Service Request 81702
Covered Compensation Limit Changes for 2007
May 11, 2007

**Objective:**

Modify the PPS to update the Covered Compensation Limit with the 2007 rates.

**Project Type:**

PPS modification

**Requested By:**

Payroll Coordination and Tax Services

**Analyst:**

Julia Sills

**Due Date:**

Urgent
The Internal Revenue Service has announced a cost of living adjustment applicable to the covered compensation limit for defined benefit retirement plans. Therefore, effective July 1, 2007, the new limits are as follows:

- The annual compensation limit for employees who became active University of California Retirement Plan (UCRP) members prior to July 1, 1994 has been increased from $325,000.00 to $335,000.00,
- The annual compensation limit for employees who became active UCRP members on or after July 1, 1994 has been increased from $220,000.00 to $225,000.00.

Attached is a System Parameter Table form displaying the new rate. The tolerance limit is blank because it is set locally. The changes must be made available to campuses so that they can update their tables after processing June earnings has been completed but before any computes with July earnings are processed.

Please make the rate changes available to campuses via an FTP.
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**May 11, 2007**

### PAYROLL/PERSONNEL
**SYSTEM PARAMETERS TABLE**
UPAY559 (R01/03) R1460

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<tr>
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