

Deferred Lifetime Income

Decision Guide

We're living longer.
Our money needs to last longer, too.

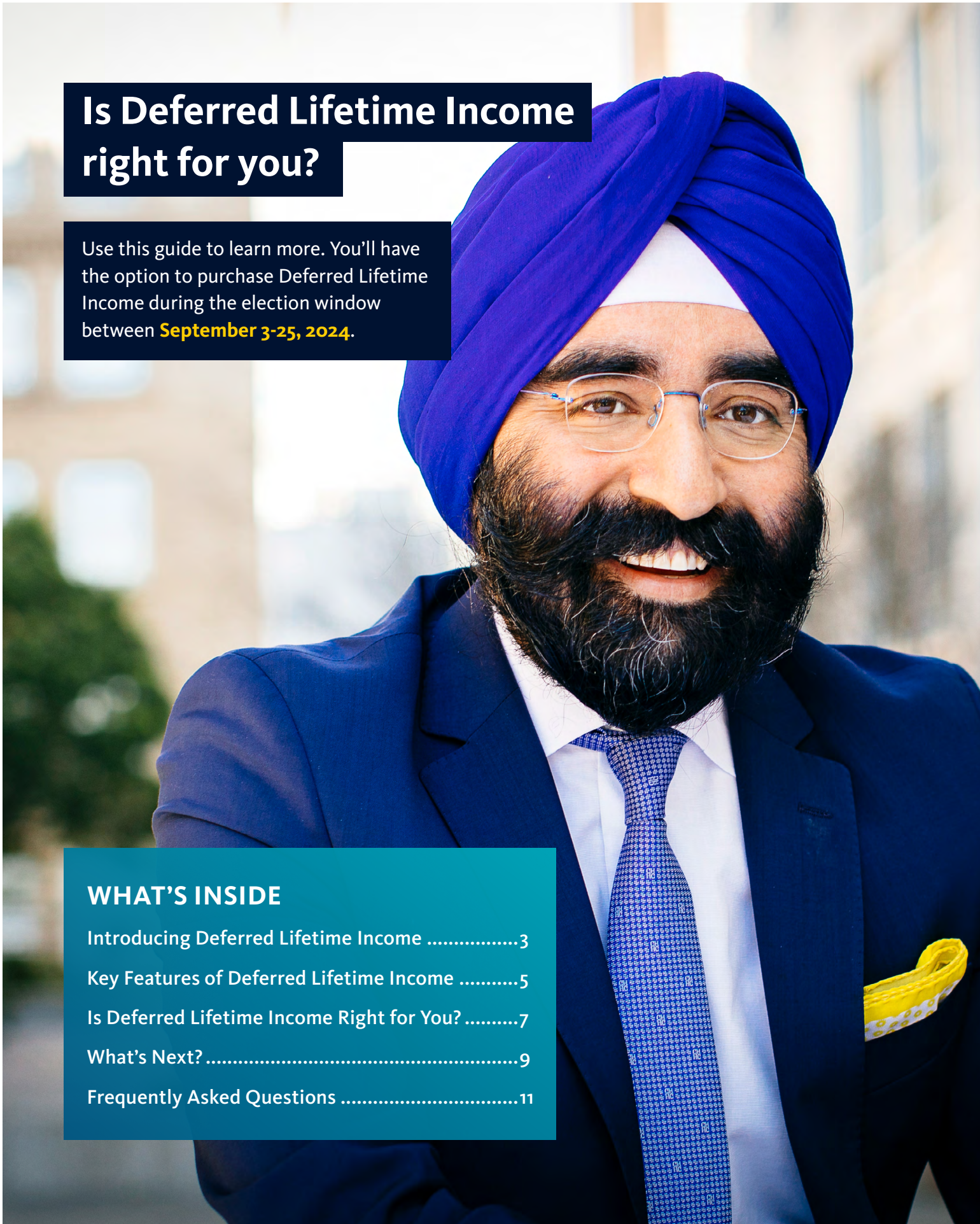
Meet Deferred Lifetime Income: An enhancement to the UC Pathway Funds designed to help convert a portion of your retirement savings into lifetime monthly income.

