources) and their designees will develop procedures and supplementary information to support implementation of this policy. Responsible Officers (Vice Provost – Academic Personnel and Programs and Vice President – Systemwide Human Resources) may interpret and clarify the policy. All substantive policy changes are made through the standard process for Presidential policy.

Exceptions to local procedures required by the policy must be approved by the Executive Officer or designee.

### B. Revisions to the Policy

The President approves this policy and any revisions upon recommendation by the Responsible Officers. Vice Provost – Academic Personnel and Programs and Vice President – Systemwide Human Resources have the authority to initiate revisions to the policy, consistent with approval authorities and applicable Bylaws and Standing Orders of the Regents.

The UC Provost and Executive Vice President for Academic Affairs and the Executive Vice President – Chief Operating Officer have the authority to ensure that the policy is regularly reviewed, updated, and consistent with other governance policies.

### **C. Approval of Actions**

Actions within this policy must be approved according to local procedures. Actions related to Senior Management Group employees must be approved by the President.

### **D. Compliance with the Policy**

The Executive Officer at each location will designate the local management office that is responsible for monitoring, enforcing, and reporting policy compliance. The Senior Vice President and Chief Compliance and Audit Officer will periodically audit and monitor compliance with the policy.

### **E. Noncompliance with the Policy**

Noncompliance with this policy may result in remediation, educational efforts, and/or employment consequences up to and including informal counseling, adverse performance evaluations, corrective action/discipline, and termination.

For policy-covered staff employees, corrective action/discipline is governed by Personnel Policies for Staff Members [62 \(Corrective Action\)](#), [63 \(Investigatory Leave\)](#), and [64 \(Termination and Job Abandonment\)](#); [Personnel Policies for Staff Members-II 64 \(Termination of Appointment\)](#), which applies to Senior Management Group (SMG) employees; and as applicable, other policies and procedures.

For academic personnel, formal corrective action/discipline is governed by [APM - 015 \(The Faculty Code of Conduct\)](#); [APM - 016 \(University Policy on Faculty Conduct and the Administration of Discipline\)](#); [APM - 150 \(Non-Senate Academic Appointees/Corrective Action and Dismissal\)](#) and as applicable, other policies and procedures.

For represented employees, formal corrective action/discipline is governed by collective bargaining agreements. To the extent that there exists a conflict between this policy and the applicable terms of a collective bargaining agreement, the terms of the collective bargaining agreement shall apply.

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## **V. PROCEDURES**

The steps an employee must take to initiate the Supplement to Military Pay are explained below. Employees should contact their local Academic Personnel or Human Resources Office for additional information. At some locations, the responsibilities of the employee's department may be handled by a central unit.

### **A. Documentation Required to Initiate Supplement to Military Pay Payments**

- 1. Supplement to Military Pay Worksheet:** The employee's department and the employee, or the person who holds the power of attorney on behalf of the employee, are responsible for completing the [Supplement to Military Pay Worksheet](#). The purpose of the worksheet is to calculate the gross Supplement to Military Pay and to obtain acknowledgement from the employee that any overpayments will be returned to the University.

University of California – Policy on Supplement to Military Pay  
Supplement to Military Pay

2. **Leave of Absence Request:** Military leaves of absence and supplements to military pay should be requested in accordance with the local procedure pertaining to leave of absence requests.
3. **Leave and Earnings Statement:** The employee, or the person who holds the power of attorney on behalf of the employee, will be responsible for documenting/estimating the military pay. If available, a Leave and Earnings Statement (LES) will be used to determine the gross monthly military pay. If an LES is not available, the gross military pay may be estimated.
4. **Power of Attorney:** If an employee has designated a power of attorney, documentation of such power of attorney will be submitted along with the completed worksheet.
5. **Cancelling Coverage for All Health & Welfare Benefits:** Employees may enroll in, change, cancel or opt out of health and welfare benefits through UCPath.
6. **Payroll Earnings Distribution Authorization:** Employees may change their disposition of pay through UCPath.

**B. Initiating the Supplement to Military Pay**

1. **If the Employee Has Not Yet Reported To Active Military Duty:** The employee's department and the employee (or the person who holds the power of attorney on behalf of the employee) are responsible for providing and/or completing the relevant forms.
2. **If the Employee Has Reported To Active Military Duty and Not Returned to University Employment:** The employee's department will attempt to contact and inform the employee on military leave (or the person who holds the power of attorney on behalf of the employee) of the Supplement to Military Pay and the procedures required to initiate the Supplement to Military Pay payments.

