

# Pathway to Retirement

Your guide to planning for and thriving in retirement.

## Congratulations!

You have taken an important first step towards planning for a fulfilling and secure retirement. But what else do you need to do?

- How to use this guidebook
- Envisioning your retirement
- Retirement income planning
- Retirement income sources
- Retiree health and welfare coverage
- UC retirement process
- Retirement checklist

# How to use this guidebook

Retirement may be around the corner or years away. Use this guidebook to organize all the information you will need to plan for and transition into a fulfilling retirement. Be sure to follow the outlined action steps and utilize the highlighted resources.

Along the pathway to retirement, you will need to gather important information, such as your estimated UCRP pension and Social Security benefits. Make sure that everything you need is in one convenient place.



## Key resources

### Pathway to Retirement Event Page

[myUCretirement.com/Classes/PathwaytoRetirement](https://myUCretirement.com/Classes/PathwaytoRetirement)

### UC Systemwide News, Benefits, and Policies

[myUCretirement.com](https://myUCretirement.com)

### UC-dedicated Fidelity Workplace Financial Consultants

- Virtually: [fidelity.com/schedule/uc](https://fidelity.com/schedule/uc)
- Over the phone: 800-558-9182

### Ready to Retire Life Stage Track

[myUCretirement.com/trackpage/3](https://myUCretirement.com/trackpage/3)

### UC Retirement Administration Service (RASC) Center

- 800-888-8267 (U.S.)
- 510-987-0200 (Outside U.S.)

### Health Care Facilitators

[ucnet.universityofcalifornia.edu/contacts/health-care-facilitators.html](https://ucnet.universityofcalifornia.edu/contacts/health-care-facilitators.html)

# Envisioning your retirement

Will you simply be filling your days in retirement or will you have days of fulfillment? With an average retirement age of 63, you may be in for a long retirement. But, some people dread the thought of retiring. Others are giddy with excitement and can hardly wait to start. Regardless of where you fall between these two outlooks, what you do with this next chapter is up to you.

Figuring out how and where you'll find fulfillment in retirement takes some time and attention. You now have a chance to define your future years any way you want. We'll help you find your bearings as you embark on your pathway to retirement.

## Summary of presentation



### Ask key questions... and answer truthfully

In reality, many folks are unprepared for the major life challenges that come with retirement. It's okay to take your time getting ready to step out of your work routine and into your new life routine.



### Create your purpose

For many, this is an exploration. Be willing to try new things and continue to search for just the right way to spend your time and talents.



### Consider care of you and your family

We're all aging which means you may be faced with caring for your parents or your spouse or partner, or you could become the one needing care. It's a very common role that so many of our generation are stepping into and something to consider as you plan for the future.



### Acknowledge this is not "business as usual"

Even well-prepared retirees say the transition can be a little bumpy. Everything is new and different from your daily routine to the demands on your time. Take the time to embrace your newfound freedom.

## ACTION STEPS

- Find out what others like you are doing—talk to other retirees, read the CUCRA survey results to get ideas, reach out to your local UC Retiree/Emeriti Association and Center
- Explore lifelong learning opportunities at all the UC campuses
- Learn ways to stay connected to UC
- Add other ideas you like to this guidebook

## LEARN MORE

- Watch the webcast, *Your retirement transition: Go from saving to spending* (webcast on-demand at [Fidelity.com](https://www.fidelity.com))
- Visit your local [UC Retiree/Emeriti Association and Center](#)
- Read the Council of UC Retiree Association's (CUCRA) survey, *UC Retirees: Advocates, Ambassadors, Assets*, available on [UCnet](#).

# Retirement income planning

When you retire, just about everything in your life changes—from your daily routine and the demands on your time to your finances and your concerns about making your money last. Instead of receiving a paycheck from UC, you'll be creating your own. And, that paycheck may need to last for the next 25 or 30 years. A very tall order! How will you successfully get on the right financial path and stay on it throughout retirement? Setting up a comprehensive retirement income plan that incorporates your specific resources will be time well spent. You'll see where your paycheck will come from, where you'll spend your money, and how long it might last. That's the value of a dynamic view of your retirement financial picture—before you retire and each year in retirement.

## Summary of presentation

### 1

#### Decide when you can retire

There are two critical considerations before you leave your job: what you want and how much you can afford. Addressing these goals is the foundation to building your retirement income plan.

### 2

#### Align your income and expenses

Use the Planning and Guidance tools to create a retirement income plan. Once you start taking distributions, set up recurring, automatic withdrawals.