Is Deferred Lifetime Income right for you?

Use this guide to learn more. You'll have the option to purchase Deferred Lifetime Income during the election window between **September 3-25, 2024**.

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Dear Fellow Retirement Savings Program Members:

In recent years, we've all witnessed the impact of inflation, economic uncertainty and financial market volatility on retirement accounts. As long-time savers, you are likely concerned about how to navigate the ups and downs of financial markets so that your hard-earned savings will provide the income needed for all of your retirement years.

For times like these and for members like you, we introduced **Deferred Lifetime Income** — an offering available only to UC Retirement Savings Program participants to help you address these concerns with confidence and enjoy a comfortable retirement.

Deferred Lifetime Income is a special type of annuity that you purchase now with a portion of your UC RSP account balance that **provides steady monthly income for life beginning at age 78** — a time when many retirees need financial security most. Depending on your current age, **converting \$100,000 into Deferred Lifetime Income could potentially generate \$1,700 in monthly income for the rest of your life once payments begin***.

This year, we have an exciting update to share to make your purchasing experience even better. You can now use *any* Pathway Fund in your 403(b), 457(b) or Defined Contribution (DC) Plan to purchase Deferred Lifetime Income, giving you even more flexibility.

We know that purchasing Deferred Lifetime Income is an important decision. Review this guide and the many resources available online at myUCretirement.com/income or speak to a Fidelity Workplace Financial Consultant at **1-800-558-9182** to discuss your retirement income goals and decide if it's right for you.

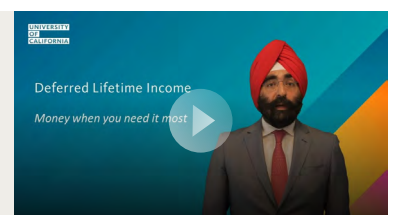
In good financial health,

Jagdeep Singh Bachher

Chief Investment Officer

WATCH A VIDEO

Click the video on the right to watch Jagdeep Singh Bachher talk about Deferred Lifetime Income.



Introducing Deferred Lifetime Income

Where Savings Meets Security

Today, people are living longer than previous generations. That means managing your retirement income and spending for potentially decades into the future.

That's why UC offers **Deferred Lifetime Income**, a feature available through the UC Pathway Funds, to UC Retirement Savings Program participants between the ages of 62 and 69.

It's designed to turn a portion of your 403(b), 457(b) or Defined Contribution (DC) plan balance into income for life, starting at age 78. This income, combined with other sources of retirement income (such as Social Security and the UC Retirement Plan), can help cover your spending needs.



NEW FOR 2024

More funding options:

Use any Pathway Fund to purchase Deferred Lifetime Income.

Deferred Lifetime Income provides:



Monthly income that lasts a lifetime, starting at age 78.

- You have insurance protection against outliving your savings, to help support a long life.
- Your Deferred Lifetime Income won't be impacted by the ups and downs of the stock market, when stability is important.
- **How much income will I get?** Depending on your current age, converting \$100,000 into Deferred Lifetime Income could generate \$1,700 in monthly income.*



An investment that lives on.

- If you die before receiving your entire purchase premium as income payments, any remaining balance will be paid to your beneficiaries.
- You can purchase a joint & survivor option that allows your spouse to continue receiving payments if they outlive you.



Income with an annual cost of living adjustment.

- Your monthly benefit will increase by 2% each year.
- This cost of living adjustment helps to offset the impact of inflation.



Simplified decision making.

- The annuity insurers, monthly income levels and key features have been vetted.
- You can plan for your long term financial health now, so you don't need to worry about making complex decisions much later in life.

*Income estimates are for illustrative purposes and subject to change. Precise pricing will be available on the election site during the purchase window of September 3-25, 2024.

Deferred Lifetime Income Overview

What is Deferred Lifetime Income?

Deferred Lifetime Income is a type of deferred income annuity, known as a “qualified longevity annuity contract” (QLAC). **Deferred Lifetime Income allows you to use a portion of your savings to generate income in your later retirement years.** Your remaining savings stay in your UC RSP account for you to continue to invest and withdraw funds as needed.

