



CHEERS TO  
MORE YEARS

INCOME  
FOR LIFE

## What is Deferred Lifetime Income?

Deferred Lifetime Income is UC's name for a deferred income annuity, also known as a Qualified Longevity Annuity Contract (QLAC). Deferred Lifetime Income is an insurance product that promises to pay the contract holder regular income payments, starting at a future date.

Purchasing Deferred Lifetime Income is optional. If you choose to purchase Deferred Lifetime Income, a portion of your assets will be distributed to an insurance company who will issue you an annuity certificate. The Insurance company will make monthly income payments to you starting at a later date and continue through your lifetime. **The purchase is irrevocable and therefore cannot be undone.**

A benefit of Deferred Lifetime Income as opposed to an annuity that starts payments immediately is that you can use a smaller portion of your balance to generate meaningful income for your later retirement years.

Once payments begin, they continue throughout the contract holder's lifetime and are therefore designed to help prevent participants from outliving their savings.

## How does Deferred Lifetime Income work?

RSP participants aged 62-69 will have the option to purchase Deferred Lifetime Income once using up to 25% of their UC Pathway account balance. Once purchased, participants will not have the opportunity to purchase Deferred Lifetime Income through UC Pathway again.

- Deferred Lifetime Income payments start at age 78 and continue monthly through the participants' lifetime.
- Once a participant purchases Deferred Lifetime Income, the decision is final (irrevocable).

## Am I eligible to choose Deferred Lifetime Income?

To be eligible, a participant must:

- Be an active, former or retired UC employee between the ages of 62 and 69 on the day of the annuity purchase; and
- Have a Social Security or tax ID number and a U.S. mailing address; and
- Be a primary account holder in the UC Retirement Savings Program (UC RSP) with a **combined account balance of at least \$40,000 in pre-tax savings** across the UC 457(b), 403(b), and DC Plans; and
- **Have a minimum of \$10,000 in pretax savings in the UC Pathway 2020 or Pathway Income Fund** (note you can meet this requirement either prior to or during the election process through a plan rollover or fund exchange); and
- Have not previously purchased Deferred Lifetime Income through the UC RSP.

## How do I purchase Deferred Lifetime Income?

During the election window (dates to be announced), you will be able to log into [myUCretirement.com/income](https://myUCretirement.com/income) to purchase Deferred Lifetime Income.

- You will need to select which plan within the UC RSP to make the purchase from and maintain a balance in the UC Pathway 2020 or UC Pathway Income Fund within that single plan of at least \$10,000 (the minimum purchase amount).
- A Fidelity Retirement Planner can help you move money into one plan or the appropriate UC Pathway Fund, if necessary.
- **Once the election is made, you cannot reverse your decision to purchase Deferred Lifetime Income.**

## Why can I only purchase Deferred Lifetime Income using my assets invested in either the UC Pathway 2020 Fund or the UC Pathway Income Fund, as opposed to other funds in the plan?

The UC Pathway Funds are designed to automate and simplify your retirement investing journey and Deferred Lifetime Income is a feature of the UC Pathway Funds intended to further streamline your spending years in retirement. The option to purchase Deferred Lifetime Income has been limited to these two funds because the UC Pathway 2020 Fund and the UC Pathway Income Fund are intended for those who are nearing or in retirement, and best align with the ages you are eligible to purchase Deferred Lifetime Income.

## How much Deferred Lifetime Income can I purchase?

In 2021, you can purchase up to 25% of your pretax UC RSP account balance, or \$135,000, whichever is less.

**Important: Make sure to consider prior QLAC purchases as the \$135,000 limit is an aggregate amount of all QLAC purchases. Participant is responsible for ensuring they do not exceed these IRS limits (especially if QLAC has been purchased outside of UC plan).**

## What happens to my money if I die?

If you (or you and your spouse) die before receiving the amount equal to your entire premium in monthly income payments, then any remaining balance will be returned as a lump sum to your beneficiary.

## Will my monthly payments keep pace with the rising cost of everyday goods (inflation)?

To help participants keep pace with the increasing cost of goods and services each year, Deferred Lifetime Income includes a 2% annual cost-of-living adjustment each year after your first full year of income payments.

## When will Deferred Lifetime Income be available for purchase?

The 2021 Window will be scheduled soon. Windows are expected to be held annually. Eligible participants will receive a detailed brochure and announcement letter when the window opens.

## Does this cover my spouse?

Deferred Lifetime Income is available in the following options:

- **Option 1: *Single Life Deferred Income Annuity*.** Provides lifetime payments just for you, beginning at age 78.
- **Option 2: *50% Joint and Survivor Deferred Income Annuity (not applicable for domestic partners)*.** Provides monthly lifetime payments to you beginning at age 78. If you die, your spouse will receive 50% of your monthly payment for the rest of their life.
- **Option 3: *75% Joint and Survivor Deferred Income Annuity*.** Provides monthly lifetime payments to you beginning at age 78. If you die, your spouse will receive 75% of your monthly payment for the rest of their life.

## Where can I go to get additional information?

You can learn more about retirement income strategies by visiting [myUCretirement.com](https://myUCretirement.com) > [Retirement Income > Strategies](#), where you will find information about [Deferred Lifetime Income](#) and a link to the [Income for Life announcement brochure](#).

More information will be available soon, including a decision guide brochure and an education module on [myUCretirement.com/income](https://myUCretirement.com/income).

## What do I need to do to complete the purchase?

If you don't have enough money in a single UC RSP plan to complete your purchase, you can use a rollover to transfer money from your other UC RSP plans. Call a UC-dedicated Retirement Planner at 1-800-558-9182 to request your rollover.

If you don't have enough money in either the UC Pathway Fund 2020 or UC Pathway Income Fund to complete your purchase, you can exchange money from your other investments into one of these two funds. Log on to [netbenefits.com](https://netbenefits.com) or call a UC-dedicated Retirement Planner at 1-800-558-9182 to request investment exchanges.

You will make your election online at [myUCretirement.com](https://myUCretirement.com). UC will alert you when the purchase window opens.

## What should I expect after the purchase?

If you purchase Deferred Lifetime Income an account will be opened with the insurance company that will administer your benefit. The insurer will contact you with details about your Deferred Lifetime Income benefit, including how to access your account and make updates to your contact information and beneficiaries. You can access the insurer's website either directly or through [netbenefits.com](https://netbenefits.com).

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