

403(b), 457(b) and DC Plans – For Career Employees

Your Guide to  
**Getting Started**  
in the Voluntary  
Retirement Savings Program

Invest in your retirement—and yourself—today,  
with help from the voluntary Retirement Savings Program available at UC.

## Invest some of what you earn today for what you plan to accomplish tomorrow.

UC's voluntary UC Retirement Savings Program ("RSP") can help you build additional retirement savings to augment your primary UC retirement benefits, Social Security, and other non-UC retirement income.

The RSP offers outstanding convenience and a variety of investment options. Take a look and see what a difference enrolling in the program could make in achieving your goals.

### **THE PROGRAM INCLUDES THREE DIFFERENT SAVINGS OPTIONS:**

- 1 Tax-deferred 403(b) plan
- 2 457(b) deferred compensation plan
- 3 Defined contribution after-tax plan

### **BENEFIT FROM:**

**Convenience.** Your contributions are automatically deducted regularly from your paycheck. Tax savings now. For the 403(b) and 457(b) plans, your pretax contributions are deducted from your pay before income taxes are taken out. This means that you can actually lower the amount of current income taxes you pay each period. It could mean more money in your take-home pay versus saving money in a taxable account.

**Tax-deferred savings opportunities.** Your contributions have the potential of growing tax deferred; you pay taxes on the money only when you take a distribution. Since you do not pay taxes on any earnings until you withdraw them from your account, this enables you to keep more of your money working for you now.

**Portability.** You can roll over eligible savings from a previous employer into these plans. You can also take your plan vested account balance with you if you leave the company.

**Investment options.** You have the flexibility to select from investment options that range from more conservative to more aggressive, providing options for you to develop a well-diversified investment portfolio.

To learn more about what these plans offer, see *Frequently asked questions about your plan* in the next section of this guide.

## Enroll in your plan and invest in yourself today.

## Frequently asked questions about your plan.

Here are answers to questions you may have about the key features, benefits, and rules of your plan.

### WHAT IS THE DIFFERENCE BETWEEN THE AVAILABLE PLAN OPTIONS?

There are three options available through the UC Retirement Savings Program:

- Tax-deferred 403(b) plan
- 457(b) deferred compensation plan
- Defined contribution after-tax plan

You may enroll in one or all three plans. The key differences relate to tax treatment of contributions, earnings, and distributions, as well as how/when funds can be accessed. For details on how each plan works, please visit [www.myUCretirement.com](http://www.myUCretirement.com), where you can also find Summary Plan Descriptions.

### WHEN CAN I ENROLL?

You can enroll in the plans at anytime, online or by phone.

**Note:** 403(b) contributions generally start with the next pay period, subject to payroll deadlines. Contributions to the 457(b) Plan do NOT start with the next pay period. For example, if you are paid monthly and enroll before the January payroll deadline, your first contribution will be taken from your March 1 paycheck (or, if paid biweekly, from your second paycheck in February).

### HOW DO I ENROLL?

Go to [www.myUCretirement.com](http://www.myUCretirement.com) then select *Enroll*, or, call a Fidelity Retirement Representative at **866-682-7787** to enroll in the plans.

### HOW MUCH CAN I CONTRIBUTE?

You can contribute pretax dollars to both the 403(b) and the 457(b) Plans. The contribution limits for 2017 are:

	IRS Limit	Age 50+ Limit
403(b) Plan	\$18,000	\$24,000
457(b) Plan	\$18,000	\$24,000
<b>Total Both Plans</b>	<b>\$36,000</b>	<b>\$48,000</b>

Per IRS rules, you can contribute separately to each of the plans as long as your total combined annual contributions do not equal more than 100% of your adjusted gross annual salary. You will also need to cover any required or voluntary deductions, for example, health care premiums, legal, parking, etc.

You can request to change your contribution amount virtually any time by going to [www.myUCretirement.com](http://www.myUCretirement.com) then select *Change Contributions* or by calling a Fidelity Retirement Representative at **866-682-7787**.

Under certain circumstances, you may be able to make additional contributions to the 403(b) and 457(b) Plans through special catch-up provisions.