Deferred Lifetime Income is different than the UC Retirement Plan (UCRP) and is not guaranteed by UC or the UC Retirement Savings Program plans. Payments will come directly from an insurance company, rather than from UC or the UC Retirement Savings Program (RSP). Consider your potential UCRP benefits and other income sources before deciding if Deferred Lifetime Income is right for you.

How Does It Work?

Buying Deferred Lifetime Income means you are purchasing an annuity certificate from an insurance company. Between the ages of 62 and 69, you can use a portion of your pretax UC 403(b), 457(b) or DC Plan account to purchase an annuity now, then monthly payments will begin at age 78 and continue for the rest of your life.

EXAMPLE SCENARIO

Single (Unmarried) Participant*:

Purchase Age: 62



Income benefit purchase amount: **\$100,000**

	Age 78	Age 79	Age 80
Annual Income Estimate:	\$21,200	\$21,620	\$22,060
Monthly Income Estimate:	\$1,770	\$1,800	\$1,840

For illustrative purposes.

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

- You pay the insurer a specific amount of money (the premium) from your UC RSP balance (minimum \$10,000, up to \$200,000 of your plan balance).
- You must be invested in the UC Pathway Funds to make the purchase. It's easy to transfer UC RSP plan money into these funds, if needed.

Start receiving monthly payments from the insurer until your death (or spouse's death if you select the Joint & Survivor option).

- To help you keep pace with inflation, your monthly income will increase by 2% each year after your first full year of income.
- When you die, any money you used to purchase Deferred Lifetime Income (the premium) that has not been paid out to you or your spouse will go to your beneficiary(ies).

INCOME PAYMENT OPTIONS

Single Life

Provides lifetime monthly income to you only, beginning at age 78.

50% Joint & Survivor

Provides lifetime monthly income to you beginning at age 78. If you die before your spouse, your spouse will receive 50% of your monthly payment for the rest of their life.

75% Joint & Survivor

Provides lifetime monthly income to you beginning at age 78. If you die before your spouse, your spouse will receive 75% of your monthly payment for the rest of their life.

Key Features of Deferred Lifetime Income

You make a one time purchase of Deferred Lifetime Income between the ages of 62-69 during an annual purchase window. **This year's purchase window is September 3-25, 2024.**

The insurance company holding the annuity contract will start paying a monthly benefit when you turn age 78.

Eligibility

You are eligible to purchase Deferred Lifetime Income if:

- You're a UC Retirement Savings Program (UC RSP) participant between the ages of 62 and 69; and
 - You have a combined pretax account balance of at least \$10,000 across the UC 457(b), 403(b), and DC Plans; and
 - You have a Social Security or tax ID number and a U.S. mailing address; and
 - You have not previously purchased Deferred Lifetime Income through UC.
-

Insurer

The Deferred Lifetime Income annuity is offered by an insurance company. Each year, the investment management firm that manages the UC Pathway Funds selects an insurance company through a vetting process.

Income payment options

When you reach age 78, the insurer will start paying you monthly income. You have three options to choose from:

- **Single Life.** This option will pay you monthly income from age 78 until your death.
 - **Joint & Survivor 50%.** This option will pay you monthly income from age 78 until your death and then will pay 50% of your monthly income to your spouse until your spouse's death.
 - **Joint & Survivor 75%.** This option will pay you monthly income from age 78 until your death and then will pay 75% of your monthly income to your spouse until your spouse's death.
-

Purchase amount

In 2024, the IRS limit for QLAC purchases is \$200,000 per person. The minimum purchase amount is \$10,000.

You are responsible for ensuring you do not exceed the IRS limits, so if you have already purchased a QLAC elsewhere, please factor that amount into your purchase. If you're unsure, you may want to consult your financial advisor. You could be subject to penalties if you exceed the limits.

After the purchase window (September 3-25 for 2024) closes, your purchase amount will be deducted from your account in the UC RSP plan you chose and sent to the insurer.

