

UNIVERSITY
OF
CALIFORNIA

Pathway to Retirement



Envisioning your Retirement & Income Planning



“Fulfillment”

What does it mean and how do you find it?

“Retirement”

What is it today and how do you define it?

How many years might you need to fulfill?

63

YEARS

**Average retirement
age in America**

18

YEARS

**Average length of
retirement**

30

YEARS

**Average Retirement
planning horizon**

4 tips for finding fulfillment in retirement



**Ask key questions...
and answer truthfully**



Create your purpose



**Consider care
of you and
your family**



**Acknowledge this
is not “business
as usual”**



Ask key questions... and answer truthfully

- Are you ready to leave what you have been doing?
- Are you prepared for the challenges of creating a new life?
- Do you have the resources to create your new life?
- Have you coped well with other transitions?
- Are you patient?



Create your purpose

- Identify and nurture your passion if you have one
- Start "living your dream"
- Expand on what you already know and love
- Talk to everyone you know
- Give each new idea 6 months or more to see if it "sticks"



Consider care of you and your family

- Plan to care for an aging parent
- Consider you might become a caregiver
- Consider you might become the one needing care



Acknowledge this is not “business as usual”

- Expect a transition period – 2 to 5 years
- Create a new identity
- Embrace a new chapter of freedom
- Build and expand your social network
- Take the time to do what you’ve always promised yourself you would do

Where to start



- Blogs and Books
- AARP



- UC Retirement Centers
- Emeriti and Retirees' Associations
- Other happy retirees



Retirement Income Planning

A **detailed path** that helps you determine how to use your **financial resources** to generate **income to last** the rest of your life.

Benefits of a Retirement Income Plan

1.

**Decide when you
can retire**

2.

**Align your income
and expenses**

3.

**Incorporate
income security**

4.

**Re-evaluate your
investments**

5.

**Streamline and
keep things simple**

Decide when you can retire

PART 1:

What you want



WHEN?

- By choice?
- By need?



WHERE?

- Downsizing?
- Upsizing?



WHAT?

- Filling your days?
- Days of fulfillment

PART 2:

What you can afford



Ensure your savings
last through
retirement



Achieve the retirement
goals and lifestyle
you want



Maintain flexibility
for opportunities
and emergencies



Preserve your
money for a legacy
or inheritance

Align your income and expenses

3

Categories of expenses

- ✓ Essential Expenses
- ✓ Discretionary Expenses
- ✓ Emergency Expenses



\$5,000

Estimated income per month

-\$7,000

Estimated expenses per month

-\$2,000
Potential gap per month

Incorporate income security

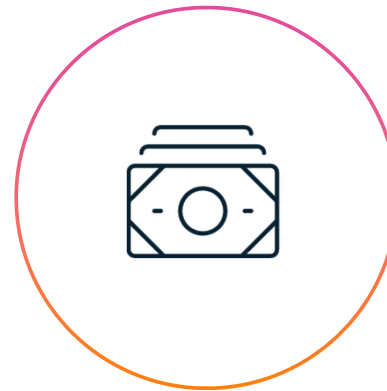
Traditional retirement income sources



UCRP (pension)



Social Security



UC Retirement
Savings Program




Other Savings

UC Retirement Review

UNIVERSITY OF CALIFORNIA

[PRIMARY RETIREMENT BENEFITS](#)
[SUPPLEMENTAL RETIREMENT BENEFITS](#)
[RETIREE HEALTH & WELFARE BENEFITS](#)
[CLASSES, NEWS & HELP](#)
[RETIREMENT INCOME TOOLS](#)
[TIPS FOR MEMBERS LIKE YOU](#)

Welcome to your **2023 Retirement Review**



PAT3999, YOUR CURRENT RETIREMENT READINESS SCORE IS

106%

Your UC benefits may provide retirement income of about \$11,746 per month, or 106% of your current estimated annual pay. This estimate assumes you will retire from UC at 65 or later. To see how your income stacks up after you add in Social Security and personal savings, select the **YOUR MODELED RETIREMENT READINESS INFORMATION** tab below and start modeling.

WANT TO SAVE MORE?

You can increase your contributions to the 409(b), 457(b) or DC Plan online.

NETBENEFITS.COM

YOUR CURRENT RETIREMENT READINESS INFORMATION
NOT INCLUDING ANY MODELED CHANGES

YOUR MODELED RETIREMENT READINESS INFORMATION
PLUS ANY MODELED CHANGES

YOUR POTENTIAL MONTHLY INCOME

\$11,746

Current readiness: 106%

Retirement goal: 80%

Retirement goal: 80%

Assuming you retire from UC at age 65, you could have monthly retirement income of \$11,746 (106% of your current estimated annual pay).

Your retirement goal \$8,794

PAT3999, THIS IS YOUR RETIREMENT REVIEW, BASED ON DATA AS OF JANUARY 1, 2024.

Want to see what could happen if you increase your contributions to the UC 409(b) or 457(b) Plan? Click **YOUR MODELED RETIREMENT READINESS INFORMATION** above to model different assumptions.

CONSIDER HOW LONG YOU'LL WORK FOR UC

The retirement income estimates shown assume that you will work for UC until you retire at age 65 or later. But how long will you actually work for UC?

LEARN MORE

DATA USED IN THIS ESTIMATE

Data for the UC 409(b), 457(b) and DC Plans is as of January 1, 2024. Data for the UC Retirement Plan and CAP is as of October 2023.

Click "See Data" below to view your personalized data used to generate your current retirement readiness score.

SEE DATA

HOW THE ESTIMATE WAS CALCULATED

The Retirement Review is based on current UC benefits plus assumptions about how benefits may grow over time. For more information, read our [Retirement Review FAQs](#).

SEE ASSUMPTIONS

PRINT ORIGINAL RETIREMENT REVIEWS

See your new 2023 Retirement Review below

For illustrative purposes only.



Set up automatic withdrawals

- Regular payments
- Straight to your bank account
- May help offset your IRS Required Minimum Distributions (RMDs), requirements

Re-evaluate your investments

Professionally managed investments



**Do it yourself
(Build your own)**



TIER I – TARGET DATE FUNDS UC PATHWAY FUNDS		
UC Pathway Income Fund UC Pathway Fund 2020 UC Pathway Fund 2025 UC Pathway Fund 2030	UC Pathway Fund 2035 UC Pathway Fund 2040 UC Pathway Fund 2045 UC Pathway Fund 2050	UC Pathway Fund 2055 UC Pathway Fund 2060 UC Pathway Fund 2065
TIER II – MAIN FUND MENU BOND AND STOCK INVESTMENTS*		
Bond <i>Short-Term</i> UC Savings Fund <i>Intermediate-Term</i> UC Bond Fund <i>Inflation-Protected</i> UC Short Term TIPS Fund UC TIPS Fund	Domestic Stock <i>Broad Cap</i> UC Domestic Equity Index Fund <i>Large Cap</i> UC Growth Company Fund <i>Small Cap</i> UC Domestic Small Cap Equity Fund	Foreign Stock <i>Developed Markets</i> UC International Equity Index Fund UC Diversified International Fund <i>Emerging Markets</i> UC Emerging Markets Equity Fund Specialty Stock UC Global Equity Index Fund UC Real Estate Fund UC Social Equity Fund
TIER III – FIDELITY BROKERAGELINK®		

Target Date Funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.