### 3

#### Incorporate income security

Assess how much income is expected from sources like Social Security and pension, and determine if it will meet your spending needs in your later years of retirement. Explore the Deferred Lifetime Income option available through the UC Pathway Funds.

### 4

#### Re-evaluate your investments

As you move towards retirement, consider if your investment strategy is in line with your retirement income needs. Make sure your current investments are right for your age, goals, life expectancy, and risk tolerance.

### 5

#### Streamline and keep things simple

Help make managing your assets easier by consolidating your UC Retirement Savings Program (RSP) accounts into a single plan, if you have more than one. Consider rolling over retirement savings from other employers into a single plan.\*

\*Be sure to consider all your available options and the applicable fees and features of each before moving your retirement assets.

## ACTION STEPS

- Attend classes (onsite, web and on-demand)
- Plan for expenses in retirement—use the Planning & Guidance tool
- Understand all your sources of income in retirement (including benefits through previous employers, other savings, etc.)
- Compare your current paycheck with your estimated “retirement paycheck”—see your expected income from UC sources (Retirement Review) on [myUCretirement.com](https://myUCretirement.com)
- Meet with a UC-dedicated Fidelity Workplace Financial Consultant to get help matching expenses against potential income. You'll get a holistic view of your retirement plan and explore changes that may help you become better prepared

## LEARN MORE

- Attend the class, *Fundamentals of Retirement Income Planning* (register on [myUCretirement.com/classes](https://myUCretirement.com/classes))
- Attend the class, *Strategies for Drawing Income in Retirement* (register on [myUCretirement.com/classes](https://myUCretirement.com/classes))
- Use the NetBenefits® *Planning and Guidance* tool to estimate how long your money will last (login required)

# Retirement income sources

For many UC faculty and staff, income in retirement comes from three main sources—Social Security, UC Retirement Plan (Pension), and UC Voluntary Retirement Savings Program 403(b), 457(b), and DC Plans. Understanding how much to expect from each of these sources is key to the planning process.

## Social Security

At first glance, Social Security can be a complicated program. There are thousands of rules and many ways to get lost in the details. It's no wonder so many retirees throw their hands up and just claim as soon as they can. But, there are consequences for claiming too soon and missed opportunities if claiming too late. It's important to understand some of the ins and outs of this program before making your decision to claim. The income you'll receive from Social Security, along with your UC pension, becomes the foundation to your retirement paycheck. Getting more out of this reliable income source may help you make the most of your retirement.

### Summary of presentation

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|---|--|---|--|---|
| <p><b>1</b></p> <p><b>When should I claim (vs. when can I claim)?</b></p> <p>Age 62 is the earliest to claim Social Security, but is that really the best time to collect? There are significant implications to your monthly income based on when you claim.</p> | <p><b>2</b></p> <p><b>How can I claim retirement benefits?</b></p> <p>Social Security looks at each person in one of four categories: an individual, a spouse, an ex-spouse, or a surviving spouse. Your situation may change over your lifetime, but at any given point, you are only entitled to one benefit. It will be the highest one you are eligible for.</p> | <p><b>3</b></p> <p><b>Where do I get information?</b></p> <p>Social Security's website is chock-full of good information, plus you can download your most current statement at <a href="https://ssa.gov/mySocialSecurity">SSA.gov/mySocialSecurity</a>. UC and Fidelity also have educational materials available for you to use.</p> | <p><b>4</b></p> <p><b>What do I need to get my benefits?</b></p> <p>You first have to qualify for benefits based on your working years and paying Social Security taxes over time. Your benefit is based on your highest 35 years of averaged, indexed earnings.</p> | <p><b>5</b></p> <p><b>Where does Social Security fit in my plan?</b></p> <p>The decision you make about Social Security impacts your other savings and income sources. Getting more from Social Security may mean taking less from other sources.</p> |
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### ACTION STEPS

- Attend classes (onsite, web and on-demand)
- Get your Social Security Statement at [SSA.gov](https://ssa.gov) and save it in this guidebook
- Think about which claiming strategies may make sense for your situation
- Read articles on Social Security at [myUCretirement.com](https://myUCretirement.com)

### LEARN MORE

- Attend the class, *Basics of When and How to Claim Social Security* (register on [myUCretirement.com/classes](https://myUCretirement.com/classes))
- Attend the class, *Maximizing Social Security in Your Retirement Strategy* (register on [myUCretirement.com/classes](https://myUCretirement.com/classes))
- Watch the webcast, *5 Key Considerations to Know Before Claiming Your Benefit* (web, on-demand at [Fidelity.com](https://fidelity.com))
- Visit [SSA.gov](https://ssa.gov)

# Retirement income sources *continued*

## UC Retirement System—UC Retirement Plan and Retirement Savings Program

The UC Retirement Plan (UCRP), a traditional pension plan, is designed to provide lifetime monthly income and other retirement and survivor benefits. There are many factors that go into determining your pension benefits, so it is critical that you understand how the plan works.