Source plan and fund

You can purchase Deferred Lifetime Income from only one UC RSP plan (403(b), 457(b) or DC plan). If needed, you can easily combine your savings into a single plan to meet your desired purchase amount.

The pretax money you use to purchase Deferred Lifetime Income must be invested in a UC Pathway Fund. If you don't have enough in any UC Pathway Fund to complete your purchase, you can easily exchange money into the fund as needed.

If you need to transfer money between plans or investment funds, be sure to factor in enough time for your transfer to take place (typically takes two business days, longer for BrokerageLink® transfers) before the purchase window closes. Call a UC-dedicated Fidelity Workplace Financial Consultant at **1-800-558-9182** for assistance.

Key Features of Deferred Lifetime Income (continued)

Annual cost-of-living adjustment

To help you keep pace with the increasing cost of goods and services each year, your monthly income will increase by 2% each year after your first full year of income.

Beneficiaries

When you purchase, you can choose up to four beneficiaries for your annuity. If you die before you have received at least the amount of your purchase (your premium), your beneficiary(ies) will receive the remainder.

- If you purchase the single life option, your beneficiary(ies) can be your spouse or someone other than your spouse.
- If you purchase one of the joint & survivor options, your beneficiary(ies) must be someone other than your spouse.
- After purchase, you can update your beneficiary(ies) or add contingent beneficiary(ies) through the insurer's website.

Return of premium

When you die, any money you used to purchase Deferred Lifetime Income (the premium) that has not been paid out to you or your spouse will go to your beneficiary(ies).

Your Purchase Window:
September 3-25 for 2024

Is Deferred Lifetime Income right for you?

There are several factors to consider when deciding whether Deferred Lifetime Income should be part of your retirement plan.



Consider Deferred Lifetime Income if you:

- Want monthly payments to supplement other sources of expected income, like a small (or no) UCRP benefit and Social Security.
- Are interested in sheltering a portion of your retirement savings and future income from financial market volatility but unsure of the options available in the retail marketplace.
- Prefer to plan for long term financial health now, so you don't need to make complex financial decisions later in life.
- Have a spouse who may need an additional source of income after your death.
- Would like to reduce the amount of required minimum distributions (RMDs) from your retirement savings accounts.



Deferred Lifetime Income may not be right if you:

- Have a lifetime monthly income stream through the UCRP that will cover your expenses in retirement.
- Are comfortable with market volatility and potential impact on savings balances.
- Are confident in your ability to manage your retirement savings investments and withdrawals later in life.
- Have a spouse with sufficient income in retirement from other sources.
- Are fine with expected RMDs from your retirement savings accounts.

Explore the Deferred Lifetime Income Tutorial and Interactive Estimator Tool

Visit myUCretirement.com/income to learn more about Deferred Lifetime Income and to use the [Interactive Estimator](#) tool to find out how much monthly income you can expect for different purchase (premium) amounts. Actual rates will be available when the purchase window opens in September.

Here is an estimate for the Deferred Lifetime Income option.

This is a hypothetical estimate of the Deferred Lifetime Income monthly income payment. You can log in during the purchase window to get a personalized quote and make a purchase.

If you use this much of your UC RSP balance to purchase now:

\$100,000

=

Your monthly income could be:

\$1,700



[See the total income you could receive](#)

QUESTIONS?

Contact a Fidelity Workplace Financial Consultant at **1-800-558-9182**, Monday–Friday, 5:30 a.m. – 5:00 p.m. PT, or schedule an appointment online at Fidelity.com/schedule/UC.

HYPOTHETICAL EXAMPLES

How Deferred Lifetime Income Can Help



Kris
Retired Nurse
age 65

NEEDS: Stability of assets
Income security

“My spouse and I are retired, and my pension, our retirement savings, and our Social Security benefits provide us with income. But I worry about market volatility affecting our savings and not having stability with our income.

We were interested to hear about the Deferred Lifetime Income option, because a lot of our money is subject to the fluctuations of the investment markets. The annuity income isn't affected by the investment markets and could provide needed security.”