Deferred Lifetime Income Option

(available through the UC Pathway Funds)

- Annual purchase opportunity
- Get all the details about this new feature at myUCretirement.com > [Retirement Income](#) > [Strategies](#)

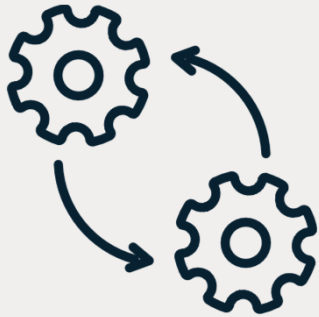


Purchase Deferred Lifetime Income using a portion of your Retirement Savings Program account balance.



Start receiving Deferred Lifetime Income payments from the insurer every month until your death (or spouse's death if you select the Joint & Survivor option)

Streamline and keep things simple



Streamline your accounts

- Consolidate to one UC plan
- Rollover other accounts 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.



Annual check-ins address current topics

- Reduce the impact of taxes
- Help determine your investments
- Adjust your investment mix

A distribution from a Roth IRA is tax-free and penalty-free, provided the 5-year aging requirement has been satisfied and one of the following conditions is met: age 59 1/2, disability, qualified first-time home purchase, or death..

Specific Actions Needed at Specific Ages



- Write down best estimates
- “Super save”
- Set up an initial planning session with Fidelity



- Determine Social Security strategies
- Reassess risk and asset allocation
- Build a detailed financial assessment



- Sign up for Medicare
- Discuss retiree health insurance options with employer
- Prepare portfolio for required minimum distributions

Next steps



Attend classes available at
myUCretirement.com/classes



Gather your UCRP estimate,
UCRSP account balances
and Social Security Estimate



Read articles on income
planning at
myUCretirement.com



Schedule a planning
session in person or
over the phone
800-558-9182

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.

Investing involves risk, including risk of loss.

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Retirement Income Sources - Social Security

5 Important Questions to Ask Before You Claim

5 Important Questions

1.

**When should I claim
(vs. when can I claim)?**

2.

**How can I claim
retirement
benefits?**

3.

**Where do I get
information?**

4.

**What do I need to
get my benefits?**

5.

**Where does
Social Security
fit in my plan?**

Q1

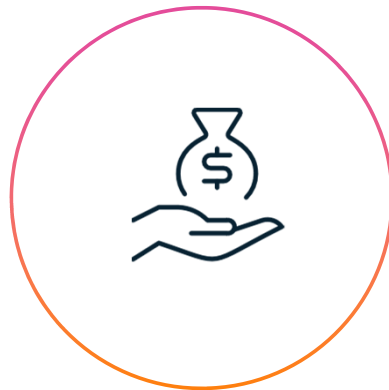
When should I claim
(vs. when can I claim)?



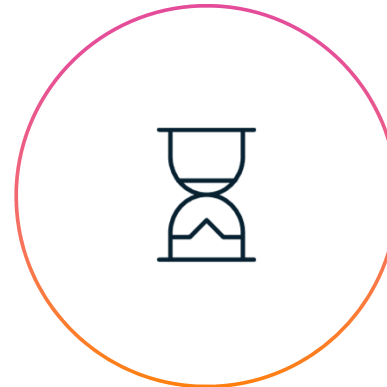
Everyone knows the earliest age to claim, but is that the right time for you?



How much income do you need?



What other income sources are available?

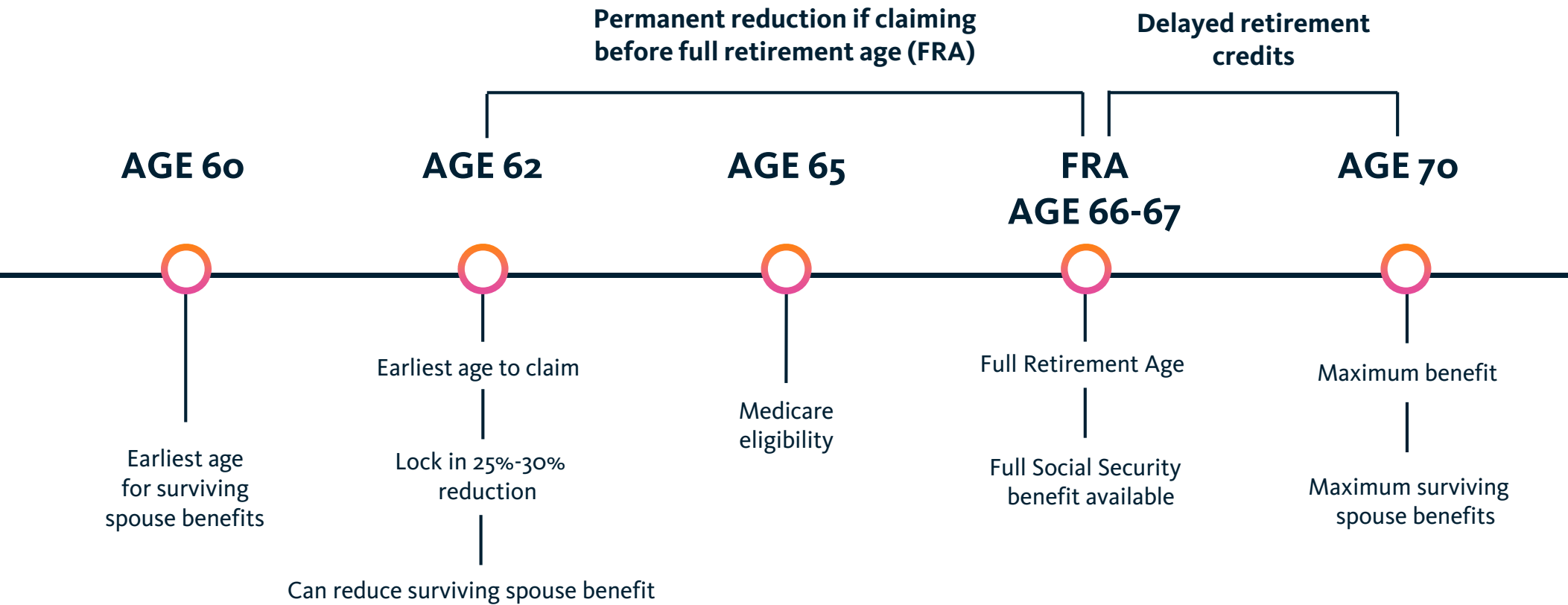


The longer you wait, the higher the benefit



Consider life expectancy and longevity

Claiming early locks in permanent reductions



Q2

How can I claim
retirement benefits?



4 ways to claim

1.

Individual Worker

2.

Spouse

3.

Ex-Spouse

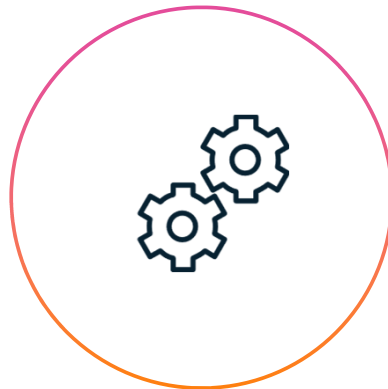
4.

Surviving Spouse

Individual worker



Maximize benefits
At 70?



Other resources
available?



Continue working?