To learn more about the special catch-up provisions available, see the Summary Plan Description (SPD) available on [www.myUCretirement.com](http://www.myUCretirement.com).

**WHAT ARE MY INVESTMENT OPTIONS?**

To help you meet your investment goals, the Program offers you a range of options. The UC Retirement Savings Program (RSP) Fund Menu offers a diverse group of investment options monitored by the UC Office of the Chief Investment Officer of the Regents. The Fund Menu includes a range of asset classes including single fund solutions and funds from more conservative to more aggressive. You can also choose investments outside of the UC RSP Fund Menu that are not monitored by the Office of the Chief Investment Officer of the Regents, through BrokerageLink®, a self-directed brokerage account. The same investment options are available for all plans covered by the Retirement Savings Program.

**HOW DO I DESIGNATE MY BENEFICIARY?**

If you have not already designated your beneficiaries with Fidelity, or if you have experienced a life-changing event such as a marriage, divorce, birth of a child, or a death in the family, it may be time to update your beneficiary designations. Simply log on to [www.myUCretirement.com](http://www.myUCretirement.com) then click *Update Beneficiaries*.

**WHAT IF I DON'T MAKE AN INVESTMENT ELECTION?**

We encourage you to take an active role in the UC Retirement Savings Program and choose investment options that best suit your goals, time horizon, and risk tolerance. If you do not select specific investment options in the plans, your contributions will be invested in the UC Pathway Fund based on your date of birth and the year you turn 65. Please refer to the chart in the *Get UCRSP Fund Menu Details* section or log on to [www.myUCretirement.com](http://www.myUCretirement.com) for more details. You may change your investment election for our contributions, as well as existing balances at any time.

**WHEN AM I VESTED?**

Vested refers to the portion of your account that is yours to take when you leave UC. You are always 100% vested in your own contributions to the UC Retirement Savings Program.

**CAN I TAKE A LOAN FROM MY ACCOUNT?**

Loans are allowed in the 403(b) Plan if you qualify. For more information on loans, see the *Summary Plan Description* (SPD) available on [www.myUCretirement.com](http://www.myUCretirement.com).

Neither the 457(b) Plan nor the DC Plan offers a loan option.

**CAN I MAKE WITHDRAWALS WHILE I AM EMPLOYED BY UC? 403(B) AND 457(B) PLANS**

In-service withdrawals are allowed from the 403(b) Plan if you are (1) 59½, (2) permanently disabled, or (3) incur a financial hardship.

In-service withdrawals are generally allowed from the 457(b) Plan if you are (1) 70½ during the calendar year, or (2) you incur an unforeseeable emergency.

A distribution becomes taxable when distributed, unless it is rolled over into an eligible plan or an IRA.

A 10% federal penalty applies if a distribution is received from your 403(b) Plan before age 59½ (some exceptions may apply). In addition, state penalties may also apply.

For distributions from your 457(b) Plan, there are no early distribution penalties, except for the amounts attributable to rollovers into the Plan from a 403(b), 401(a), 401(k) plan, or IRA taken before age 59½.

To learn more and/or to request a withdrawal, log on to [www.myUCretirement.com](http://www.myUCretirement.com) or call a Fidelity Retirement Representative at **866-682-7787**. The plan document and current tax laws and regulations will govern in case of a discrepancy. Be sure you understand the tax consequences and each plan's rules for distributions before you initiate a distribution. You may want to consult your tax advisor about your situation.

## **DC PLAN**

In-service withdrawals of your after-tax voluntary contribution and rollover contributions are allowed from the DC Plan. However, in-service withdrawals of your pretax DC plan account are not permitted until you leave UC employment or retire. Any distribution of pretax monies is subject to income tax. A 10% federal penalty applies if a pretax distribution is received from your DC Plan before age 59½ (some exceptions may apply). In addition, state penalties may also apply.

## **CAN I MOVE MONEY FROM ANOTHER RETIREMENT PLAN INTO MY ACCOUNT IN THE UC RETIREMENT SAVINGS PROGRAM?**

You are permitted to roll over eligible pretax and after tax contributions from another 401(k) plan, 401(a) plan, 403(b) plan, or a governmental 457(b) retirement plan account.