Choice:	50% Joint & Survivor
Purchase Amount:	\$100,000
Kris's Potential Income:	\$17,080/year (\$1,420/month)
Kris's Spouse's Potential Income: (if Kris dies before or after age 78)	\$8,540/year (\$710/month)



Jay
Health Science Professor
age 63

NEEDS: Simplified decision making
Spousal income

“I will retire this year after 20 years at UC and expect my UCRP benefit will replace about half of my base pay. I'll need more income to cover my expected expenses in retirement.

I've always planned to purchase an annuity to provide additional retirement income, but with so many products and insurers, it's been a bit overwhelming.

That's why I was excited to learn about Deferred Lifetime Income. The insurer has been vetted and UC makes the process easier by enabling us to use some of my pretax DC Plan money to purchase an annuity. And, knowing that my spouse will have additional income if they outlive me brings real peace of mind.”

Choice:	75% Joint & Survivor
Purchase Amount:	\$200,000
Jay's Potential Income:	\$34,920/year (\$2,910/month)
Jay's Spouse's Potential Income: (if Jay dies before or after 78)	\$26,190/year (\$2,180/month)



Taylor
Retired Technician
age 68

NEEDS: Stability of assets
Simplified decision making
Income security

“When I retired a few years ago, I felt confident that I could invest wisely and manage my savings withdrawals to carry me through retirement.

Since retiring, I'm realizing that it's harder than I thought, especially with increased volatility of the investment markets. I'd rather make complex financial decisions now, so I like being able to plan ahead with Deferred Lifetime Income. It will supplement Social Security, my only other source of income, when payments start in 10 years.”

Choice:	Single Life
Purchase Amount:	\$100,000
Taylor's Potential Income:	\$14,930/year (\$1,240/month)



Akira
Professor
age 67

NEEDS: Estate planning by managing RMDs

“My UCRP benefit will meet most of my spending needs throughout retirement. My concern is passing along my assets to my two adult children through estate planning.

I have a solid balance in my UC 403(b) Plan. But when I reach 73, I'll have to start taking RMDs from it.

Using some of my 403(b) money to buy Deferred Lifetime Income fits nicely with my estate plan because it reduces the RMD amount I'll have to take out of my 403(b), hopefully leaving more money to pass on to my kids.”

Choice:	Single Life
Purchase Amount:	\$100,000
Akira's Potential Income:	\$15,890/year (\$1,320/month)



Terry
Administrative Assistant
age 64

NEEDS: Retirement income

“I've spent my entire career at UC, so I know that my UCRP benefit will replace much of my current income when I retire. I'm not married and don't worry about preserving my pretax UC DC plan savings for my children. I will use those savings for special purchases, like vacations.

I decided that Deferred Lifetime Income wasn't for me, since I feel confident that between my UCRP benefit and DC plan savings, I should be able to cover my expenses in retirement.”

Choice:	No purchase
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Examples use fictional employees and are for illustrative purposes only. Income levels are estimated and subject to change; precise pricing will be offered during the purchase process.*

What's Next?

Explore Deferred Lifetime Income using the online tutorial at myUCretirement.com/income. You can log in to make your purchase between September 3-25, 2024. The selected insurance company and final rates will be available on September 3.

Your Purchase Window:

September 3-25 for 2024

How to Purchase

To purchase Deferred Lifetime Income, log in to myUCretirement.com/income between September 3-25, 2024 using your Fidelity NetBenefits® credentials. You'll be guided through a step-by-step process.

Provide basic information

Indicate if you want to purchase income for yourself (single life option) or with your spouse (joint & survivor options), confirm your personal details and, if needed, provide details about your spouse.

Decide on an amount

You'll get a quote based on your information and factors provided by the insurer. You can adjust as needed until you are happy with the amount.

Get your account ready

Choose a UC RSP plan for the purchase (403(b), 457(b) or DC plan). If needed, you'll get step-by-step instructions about how you can move money between plans and/or investment funds to meet balance requirements.

Add details and confirm

Add up to four beneficiaries, read the insurer's disclosures and enter your initials, then confirm your purchase.