Spouse



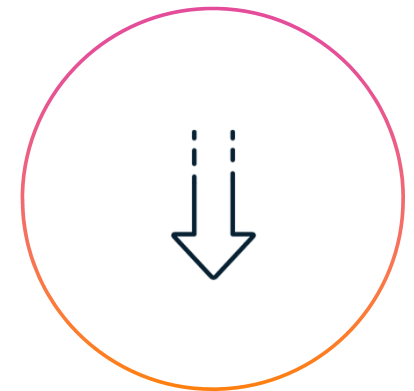
You are married



Spouse enrolled in
Social Security

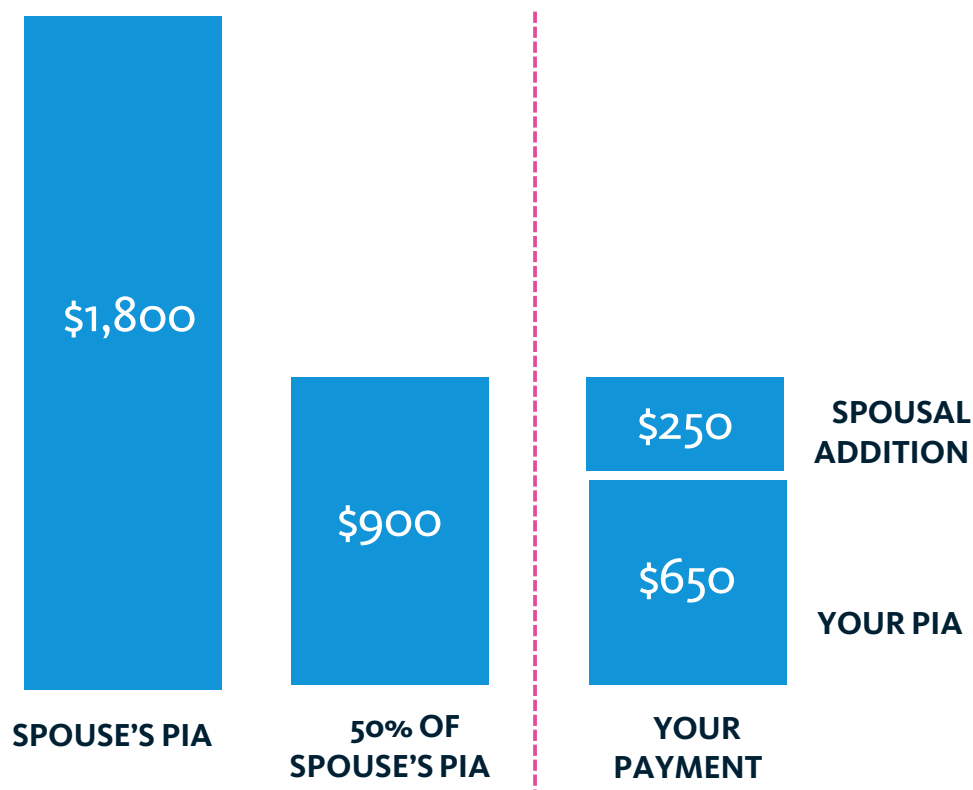


Maximum benefit: half
of spouse's full benefit



Reduced amount if you
claim before FRA

You have a work record and a current spouse



Total benefit
cannot exceed

50%

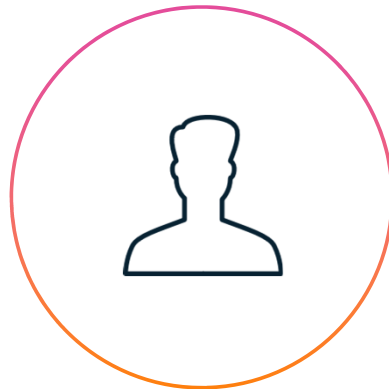
of your spouse's Primary
Insurance Amount (PIA)

For illustrative purposes only and based on Social Security rules in effect at the time of publication, and subject to change at any time. All figures assumed to be pretax.

Ex-spouse



Marriage for 10 years



You have not
remarried

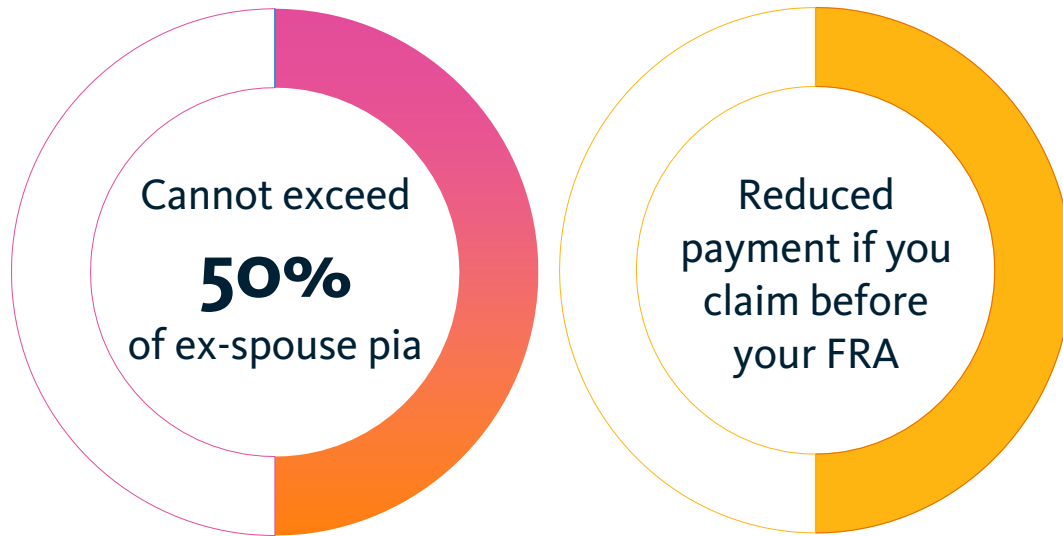


Both at least
age 62



Divorced 2+ years
or ex is claiming

Ex's can claim on each other's records



Confidentiality:

- Between you and the SSA
- Marriage certificate
- Divorce decree
- Ex's SSN
- Other required proof and documentation

Surviving Spouse or Surviving Ex-Spouse

Your spouse dies



Your ex-spouse dies
if you were married 10+
years and did not
remarry before age 60

You “step into his/her shoes”

When the higher-earning
spouse / ex dies first

Survivor benefit considerations:

- Survivor benefits available as early as age 60
- Early claims will be reduced
- Can switch between survivor and individual benefits
- You are responsible for notifying the SSA

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Q3

Where do I get
information?



Social Security website: SSA.gov

The screenshot shows the SSA.gov website interface. At the top, there is a dark blue navigation bar with the Social Security logo, menu items for 'Benefits', 'Medicare', and 'Card & record', a search bar for 'Search SSA.gov', and links for 'Español' and 'Sign in'. Below the navigation bar is a large blue banner with the text 'Securing your today and tomorrow'. The main content area is divided into three columns: 'Prepare', 'Apply', and 'After you apply'. The 'Prepare' column includes links for checking eligibility, getting a benefits estimate, and planning for retirement. The 'Apply' column includes links for applying for benefits, signing up for Medicare, and applying for SSI. The 'After you apply' column includes links for checking application status and appealing a decision. Below this is a section titled 'Manage benefits & information' with four sub-sections: 'Documents' (benefit verification letter, tax form), 'Number & card' (replace card, request number, report stolen number), 'Payment' (update direct deposit, repay overpaid benefits, request to withhold taxes, view payment schedule), and 'Record' (change name, update contact information, update citizenship, change sex identification, correct date of birth).