The Supplement to Military Pay payments will not be issued without the signature of the employee, or the person who holds the power of attorney on behalf of the employee, on the [Supplement to Military Pay Worksheet](#). If a department is unable to obtain a completed worksheet and LES from an employee, or the person who holds the power of attorney on behalf of the employee, the Supplement to Military Pay payment will be calculated and issued upon the employee's return to work.

3. **If the Employee Has Returned to University Employment From Active Military Duty:** The employee will submit copies of all LES covering the period of time in which the employee was eligible for Supplement to Military Pay payments. The employee's department will be responsible for calculating the total gross Supplement to Military Pay payment and submitting the required paperwork in accordance with established location procedures.

**C. Issuing Payments**

1. **Retroactive Payments:** The employee's department will be responsible for submitting all retroactive paperwork. If an employee is eligible for future Supplement to Military Pay payments, the department will complete the relevant equivalent



University of California – Policy on Supplement to Military Pay  
Supplement to Military Pay

document(s) based upon the most recent worksheet and LES obtained from the employee, or the person who holds the power of attorney on behalf of the employee.

2. **Pro-Rated Payments:** The employee's department will be responsible for pro-rating Supplement to Military Pay payments that do not cover a full pay period for employees covered by positive time reporting.
3. **Extensions and Multiple Military Leaves:** The employee's department will be responsible for ensuring that Supplement to Military Pay payments for employees with extensions of their original orders or with multiple military leaves are consistent with these guidelines.
4. **Deductions:**
  - a) **Mandatory Deductions:** Supplemental payments will be subject to Federal income tax, State income tax, OASDI, and Medicare. Garnishments/Earnings Withholding Orders for Support, if applicable, will be withheld as well as any mandatory retirement plan contributions.
  - b) **Voluntary Deductions:** Voluntary deductions will continue to be withheld unless cancelled by submittal of the appropriate cancellation forms.
  - c) **Employer Contributions:** Departments are responsible for University contributions.
5. **Issuance:** Supplement to Military Pay payments will be issued during the military leave as part of the normal payroll cycle for each affected employee, except for retroactive payments. The Supplement to Military Pay will be distributed to the disposition selected by the employee.
6. **Terminating Supplement to Military Pay Payments:** The employee's department will be responsible for ensuring that, upon expiration of the Supplement to Military Pay payments, the employee's status is correctly reflected on the relevant document(s).

**D. Reconciliation**

1. **Reinstatement:** When an employee returns to work from active military duty, the employee will submit an LES for each month for which the Supplement to Military Pay was earned or received. The employee's department will be responsible for reconciling actual Supplement to Military Pay payments with all LES. Any overpayments or underpayments will be adjusted in accordance with established location payroll procedures.
2. **Benefits:** Employees returning from military leave have a 31-day period of initial eligibility to reenroll in coverages which lapsed or were cancelled during the extended military leave. The period begins with the date of return to pay status.
3. **Retirement Service Credit:** Covered compensation and retirement service credit (UCRP and Savings Choice service credit) earned during an extended military leave will be manually adjusted when the employee returns to pay status by submitting a copy of the Leave of Absence History or equivalent and copies of the employee's military orders to the Retirement Administration Service Center.

4. **University Contributions:** University contributions to the Retirement Savings Program that would have been earned during an extended military leave will be manually adjusted upon notice of the employee's return to pay status.
5. **Employees Who Do Not Return to University Service:** Employees who elect to terminate their University appointment will be responsible for contacting their former departments to initiate reconciliation between their estimated and actual military earnings. Employees who have been underpaid will receive the balance due. Overpayments will be repaid to the University.

Overpayments will be forgiven if an employee is killed or is disabled to the extent that such employee cannot return to University employment.