The UC Retirement Savings Program (RSP) offers additional opportunities to save for retirement on a voluntary basis. When you retire, you can generally keep your money in the plan and take periodic distributions as needed. Similar to the pension, there are very important considerations for planning what to do with your RSP funds.

Note that if you were a Career employee prior to 2010, you previously made mandatory pretax contributions to the RSP, specifically the DC Plan.

### Summary of presentation

1

There are several different UCRP membership classifications (“tiers”) that determine your benefits.

2

Your Basic Retirement Income amount is calculated using your age factor, years of service, and Highest Average Plan Compensation (HAPC).

3

There are options that allow your benefit payments to continue to a loved one after your death.

4

Your net UCRP income in retirement may not be that different from your current paycheck, after accounting for deductions and taxes.

5

Money in the Retirement Savings Program can stay in the plan after retirement and be accessed through ad hoc or systematic withdrawals.

### ACTION STEPS

- Attend classes (onsite, web and on-demand)
- Run your UCRP estimate on [retirementatyourservice.ucop.edu](http://retirementatyourservice.ucop.edu)
- See your projected monthly retirement income from UCRP and RSP accounts (“Retirement Review”) on [myUCretirement.com](http://myUCretirement.com)
- Familiarize yourself with all of the resources and plan materials on [UCnet](#) (especially the [Retirement Handbook and Fact Sheets](#))
- Think about whether you may need to provide someone financial support in retirement
- Gather statements from other savings, employer plans, other sources of income
- Meet with a UC-dedicated Fidelity Workplace Financial Consultant at [Fidelity.com](http://Fidelity.com)

### LEARN MORE

- Attend the class, *Your UC Retirement System* (register on [myUCretirement.com/classes](http://myUCretirement.com/classes))
- Attend the class, *Make the Most of the UC Retirement Savings Program* (register on [myUCretirement.com/classes](http://myUCretirement.com/classes))
- Attend the class, *Guide to Investing in the UC Retirement Savings Program* (register on [myUCretirement.com/classes](http://myUCretirement.com/classes))
- Attend the presentation, *Preparing for Retirement* (registration and resources on [UCnet](#))

# Retiree health and welfare coverage

Medical costs in retirement can be significant. Fortunately, when you retire from UC, you may be eligible to continue UC-sponsored health and welfare coverage for you and your dependents.

These benefits are separate from the retirement pension and are not a vested benefit. UC's contributions to these benefits may change or be discontinued at any time.

It's important to understand the eligibility requirements, what plans are available, and how to determine your share of the cost of coverage. Also, what happens once you become eligible for Medicare or move out of California?

## Summary of presentation



Eligibility and cost of continuing UC-sponsored health benefits depends on many different factors, including Retiree Health Group, service, retirement date, selection of monthly income (vs. lump sum cashout), Medicare eligibility, medical plan, and covered dependents.



The first step in determining your benefits is to identify your Retiree Health Group (1, 2, or 3).



UC offers retirees several medical plans that coordinate with Medicare.



Dental, legal, vision, AD&D, and homeowners/renters/auto insurance coverages may also be continued in retirement.

## ACTION STEPS

- Visit [UCnet](#) to learn more about UC's [Retiree Health and Welfare](#) benefits, including eligibility and costs
- Add your expected health care costs to your retirement income plan
- Read the [Medicare Fact Sheet](#)
- Familiarize yourself with the assistance provided through the [Health Care Facilitator](#) program
- Contact RASC with questions

## LEARN MORE

- Attend the presentation, *Preparing for Retirement* (registration and resources on [UCnet](#))
- Attend any retirement preparation and Medicare classes available at your location

# UC retirement process

Retiring from UC takes careful planning and knowing where to go for what. The UC Retirement Administration Service Center (RASC) is ready to help you through the process.

Learn what you need to do (and when) for a timely and smooth retirement process, and get familiar with the many resources available to help.