Social Security

Benefits ▾ Medicare ▾ Card & record ▾ Search SSA.gov

Español | Sign in

Securing your **today and tomorrow**

Prepare

- Check eligibility for benefits
- Get a benefits estimate
- Plan for retirement

Apply

- Apply for benefits
- Sign up for Medicare
- Apply for SSI

After you apply

- Check application or appeal status
- Appeal a decision we made

Manage benefits & information

Documents

- Get benefit verification letter
- Get tax form (1099/1042S)

Number & card

- Replace card
- Request number for the first time
- Report stolen number

Payment

- Update direct deposit
- Repay overpaid benefits
- Request to withhold taxes
- View benefit payment schedule

Record

- Change name
- Update contact information
- Update citizenship or immigration status
- Change sex identification
- Correct date of birth

UC and Fidelity Resources



**CLAIMING
SOCIAL SECURITY:
HELPFUL TIPS**

Choosing when to start claiming Social Security benefits is an important decision, with pluses and minuses for every option. This guide will help you make a more informed decision.



Provided by
Fidelity

When should you claim SOCIAL SECURITY?

If you are 50 or over, it's a good time to start thinking about how Social Security fits into your overall plan. The right strategy could mean a significant difference in your retirement benefits, so let us show you an example of how you can get the most for your future.

I WAS BORN 



Screenshot is for illustrative purposes only.

Q4

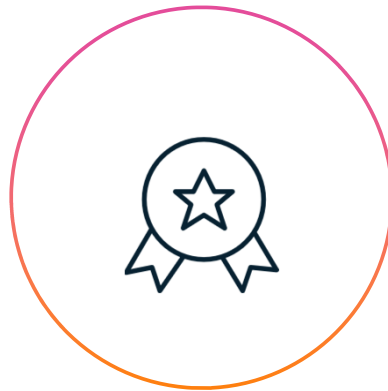
What do I need to get
my benefits?



You must first qualify for Social Security



You paid into Social Security



You earned at least 40 “credits”



Reach age 62

You need to know your Full Retirement Age

If you were born in...	Your full retirement age is...
1943–1954	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 or later	67 years

You need to understand the implications



Average of your 35 highest-earning years



Actuaries determine PIA



Claiming Age

Not waiting:
Permanent reduction
As much as **30%** less

Waiting:
Increases until age 70 Up
to **32%** more

Q5

Where does Social
Security fit in my plan?



When you claim Social Security can have a significant impact on your savings

	Social Security	Your Portfolio
FRA (Full Retirement Age)	\$1,800	\$2,200
Age 70	\$2,232	\$1,768
Age 62	\$1,260	\$2,740

Hypothetical example to illustrate how different Social Security claiming dates deliver different income amounts. Assumes FRA is 67. Essential expense need is \$4,000 per month.

Deciding when to claim is a key piece of your retirement income plan



Next steps



Attend social security classes available at myUCretirement.com/classes



Get your Social Security Statement at SSA.gov



Read articles on social security at myUCretirement.com



Schedule a planning session in person or over the phone
800-558-9182

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Intermission Break

We will continue shortly

Retirement Income Sources

UC Retirement System

What we will cover today

- UC Retirement Plan (aka UCRP, our pension plan)
- Retirement income options
- Retirement payment vs Employee paycheck
- Other Retirement Income Sources
- Retiree Health Benefits
- Retirement Process and Important Resources

UCRP Benefits

UCRP benefits depend on your membership classification

1976 Tier: Coordinated with Social Security
NOT coordinated with Social Security

Safety

2013 Tier

2013 Modified Tier*

2016 Tier*

Multi-tier – service in more than one tier

*UCRP benefits are subject to collective bargaining and may be different for members of certain unions.

Eligibility for UCRP benefits

Hired into a UCRP eligible position

- 50% or more for 12 months or more
- Or earn 1,000 hours in a 12-month period (or 750 hours if a lecturer)

July 1, 2016 or later, most eligible employees must choose Pension Choice*

Vested in UCRP with five or more years of UCRP service credit

- Minimum age to retire is 50 or 55 depending on tier

Inactive members can retire later if vested upon separation

*UCRP benefits are subject to collective bargaining and may be different for members of certain unions.

Your Basic Retirement Income is based on:

1.

Age on the date of retirement

2.

Years of UCRP service credit

3.

Highest average plan compensation (HAPC)

Age Factor x Service Credit x HAPC =
Basic Retirement Income

Important dates to decide

Separation Date

- Last day of employment at the University in a UCRP eligible position
- Can be a work day, sick/vacation day, leave of absence or weekend

Retirement Date

- Effective or start date of UCRP retirement benefits
- At least one day following your separation date

Retirement Date Considerations

Service Credit and Age Factor

- Impacts the retirement income calculation, eligibility for retiree health benefits

Faculty Teaching Schedule

- Some restrictions on the dates you can separate based on academic schedule
- Example: Separate Oct 31st and Retire November 1st if teaching fall quarter

1976 Tier & Safety Members – Inactive HAPC COLA

- Retiring in 2024: You must separate on June 27th (Thurs) and retire July 1st (or later)

2013 Tier/Modified 2013 Tier/2016 Tier – COLA

- Retiring in 2024: You can separate June 28th (Friday) and retire June 29th (Saturday)
- No Inactive COLA

1.

Age Factor

1976/2013 Modified Tier – ranges from:

- 1.1% for age 50 (minimum retirement age)
- Up to 2.5% for age 60 (maximum age factor)

2013/2016 Tier – ranges from:

- 1.1% for age 55 (minimum retirement age)
- Up to 2.5% for age 65 (maximum age factor)

Higher age factor = higher monthly benefit

Safety: 3% at 50

2.

Service Credit

Based on actual time worked in a UCRP position

- No service credit for ineligible appointments
 - › Ex: Per Diem, Post Docs, Floaters/Temporary, Casual
- No service credit earned during unpaid leaves
 - › Service credit purchase options available
- Unused sick leave converts to service credit if you elect monthly retirement income within 120 days
 - › $\text{Unused sick leave hours} / 2000 = \text{UCRP service credit}$
 - › $500 \text{ hours} / 2000 = 0.25 \text{ years}$
- Vacation, PTO or Comp Time paid on your last paycheck

3.

Highest average plan compensation (HAPC)

**Highest average salary over 36
consecutive months**

Calculated based on Covered Compensation

- Full time equivalent pay received for your regular and normal appointment
- Administrative stipends
- Shift differentials

3.

Highest average plan compensation (HAPC) continued

Excludes

- Overtime
- Faculty Summer Salary
- Negotiated Annual Additions/Incentive Comp (Y & Z salary for Health Sciences)

Salary exceeding the Covered Compensation Limit

	Plan Year	
	July 1, 2023 – June 30, 2024	July 1, 2024 – June 30, 2025
IRC 401(a)(17)	\$330,000	\$345,000
UCRP entry date prior to July 1, 1994	\$490,000	\$505,000
PEPRA limit for 2016 tier member	\$146,042	\$151,446

If your HAPC is from a prior period, the salary limits imposed for that calendar year apply

3.