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## VI. RELATED INFORMATION

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- [Collective bargaining agreements](#) (referenced in Section IV.E of this policy)
- [Consolidated Omnibus Budget Reconciliation Act of 1985 \(COBRA\)](#) (referenced in Sections III.D.1 and VII of this policy)
- [Legal Plan Insurance](#)
- [Supplemental Life Insurance](#)
- [Homeowner/Rental/Auto Insurance](#)
- [Basic Disability, Voluntary Short-Term Disability Insurance, and Voluntary Long-Term Disability Insurance](#)
- [Health Flexible Spending Account \(Health FSA\)](#) (referenced in Section VII of this policy)
- [Dependent Care Flexible Spending Account \(DepCare FSA\)](#)
- [Accidental Death & Dismemberment \(AD&D\)](#)
- [Defined Contribution Plan \(DC Plan\)](#) (referenced in Section III.D.2 of this policy)
- [457\(b\) Deferred Compensation Plan](#) (referenced in Section III.D.2 of this policy)
- [Tax-Deferred 403\(b\) Plan](#) (referenced in Section III.D.2 of this policy)
- [The Uniformed Services Employment and Reemployment Rights Act \(USERRA\)](#) (referenced in Section III.D.2 of this policy)
- [The University of California Health and Welfare Programs for Faculty and Staff Group Insurance Regulations \(GIRs\)](#) (referenced in Section III.D.1 of this policy)
- [University of California HR Forms and Publications](#)
- [University of California Retirement System \(UCRS\)](#)
- [University of California Retirement Plan \(UCRP\)](#) (referenced in Section III.D.2 of this policy)
- [Supplement to Military Pay Worksheet](#) (referenced in Sections V.A.1 and V.B.2 of this policy)

University of California – Policy on Supplement to Military Pay  
Supplement to Military Pay

- [Health Benefits Enrollment Form for Newly Eligible Employees \(FR.008\) \(UCPath\)](#)
- [Health Benefits Enrollment Form for Life Events \(FR.065\) \(UCPath\)](#)
- Personnel Policies for Staff Members [62](#), [63](#) and [64, II-64](#) (referenced in Section IV.E of this policy)
- [The Faculty Code of Conduct \(APM - 015\)](#) (referenced in Section IV.E of this policy)
- [University Policy on Faculty Conduct and the Administration of Discipline \(APM - 016\)](#) (referenced in Section IV.E of this policy)
- [Non-Senate Academic Appointees/Corrective Action and Dismissal \(APM - 150\)](#) (referenced in Section IV.E of this policy)
- [Health Sciences Compensation Plan \(APM - 670\)](#) (referenced in Section III.B.1 of this policy)
- [Benefits and Privileges: Leaves of Absence/Military Leave \(APM - 751\)](#)

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## VII. FREQUENTLY ASKED QUESTIONS

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### General

**1. What is the definition of military pay for purposes of this policy?**

Military pay is all compensation received by the employee from the military, including allowances.

**2. How is the Supplement to Military Pay funded for purposes of this policy?**

Each location will determine the source of funds for the Supplement to Military Pay. University general funds, unrestricted gift funds, medical school compensation plan funds, and other funds identified by the campus may be used. Extramural contract and grant funds may be used to the extent such funds were used to pay the employee immediately prior to the call to active military duty.

**3. If an employee separates from University employment during their tour of active military duty, what other types of coverage can the employee continue?**

An employee may opt to continue medical, dental, vision, and Health FSA coverage under COBRA's continuation provisions.

Alternatively, for medical coverage only, an employee may apply — within 31 days after group coverage ends — for conversion to an individual policy. An employee may also apply to the insurance carrier directly for individual coverage. The Affordable Care Act's Health Insurance Marketplace may also provide options.

The employee should contact the local benefits office for assistance with the details.

## VIII. REVISION HISTORY

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**July 7, 2022:** updated APP Policy Owner/contact

**June 21, 2022:**

- Removed all references to four-year review provision.
- Additions/update of existing policy language including scope, definitions, benefits terminology, compliance/responsibilities, and procedures.
- Updated links, gender neutral language throughout the policy.
- This Policy was remediated to meet Web Content Accessibility Guidelines (WCAG) 2.0.

**July 1, 2018:**

- Replaced reference to former campaign name with more general term.
- Additions/update of existing policy language including definitions, compensation, duration and procedures.
- Clarification of existing benefits language.

**August 23, 2017:** This policy was remediated to meet Web Content Accessibility Guidelines (WCAG) 2.0 and updated the contact info for Academic Personnel.

**July 1, 2014:**

- Academic Personnel and Human Resources both reflected as the Responsible Offices for this policy.
- “War on Terror Campaign” updated to “Overseas Contingency Campaign (formerly the War on Terror campaign) or any successor military mobilization campaign.”
- Dep Care FSA language clarified and Health FSA language added.

As a result of the issuance of this policy, the following document is rescinded as of the effective date of this policy and is no longer applicable:

- Supplement to Military Pay Policy, dated July 1, 2014
- Supplement to Military Pay Policy, dated July 1, 2012

**July 1, 2012:** This policy was reformatted into the standard University of California policy template.