For other eligible accounts types, depending on plan set-up, please see your Summary Plan Document available at [www.myUCretirement.com](http://www.myUCretirement.com). Rollovers are not allowed from 457(b) private employers.

Rollovers from executive deferred compensation plans are not allowed.

Contact a Fidelity Retirement Representative for details. You should consult your tax advisor and carefully consider the impact of making a rollover contribution to your employer's plan because it could affect your eligibility for future special tax treatments.

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

## **HOW DO I ACCESS MY ACCOUNT?**

You can access your account online through [www.myUCretirement.com](http://www.myUCretirement.com) or call a Fidelity Retirement Representative at **866-682-7787** to speak with a representative or use the automated voice response system, virtually 24 hours, 7 days a week.

# Introduction to UC's Retirement Savings Program Fund Menu.

If you're ready to think seriously about investing, it's time to learn about the investment options available through the UC Retirement Savings Program (RSP) — the 403(b), 457(b), and Defined Contribution (DC) Plans.

To help make your investment decisions, the UC Retirement Savings Program offers the UC RSP Fund Menu, which includes a full range of asset classes designed to help meet your needs, no matter what type of investor you might be. Regardless of your investment preferences, a key strategy

for managing risk is having a well-diversified portfolio. The UC RSP Fund Menu is selected and monitored by the UC Office of the Chief Investment Officer of the Regents and is composed of three tiers:

## **TIER I: TARGET DATE FUNDS**

UC Pathway Funds		
UC Pathway Income Fund	UC Pathway Fund 2030	UC Pathway Fund 2050
UC Pathway Fund 2015	UC Pathway Fund 2035	UC Pathway Fund 2055
UC Pathway Fund 2020	UC Pathway Fund 2040	UC Pathway Fund 2060
UC Pathway Fund 2025	UC Pathway Fund 2045	

## **TIER II: CORE LINEUP**

Bond	Domestic Stock	Foreign Stock
<b>Short-Term</b> UC Savings Fund	<b>Large Cap</b> UC Domestic Equity Index Fund	<b>International/Global</b> UC International Equity Index Fund
<b>Intermediate-Term</b> UC Bond Fund	Fidelity Growth Company Fund — Class K	UC Global Equity Fund
<b>Inflation-Protected</b> UC Short Term TIPS Fund	<b>Socially Responsible Large Cap</b> Vanguard FTSE Social Index Fund — Institutional Shares	Fidelity Diversified International Fund — Class K
UC TIPS Fund	<b>Small Cap</b> Vanguard Small Cap Index Fund — Institutional Plus Shares	<b>Diversified Emerging Markets</b> DFA Emerging Markets Portfolio — International Class
Balanced		Specialty Stock
UC Balanced Growth Fund		Vanguard REIT Index Fund — Institutional Shares

## **TIER III: BROKERAGE WINDOW**

BrokerageLink®
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Before investing in any mutual fund, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

## TIER I — Target Date Funds

### UC PATHWAY FUNDS

- The UC Pathway Funds are designed to be a single fund solution.
- Pathway invests in eight underlying funds for diversification.
- The funds adjust risk over time to allocated the balances more conservatively as it nears the target date of the fund.

- The funds design is based on choosing a fund closest to the year you expect to retire — or the year you plan to start drawing money from your plan account.

The chart below lists the assigned fund the University of California Retirement Savings Program believes will best fit your diversification needs should you not select an investment option.

Your Birth Date*	Fund Name	Target Retirement Years
Before 1950	UC Pathway Income Fund	Retired before 2015
January 1, 1950–December 31, 1954	UC Pathway Fund 2015	Target Years 2015–2019
January 1, 1955–December 31, 1959	UC Pathway Fund 2020	Target Years 2020–2024
January 1, 1960–December 31, 1964	UC Pathway Fund 2025	Target Years 2025–2029
January 1, 1965–December 31, 1969	UC Pathway Fund 2030	Target Years 2030–2034
January 1, 1970–December 31, 1974	UC Pathway Fund 2035	Target Years 2035–2039
January 1, 1975–December 31, 1979	UC Pathway Fund 2040	Target Years 2040–2044
January 1, 1980–December 31, 1984	UC Pathway Fund 2045	Target Years 2045–2049
January 1, 1985–December 31, 1989	UC Pathway Fund 2050	Target Years 2050–2054
January 1, 1990–December 31, 1994	UC Pathway Fund 2055	Target Years 2055–2059
January 1, 1995 and later*	UC Pathway Fund 2060	Target Years 2060 and beyond

\*Dates selected by Plan Sponsor.