Highest average plan compensation (HAPC) continued

Adjustments to HAPC

Social Security Offset

- 1976 Tier Coordinated – HAPC reduced by \$133
- Monthly supplement restores reduction until 65

Inactive Cost of Living Adjustment (COLA)

- Earned each July 1st after separation while inactive member
- 1976 Tier and Safety Members Only
- Maximum of 2% annually

Additional limits on your pension benefit

- Cannot exceed 100% of your HAPC. Generally:
 - **1976 & Modified 2013 Tiers:** Age 60 and 40 years service credit
 - **2013 & 2016 Tiers:** Age 65 and 40 years
 - **Safety Members:** Age 50 and 33.34 years
- Maximum total benefit payable from a pension
 - Limited by IRC Section 415
 - 415(m) Restoration Plan restores the difference

Monthly Retirement Income

Basic Retirement Income

1976 Tier coordinated with Social Security (age 60)

0.025 (age factor)
x 20.0000 (service credit)
= 0.5 or 50% (benefits percentage)

x \$8,333.00 (HAPC) - \$133 (ss offset)
= \$4,100 (basic retirement income)

+ \$66.50 (SS supplement until age 65)
= \$4,166.50 (monthly retirement income)

Basic Retirement Income

2013 Tier (age 60)

0.018	(age factor)
x 20.0000	(service credit)
= 0.36 or 36%	(benefits percentage)
x \$8,333.00	(HAPC)
= \$2,999.88	(basic retirement income)

UC Retirement At Your Service (UCRAYS)

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Retirement
At Your Service

UCRP Service Credit

19.0980 years

as of 12/31/2021

Membership Details



Retirement



Beneficiary Designations

View and manage your contacts' details. Your contacts include your plan beneficiaries, power of attorney, or your domestic partner.

Manage Contacts

Estimate your potential UCRP disability income, compare the benefits of UCRP disability and UCRP retirement, or apply for disability income.

UCRP Disability

Estimate the cost of an eligible UCRP service credit purchase.

UCRP Service Credit Purchase

UCRAYS – Membership Details

Membership Details

Your membership information is listed below. For more details on your UCRP or CAP balances, including UCRP service credit and contribution history, click on the membership type or plan links below.

Membership Type	Balance of UCRP Accumulation	UCRP Service
1976 Tier with SS	\$80,132.39	34.6010
Total	\$80,132.39	34.6010



The information shown here is based on available data and is not a guarantee of eligibility or benefit amounts.

UCRP is a defined benefit pension plan described under IRC section 401(a). Retirement benefits are based on your age at retirement, your years of UCRP service, and your average salary, not on your UCRP accumulations.

If you are eligible and elect to retire under UCRP, your UCRP accumulations are paid back as UCRP retirement income (including any monthly income or lump sum cashout). These funds are not paid out separately. If, upon separation from UC employment, you elect a refund of UCRP accumulations, you will forfeit all UCRP service credit and any potential retirement, survivor or disability income based on that service.

Capital Accumulations Payment (CAP)	Balance as of 12/31/2022
CAP1	\$34,571.34
CAP2	\$14,693.05
Total	\$49,264.39



CAP is a supplemental benefit for certain UCRP members who were actively employed on specific dates and paid covered compensation during specific periods. Any CAP balance is payable upon retirement or you may request a refund upon separation from UC employment.

UCRP accumulations are updated with member contributions monthly after payroll processing. Interest on UCRP accumulations and CAP balances, if any, are updated with interest monthly, at the end of each month.

To view your 403(b), 457(b) and/or Defined Contribution plan balances, go to the [UC Retirement Savings Program](#).

Health & Welfare Service

Membership Type	Health & Welfare Service
UCRP	34.6010
Total	34.6010



UCRAYS - Retirement Estimates

Create a Retirement Estimate

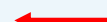
Initiate & Elect UCRP Retirement



UCRP Benefit Estimate

If eligible, upon separation from UC employment, you may choose either monthly retirement income or, if eligible, the one-time lump sum cashout. If you are currently working at UC, the estimates below assume that you will continue working for UC until the ages listed. These estimates are not a guarantee of eligibility or benefit amounts.

Basic Retirement Income Option	Age 53	Age 58	Age 63
Lifetime Monthly Amount*	\$2,298.83	\$4,149.83	\$5,261.08
Temporary Social Security Supplement**	\$52.87	\$91.32	\$115.77



Lump Sum Cashout (LSC) Option	Age 53	Age 58	Age 63
One Time Payment	\$422,279.71	\$713,354.57	\$829,821.49

*If you are a multi-tier member and retire prior to age 55, any monthly retirement income attributable to a 2013 and/or 2016 tier service credit will not be payable until you reach age 55. A lump sum cashout is not payable for any service credit in the 2013 and/or 2016 tier.

Cost of Living Adjustments

- Retirement COLA: effective July 1 after one full year of retirement
 - › Example:
 - Retire July 1, 2024 = first COLA is July 1, 2025
 - Retire January 1, 2025 = first COLA is July 1, 2026
- Paid annually on August 1 pension check
- Ranges from 0% to 6%; generally 1-2%
- Based on changes in Consumer Price Index (CPI)

Potential payments upon death

- Basic death payment - \$7,500
- Postretirement survivor continuance
 - 25% of BRI if coordinated with Social Security, 50% of BRI if not coordinated with SS
 - Payable to eligible surviving spouse, domestic partner, child or dependent parent
 - Only available to 1976 Tiers and Safety members
- Alternate monthly payment option
 - Lifetime monthly income to designated contingent annuitant
 - Your basic retirement income is reduced to provide for potential payments to second person
- None available under lump sum cashout
- Pre-Retirement Income Benefits

Alternate payment options – With Eligible Survivor

MONTHLY RETIREMENT INCOME OPTIONS				
Monthly Retirement Options	Lifetime monthly payment to you	UPON DEATH - Monthly payment to:		
		Eligible Survivor 25% of BRI	Contingent Annuitant	Total Combined Eligible Survivor and Contingent Annuitant
Basic Retirement Income	\$5,992	\$1,498	not applicable	not applicable
Payment Option A full continuance	\$5,378	\$1,498	\$3,880	\$5,378
Payment Option B two thirds continuance	\$5,563	\$1,498	\$2,710	\$4,208
Payment Option C one half continuance	\$5,662	\$1,498	\$2,082	\$3,580
Payment Option D one half continuance to eligible spouse or domestic partner	\$5,772	not applicable	\$2,886	\$2,886

Alternate payment options – Contingent Annuitant Only

MONTHLY RETIREMENT INCOME OPTIONS		
Monthly Retirement Option	Lifetime monthly payment to you	UPON DEATH – Lifetime monthly payment to: Contingent Annuitant
Basic Retirement Income	\$5,992	not applicable
Payment Option A full continuance	\$5,174	\$5,174
Payment Option B two thirds continuance	\$5,420	\$3,613
Payment Option C one half continuance	\$5,554	\$2,777

UCRAYS – Compare Estimates

Compare Estimates

Select up to three retirement and/or disability estimates and click on Compare Estimates to view the benefit comparisons below.