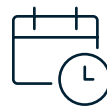
## Summary of presentation



When you are ready to retire, contact RASC to request a retirement initiation packet or download from [UCnet](#).



A team of dedicated retirement counselors are available to assist.



The retirement process can take up to three months.



It's important to keep your contact and beneficiary information up-to-date during retirement.

## ACTION STEPS

- Follow the UC Retirement Checklist (on opposite page) and Preparing for Retirement roadmap on [UCnet](#)
- Read the [Retirement Handbook](#) and related Fact Sheets to understand your benefit options
- Once you have decided your retirement date, contact RASC to initiate the retirement process
- Meet with a UC-dedicated Fidelity Workplace Financial Consultant to help you create a plan to help your income last throughout retirement by managing cash flow, investing, and adjusting your portfolio to reflect life changes
- Get ready for the next phase of your life!

## LEARN MORE

- Attend the presentation, *Preparing for Retirement* (registration and resources on [UCnet](#))
- Attend the presentation, *The UC Retirement Process: Step by Step* (registration and resources on [UCnet](#))



## RETIREMENT CHECKLIST

Now that you've decided to begin the retirement process, use this checklist to help you keep on track so you're able to retire and receive your benefits without delay. Contact an RASC retirement counselor with any questions or concerns.

### Review the materials in your retirement initiation packet

- Personal Retirement Profile and cover letter
- *Retirement Handbook*, *Lump Sum Cashout Fact Sheet*, and *Special Tax Notice for UC Retirement Plan Distributions*
- *Monthly Retirement Income Election Worksheet* and *Lump Sum Cashout Election Worksheet* (one each); if your retirement request requires special processing, you will instead receive additional information about how to complete your elections.

### Contact Fidelity Retirement Services about your retirement savings program accounts

Let a retirement counselor know if you would like to talk with a UC-dedicated Fidelity Workplace Financial Consultant about how to manage your UC retirement savings plans (DC, 403(b), or 457(b) Plans). Your retirement counselor can ask a Workplace Financial Consultant to contact you. This step is optional and can be done at any time.

### If you are ready to proceed with retirement, complete an election worksheet

Complete either the *Monthly Retirement Income Election Worksheet* or the *Lump Sum Cashout Election Worksheet* for the benefit you've chosen, and return to RASC either by mail or upload your documents using [UCRAYS](#) self service feature.

- **Are you eligible for CalPERS or CalSTRS benefits?** Contact them now to determine if you can take advantage of reciprocal or concurrent retirement benefits. Reciprocity/concurrent retirement may or may not increase your UCRP benefit.

### Review your election packet

Depending on whether you submitted the *Monthly Retirement Income* or *Lump Sum Cashout Election Worksheet*, your packet will include:

- **Monthly Retirement Income (MRI)**
  - Cover Letter & MRI Election Checklist
  - *Monthly Retirement Income Election Form*, UBEN 161
  - Medicare Packet, if you or your spouse/domestic partner may be eligible for Medicare within 90 days of your retirement
- **Lump Sum Cashout (LSC)**
  - Cover Letter & LSC Election Checklist
  - *Lump Sum Cashout Election Form*, UBEN 165

### Complete your retirement election

Sign the election form, and then mail or fax all pages of the form with any required documents (if applicable). If you have a spouse or domestic partner, he/she also must sign your election form (make sure you have the required paperwork on file establishing your domestic partnership).

### Tell your department head or supervisor that you are retiring

It's your responsibility to notify your department that you are leaving UC.

### Wait for the review process to be completed

This can take four to six weeks after the Retirement Administration Service Center receives your signed *Monthly Retirement Income* or *Lump Sum Cashout Election Form* with all supporting documents (if applicable).

### Receive your confirmation statement at the address on your election form

It summarizes your retirement elections and provides information about:

- The deadline to change or cancel your retirement elections
- The date your first retirement benefit payment will be deposited in your bank account or mailed to you
- The date your Capital Accumulations Payment (if applicable) will be mailed to you

## Congratulations!!!

### You are officially retired!

## Investing involves risk, including risk of loss.

The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here.

The retirement planning information contained herein is general in nature and should not be considered legal or tax advice. Fidelity does not provide legal or tax advice. This information is provided for general educational purposes only and you should bear in mind that laws of a particular state, changes in Social Security rules, and your particular situation may affect this information. You should consult your attorney or tax advisor regarding your specific legal or tax situation.

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