The investment risk of each target date fund changes over time as the fund's asset allocation changes. The funds are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, and foreign securities. Principal invested is not guaranteed at any time, including at or after the funds' target dates.

## TIER II — Core Lineup

### ASSET ALLOCATION BUILDING BLOCKS

Comfortable building a diversified portfolio on your own? The UC RSP Fund Menu lets you create a custom mix of fixed-income funds and equity funds. Here is an overview of the options available.

#### Bond Investments

- **Short-term: UC Savings Fund.** Short-term funds are designed to preserve your capital. Short-term funds are a fixed-income investment which are considered more conservative. They also tend to provide a lower potential return.
- **Intermediate-term: UC Bond Fund.** Intermediate-term bond funds seek to maximize long-term investment returns by investing in intermediate-term debt securities.
- **Inflation-protected: UC Short Term TIPS Fund and UC TIPS Fund.** The UC Short Term TIPS Fund seeks to provide returns more closely correlated with realized inflation over the near term, and to offer investors the potential for less volatility of returns relative to a longer-duration TIPS fund. The UC TIPS Fund, seeks to provide long-term return and inflation protection consistent with an investment in U.S. government inflation-indexed securities or TIPS (Treasury Inflation Protected Securities).

#### Stock Investments

##### *Domestic Stock*

- **Large Cap: UC Domestic Equity Index Fund and Fidelity Growth Company Fund — Class K.** Large-cap firms often have a reputation for producing quality goods and services, a history of consistent dividend payments, and steady growth.
- **Socially Responsible Large Cap: Vanguard FTSE Social Index Fund — Institutional Shares.** Socially responsible funds primarily invest in the securities of companies that adhere to social, moral, religious, or environmental beliefs.
- **Small Cap: Vanguard Small-Cap Index Fund — Institutional Plus Shares.** Small-cap funds typically invest in businesses with a market value of \$300 million to \$2 billion. These are usually young companies that serve niche markets or emerging industries.

##### *Foreign Stock*

- **International/Global: UC International Equity Index Fund, UC Global Equity Fund, and Fidelity® Diversified International Fund — Class K.** International stock funds primarily invest in stocks issued by companies outside the United States, while global stock funds primarily invest in stocks issued by companies around the world, including the United States.
- **Diversified Emerging Markets: DFA Emerging Markets Portfolio — Institutional Class.** Emerging markets stock funds invest primarily in stocks issued by companies based in countries with less developed economies.

##### *Specialty Stock*

- **Vanguard REIT Index Fund — Institutional Shares.** REIT funds offer investors wide exposure in the real estate sector, by investing primarily in the securities of companies that own and manage real estate.

#### Balanced Fund

- **UC Balanced Growth Fund.** The fund's investment mix is designed to be roughly the same as the investment mix maintained for the University of California Retirement Plan (UCRP), UC's pension plan. It maintains a static mix of stocks and bonds, rebalanced as needed to maintain the allocation.



## TIER III — Brokerage Window

- **Fidelity BrokerageLink®** combines the convenience of your workplace retirement plan with the additional flexibility of a brokerage account.
- It gives you expanded investment choices to manage your retirement contributions.
- The plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance. See the fact sheet and commission schedule for applicable fees and risk.

### **FOR MORE INFORMATION**

Visit [www.myUCretirement.com](http://www.myUCretirement.com) and [www.netbenefits.com](http://www.netbenefits.com), or call **866-682-7787**.

Investing involves risk, including risk of loss.

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

This document provides only a summary of the main features of the UC Retirement Savings Program, and the Plan Document will govern in the event of discrepancies. Information contained within the brochure is as of July 7, 2016.

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Retirement  
Savings  
Program

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