Select Estimates						
Select	Transaction Number	Estimate Type	Retirement Date	Disability Date	Separation Date	Created
<input checked="" type="checkbox"/>	11733415	Retirement	07/01/2024		06/27/2024	04/04/2024 09:31 AM
<input checked="" type="checkbox"/>	11733414	Retirement	06/29/2024		06/28/2024	04/04/2024 09:29 AM
<input type="checkbox"/>	11134896	Retirement	07/01/2024		06/29/2024	02/06/2024 05:52 PM
<input type="checkbox"/>	11132453	Retirement	07/01/2024		06/29/2024	02/06/2024 10:44 AM
<input type="checkbox"/>	9022215	Retirement	07/01/2024		06/29/2024	05/05/2023 06:18 PM

[Compare Estimates](#)

Estimate Comparison

	Estimate 1				Estimate 2			
Benefit Type :	Retirement				Retirement			
Retirement Date :	07/01/2024				06/29/2024			
Disability Date :								
Age at Retirement/Disability Date :	58 Year(s) 7 Month(s)				58 Year(s) 7 Month(s)			
Total UCRP Service :	35.942				35.942			
Monthly Benefit :	Benefit Option	Member Benefit	Survivor Benefit	Contingent Annuitant Benefit	Benefit Option	Member Benefit	Survivor Benefit	Contingent Annuitant Benefit
	BRI	\$5,992.38	\$1,498.10	N/A	BRI	\$5,872.73	\$1,468.18	N/A
	Option A	\$5,378.33	\$1,498.10	\$3,880.24	Option A	\$5,341.75	\$1,468.18	\$3,873.57
	Option B	\$5,563.48	\$1,498.10	\$2,710.40	Option B	\$5,503.92	\$1,468.18	\$2,690.63
	Option C	\$5,662.85	\$1,498.10	\$2,082.38	Option C	\$5,590.21	\$1,468.18	\$2,061.02
	Option D	\$5,772.69	N/A	\$2,886.35	Option D	\$5,684.39	N/A	\$2,842.20
	LSC	\$1,122,699.35	N/A	N/A	LSC	\$1,095,009.77	N/A	N/A

[View Detailed Estimate](#) [View Detailed Estimate](#)

Lump Sum Cashout

Lump sum cashout (LSC)

- One time, lump sum payment
- May elect in lieu of lifetime monthly income
- Based on the present value of the retirement income you would receive over your life expectancy
 - › **Basic Retirement Income x Single Payment Factor**
- Available under 1976 Tier, Safety, & 2013 Modified Tier
 - › Not available to 2013 or 2016 Tier members

LSC – important considerations

- Forfeit other benefits:
 - › Health benefits
 - › UCRP basic death benefit
 - › UCRP survivor and contingent annuitant benefits
- Sick leave is not converted to service credit in calculating the lump sum cashout
- More restrictive return-to-work rules at UC

LSC – Payout

- Subject to taxes the year in which it is paid
- May roll over into another eligible retirement plan and defer taxes
 - UC Retirement Savings Plans—403(b), 457(b), DC Plan
 - Other qualified employer retirement plans
 - Traditional IRA
 - Roth IRA – taxable distribution
- Subject to RMDs for those 73 or older at retirement if rolled over
- Decision to take cashout is irrevocable

Retirement Payment vs. Current Paycheck

Active vs Retired “Paycheck”

	ACTIVE	RETIRED
Monthly gross income	SALARY	UCRP
Deductions, withholdings		
Federal, state, local tax	✓	✓
Social Security (OASDI)	✓	--
Medicare	✓	--
Health Benefits	✓	✓
UCRP Contribution	✓	--
Parking, commuter costs	✓	--
Other work-related deductions	✓	--
Monthly net income	Difference may be less than you think	

Other Sources of Retirement Income

Other sources of retirement income

- **Capital Accumulation Payment (CAP)**
- **Retirement Savings Program**
- **Social Security**
- **Other Retirement Systems**

Capital Accumulation Payment (CAP)

- Special allocations to UCRP members based on a percentage of compensation
 - CAP I – issued 1992-1994 (earns 8.5% annual interest)
 - CAP II – issued 2002-2003 (currently 6.75% annual interest)
- Must be distributed upon retirement
 - Rollover or a taxable distribution paid to you
 - Subject to RMDs for those 73 or older at retirement if rolled over

Check your CAP balance at: <https://retirementatyourservice.ucop.edu/>

Retirement Savings Program – Defined Contribution Plan

- Voluntary Contributions for all employees
 - › Available to most UC employees
 - › Contributions made on an after-tax basis, up to \$69,000 (including all DC Plans)
 - › Investment earnings are tax deferred
- Mandatory Contributions depending on employment
 - › **DC Pretax:** UCRP eligible employees working between 1990 and 2010
 - › **DC Safe Harbor:** 7.5% for those not eligible for UCRP
 - › **DC Supplement:** employee and employer contributions for those subject to PEPRA
 - › **Savings Choice:** employee and employer contributions for those who initially selected Savings
- Invest in UC managed funds or Fidelity BrokerageLink

Retirement Savings Program – Voluntary savings options

- 403(b) plan & 457(b) plan
 - › Voluntary pre-tax contributions
 - › Voluntary Roth (post-tax) contributions
 - › Deferral limit = \$23,000 + \$7,500 if over age 50 to each plan
- Faculty Summer Salary
 - › 3.5% employee and employer contributions to the 403(b)
- Benefits based on contributions and investment return
- UC managed funds or Fidelity BrokerageLink

Other retirement system agreements

CalPERS: Reciprocity

- › Must transfer from CalPERS to UCRP, or vice versa, within 180 days
- › Retire from both systems on the same date

CalSTRS: Concurrent Retirement

- › Must be an active UCRP member on or after July 1, 2002
- › Cannot retire from one system and continue to work in the other

Advantages:

- › Service shared for vesting purposes
- › Highest salary in either system used to calculate benefits
- › Separate benefits from each system

UC Retiree Health & Welfare coverage

UC sponsored retiree health benefits



Medical



Dental



Legal



Vision



Accidental Death &
Dismemberment



Pet Insurance

UC retiree health eligibility requirements

- ✓ Enrolled in or eligible for UC employee health coverage
- ✓ 10 or more years of retiree health service credit (UCRP and Savings Choice service)
- ✓ Elect monthly retirement income from UCRP. Not available with LSC
- ✓ Retirement date within 120 days of UC separation date
- ✓ Continue employee coverage until date retirement income begins
- ✓ Rehires must work at least 12 months in an eligible position

How much you pay for UC retiree medical and dental depends on

- ✓ Total premium cost of selected medical/dental plan
- ✓ Who is covered
- ✓ Medicare coordination with your UC medical plan
- ✓ UC's full contribution amount
- ✓ Percentage of UC's contribution for which you are eligible based on **Retiree Health Group** and **Service Credit**

Retiree Health Group 1

- UCRP entry before January 1, 1990
- No break in service of more than 120 days
- 100% of UC contribution

Retiree Health Group 2 – Graduated Eligibility*

UCRP entry or rehired after a break in service between January 1, 1990 – June 30, 2013

Years of UCRP service credit	% of UC contribution
5 - 9	<ul style="list-style-type: none">• 50%, if age + service \geq 75• Otherwise, not eligible
10	<ul style="list-style-type: none">• 50%
11 - 19	<ul style="list-style-type: none">• 50% + 5% add'l per year over 10
20 and over	<ul style="list-style-type: none">• 100%

*Subject to collective bargaining

Retiree Health Group 3 – Graduated Eligibility*

UCRP entry or rehired on/after July 1, 2013

Service Credit	Age at retirement										
	55	56	57	58	59	60	61	62	63	64	65
10	0%	5.0%	10.0%	15.0%	20.0%	25.0%	30.0%	35.0%	40.0%	45.0%	50.0%
11	0%	5.5%	11.0%	16.5%	22.0%	27.5%	33.0%	38.5%	44.0%	49.5%	55.0%
12	0%	6.0%	12.0%	18.0%	24.0%	30.0%	36.0%	42.0%	48.0%	54.0%	60.0%
13	0%	6.5%	13.0%	19.5%	26.0%	32.5%	39.0%	45.5%	52.0%	58.5%	65.0%
14	0%	7.0%	14.0%	21.0%	28.0%	35.0%	42.0%	49.0%	56.0%	63.0%	70.0%
15	0%	7.5%	15.0%	22.5%	30.0%	37.5%	45.0%	52.5%	60.0%	67.5%	75.0%
16	0%	8.0%	16.0%	24.0%	32.0%	40.0%	48.0%	56.0%	64.0%	72.0%	80.0%
17	0%	8.5%	17.0%	25.5%	34.0%	42.5%	51.0%	59.5%	68.0%	76.5%	85.0%
18	0%	9.0%	18.0%	27.0%	36.0%	45.0%	54.0%	63.0%	72.0%	81.0%	90.0%
19	0%	9.5%	19.0%	28.5%	38.0%	47.5%	57.0%	66.5%	76.0%	85.5%	95.0%
20 or more	0%	10.0%	20.0%	30.0%	40.0%	50.0%	60.0%	70.0%	80.0%	90.0%	100.0%

*Subject to collective bargaining

Example of cost calculations – Medical

	Example A Eligible for 100% of UC contribution	Example B Eligible for 75% of UC contribution	Example C Eligible for 50% of UC contributions
Total monthly premium Kaiser, self + adult	\$1,500	\$1,500	\$1,500
UC contribution	\$1,100	\$825	\$550
Your monthly cost	\$400	\$675	\$950

Example of cost calculations – Dental

	Example A Eligible for 100% of UC contribution	Example B Eligible for 75% of UC contribution	Example C Eligible for 50% of UC contributions
Total monthly premium Delta Dental, self + adult	\$92	\$92	\$92
UC contribution	\$92	\$69	\$46
Your monthly cost	\$0	\$23	\$46



Retiree health plan options

Retiree medical, dental and legal plans

- Enrollment occurs as part of the retirement process
- Premiums deducted from your pension payment

Effective date of retiree health benefits

- Employee benefits extend through the end of the month following separation if due to retirement
- Example:
 - Retire July 1st, retiree health begins Aug 1st
 - Retire January 3rd, retiree health begins March 1st

Suspend or cancel

- You can suspend medical and dental if covered elsewhere
- You can cancel legal benefits



Retiree health plan options

Vision through VSP

- Contact VSP to enroll and set up premium payments
- Premiums range from \$11.61 (self only) to \$27.12 (family)
- You can cancel and enroll during a future enrollment period

Accidental Death & Dismemberment

- Complete enrollment form on UCnet and submit to Prudential
- You may enroll at retirement or at anytime after
- Coverage ranges from \$10,000 to \$250,000

Pet Insurance

- Visit Nationwide for pet insurance at <http://petinsurance.com/uc/>



Other benefits after retirement

COBRA Notification

- › Can disregard if enrolling in retiree health benefits

Homeowners/renters/auto insurance

- › Premiums paid directly to California Casualty / Farmers

Health FSA

- › End on last day of last month you contributed

Life Insurance & Supplemental Health

- › Conversion or portability options may be available

UC and employee paid disability

- › Eligibility ends on last day of work

Medicare and UC

Employees: may delay enrollment until retirement

- › Enrolled spouses may also delay
- › Domestic partners contact Social Security

Retirees: if eligible for premium-free Medicare Part A (hospital), you must enroll in Part B (medical), & Part D (prescription) assigned to your UC plan

- › Eligible under your own record or that of a current, former, or deceased spouse
- › Part B premium paid directly to Medicare
- › UC retiree medical premiums, if any, deducted from your retirement check
- › Failure to enroll in Medicare and coordinate with your UC medical plan will result in temporary offset premium and eventual cancelation of UC medical coverage

Medicare and UC

You or your enrolled family member is age 65+ on your Retirement Date

- Enroll with Medicare 2-3 months in advance
- When you elect to retire, you will receive a Medicare instructions letter:
 - › Provide proof of employee group coverage to Social Security
 - › Complete forms to coordinate your UC medical plan with Medicare

Turn age 65 after retirement

- UC will notify you or enrolled family members prior to turning age 65 with information about Medicare and instructions for coordinating Medicare 3 months in advance

Medicare – Made up of three parts*

1.

Part A:

Hospital insurance

- Financed by payroll taxes
- If you are eligible to receive it based on your own or your spouse's contributions during employment, you do not pay a premium.

2.

Part B:

Medical insurance

- Monthly premium, usually deducted from SS check

3.

Part D:

Prescription drug insurance

- Most UC retirees do not pay extra premium, but may pay premium if income above certain threshold

*Part C is not a component, but a type of Medicare Advantage plan

Medicare and UC retiree medical

Medicare becomes your primary insurance

UC Non-Medicare Plans	UC Medicare Plans
Core PPO	UC Medicare PPO
UC Blue and Gold	UC Medicare Choice
Kaiser Permanente	Kaiser Senior Advantage
UC Care PPO	UC Medicare PPO
If enrolled in UC Health Savings Plan and one or more family members age into Medicare, you <u>must switch plans</u>	

Once enrolled in UC-sponsored Medicare plan

- › UC may reimburse a portion of your Part B premium if the monthly UC contribution exceeds the cost of your plan

Medicare Coordinator Program

- For retirees living outside California, within US
- All family members in Medicare
- More choices, administered through ViaBenefits
- Enroll in individual plans for each family member (including Kaiser)
- UC contributes a maximum \$3,000 to a health reimbursement account (HRA) for you and other family members (maximum of \$6,000)
 - › Prorated based on the percentage of UC's contribution you are eligible to receive

More about UC retiree health coverage

- Can cover same eligible family members as active health
- Certain qualifying events allow changes mid year
- Make changes during Open Enrollment

Survivor health coverage

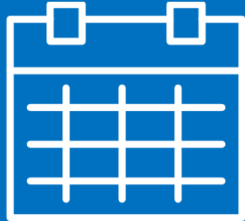
- **Eligible survivors** must be enrolled, or eligible to be enrolled, in UC coverage
- Must be provided with monthly income
 - › **1976 Tier / Safety Members:** Post-Retirement Survivor Continuance or Contingent Annuitant
 - › **2013/Modified 2013/2016 Tiers:** Contingent Annuitant
- Will continue to receive UC contribution based on your eligibility
- Surviving spouses or domestic partners can continue coverage of eligible children
- No survivor health benefits for Savings Choice only retirees

UC Retirement Process



First steps

- ✓ Attend UC retirement planning presentations, workshops, or webinars (schedule and registration on UCnet)
- ✓ Review your UCRP estimate and UC retirement savings balances
- ✓ See your projected Social Security benefit
- ✓ Find out if you qualify for benefits from previous employers
- ✓ Consult with your tax or financial advisor
- ✓ Talk to a Fidelity Workplace Financial Consultant to create a retirement income plan



Decide your retirement date

- Select a retirement date and begin the retirement process up to three months in advance
- Notify your location of your pending retirement
 - › **Staff employees:** Inform your department
 - › **Academic appointees:** Inform Academic Personnel or Provost or Dean's Office



Initiate your retirement

Within 3 months of your retirement date

- Log on to UCRAYS and create your Personal Retirement Profile (PRP):

<https://retirementatyourservice.ucop.edu/>

› Retirement › Initiate & Elect Retirement › Create PRP

OR

- Fill out the Request for Retirement Initiation Packet form:

<http://ucal.us/retirementform>



Review your Personal Retirement Profile

- ✓ Review the retirement options in your PRP
- ✓ Read the Retirement Handbook
- ✓ Contact the Retirement Administration Service Center (RASC) for questions
- ✓ Complete your retirement election on UCRAYS or via your Election Planning Worksheet



The election process

- Log on to UCRAYS and follow the prompts to prepare your retirement election
- Sign and submit your election
 - Your spouse or domestic partner must also sign
- Upload any required documents
 - Marriage certificate/Domestic partner documentation
 - Birth evidence for contingent annuitant, eligible children



Final Review

- ✓ RASC reviews your retirement election documents and completes final calculations
- ✓ Receive confirmation letter in about 45-60 days
- ✓ Track your progress on UCRAYS
- ✓ Change or cancel election up to retirement date or 15 days after confirmation letter sent, whichever is later
- ✓ **If everything looks good, no further action is needed – You are retired!**

Now That I'm Retiring



What to expect with your retirement payment

- ✓ Paid around the first of each month
- ✓ Electronically deposited to your bank
- ✓ Benefit Income Statements on UCRAYS
- ✓ Income reported on 1099R tax form



Keep your personal information up-to-date

Use UCRAYS to update:

- › Address, phone and email
- › Tax withholding & direct deposit information
- › UCRP beneficiary designation & contact information
- › Health benefits changes

Use Fidelity to update:

- › Manage investments, request distributions or rollovers
- › Update Retirement Savings Program beneficiaries
- › www.netbenefits.com

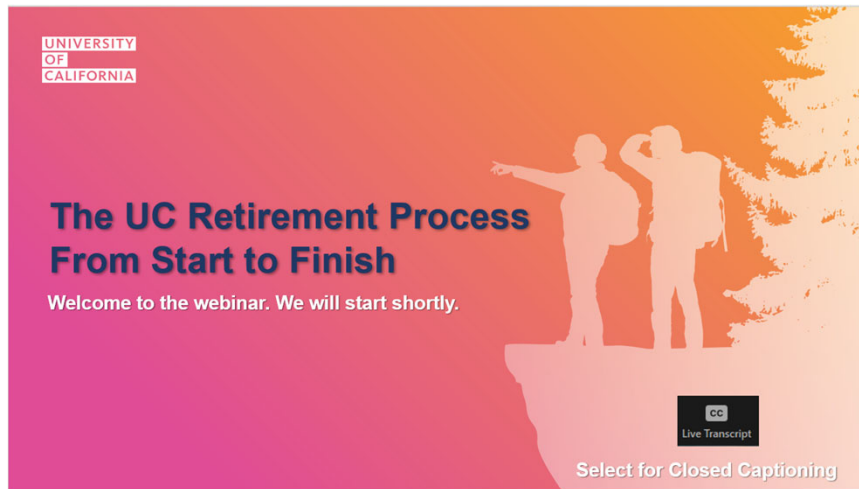


Stay connected

- New Dimensions newsletter
- UCnet
- Local resources
 - Emeriti and Retiree Associations
 - Retirement Centers
 - Location and contact information available on UCnet:
ucnet.universityofcalifornia.edu/retirees
 - Health Care Facilitator

Important Resources

UC retirement planning webinars



UC Retirement Process

- 4th Thursday of the month at 10am



UC Retiree Health Benefits
- 3rd Wed. of the month at 2pm

UCnet – Preparing for Retirement

WHAT TO DO IF YOU'RE

Preparing for retirement

You've had a long, successful career at UC and now you're thinking of the next phase: retirement. The process is fairly easy, but it's important to plan ahead. You may want to consult a financial expert to ensure a comfortable worry-free retirement.

You can retire and receive UC benefits any time after you become eligible — that is, when you have separated from UC employment, have at least five years of UC Retirement Plan service credit and reach age 50 or 55, depending on which tier of the pension plan you're in.

Once you've decided to retire, you'll complete the application process and the election of your benefits. This process takes about three to four months and is outlined below.

The UC Retirement Administration Service Center offers two helpful webinars covering everything you need to know:

- **Preparing for Retirement**, for UCRP members who are planning to retire within the next five years, covers topics such as understanding UCRP pension benefits, retirement savings and retiree health coverage.
- **The UC Retirement Process - Step by Step**, for UCRP members who are planning to retire within the next 4-12 months, explains everything you need to know about the retirement process, including required forms, important deadlines and helpful resources.

Important update: The UC Retirement Administration Service Center (RASC) has adjusted operations due to the COVID-19 pandemic. RASC representatives are continuing to answer phone calls and serve members, but we apologize if response times are longer than usual.

UCRP members can initiate and process their retirements electronically through UC Retirement At Your Service (UCRAYS) by following the steps below. To learn more about how to register, log in and use UCRAYS, visit [Frequently Asked Questions about UCRAYS](#).

1 Decide your retirement date and notify your department

Academic and staff employees should notify their department manager about their decision to retire three months before the retirement date.

If you accrue vacation and want to use it before retiring, you need to get department approval first.

2 Know your retirement benefit options

Read the Retirement Handbook [\[PDF\]](#).

Check out the retirement estimator tool on UC Retirement At Your Service (UCRAYS) to see estimates based on your salary and service credit. View your Retirement Review on [myUCretirement.com](#) for a comprehensive picture of what your retirement income might be from all sources of income.

Some campuses hold pre-retirement workshops to help you plan for retirement. Check with your Benefits Office or campus Retirement Center (if available) to see what they offer.

Fidelity and UC also offer one-on-one meetings with financial planning and guidance counselors to help you with your retirement planning.

If you want to know whether you're eligible for retiree health benefits, you can read about eligibility and UC's contribution to the premiums [here](#).

3 Review your finances so you understand what other income you can depend on in retirement

Talk to Fidelity about your options for your 403(b), 457(b) and/or DC Plan accounts, if any.

Check your eligibility for Social Security and Medicare benefits. The Social Security Administration provides an online personal statement, which is updated annually. Visit [www.ssa.gov](#) to sign in or create an account in order to review your Social Security Statement.

RESOURCES

[When You're Ready to Retire](#)

RESOURCES

[Retirement Handbook](#) PDF

[UCRAYS](#)

[myUCretirement](#)

[Financial Planning and Guidance Consultants](#)

[Campus Contacts](#)

RESOURCES

[Contacts](#)

[Social Security Administration](#)

[UCRP/CalPERS Reciprocity Fact Sheet](#) PDF

[UCRP/CalSTRS Concurrent Retirement Fact Sheet](#) PDF

Questions?



UCRP/CAP

- RASC – **(800) 888-8267** or via secure messaging on your UCRAYS account
- Schedule online:
RASC.universityofcalifornia.edu
- UCRAYS:
Retirementatyourservice.ucop.edu/
- Additional UCRS Retirement Webinars – registration on UCnet



Social Security/Medicare

- For Medicare enrollment and eligibility information, call Social Security at **800-772-1213**. You can also find Medicare information online at www.medicare.gov.



Retirement Savings Program

- Fidelity's UC-Dedicated Workplace Financial Consultants **(800) 558-9182**
- myUCretirement.com/classes

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