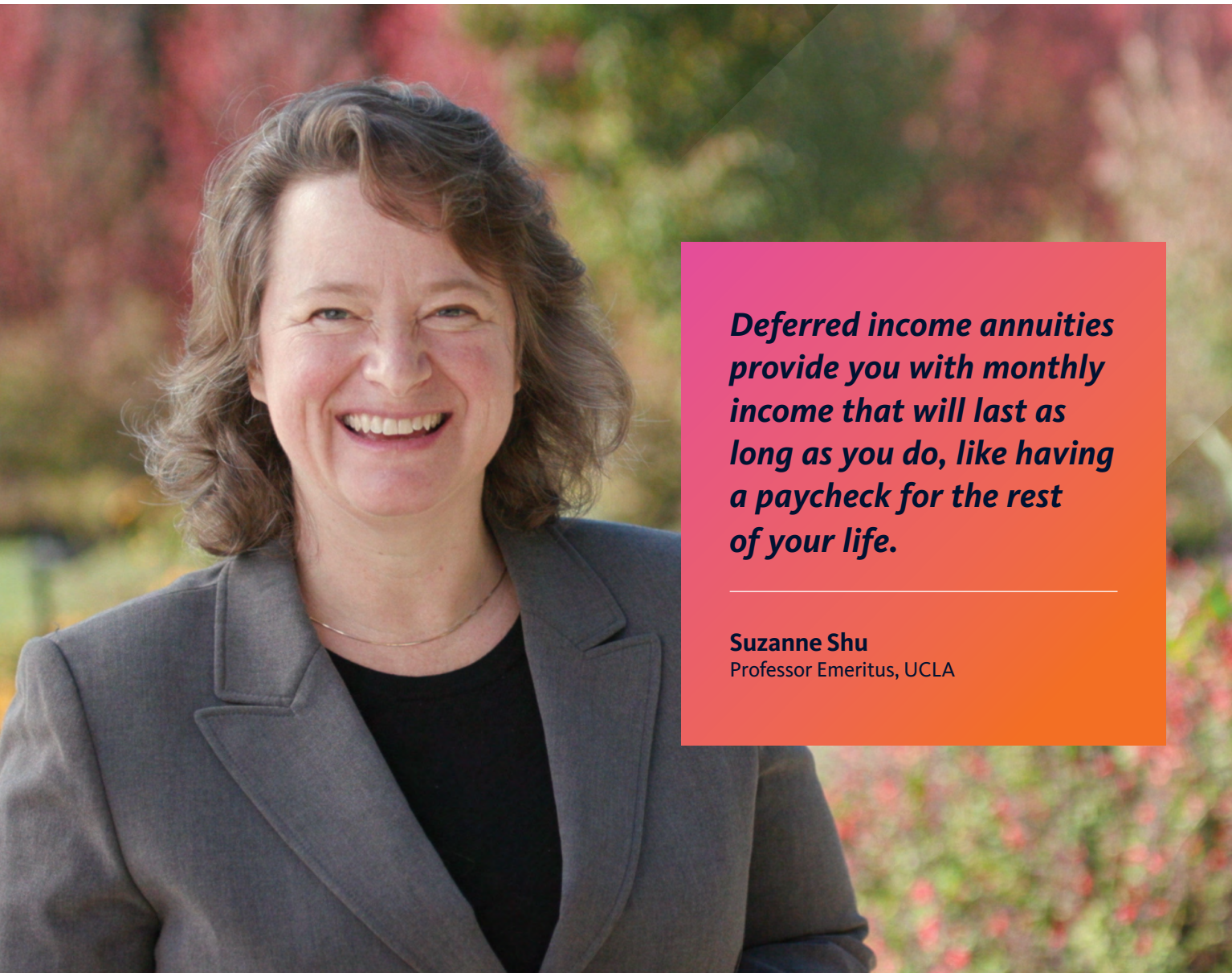
YOUR PURCHASE DECISION IS IRREVERSIBLE.

However, you have the ability to change your mind up to 90 days after the initial purchase decision. **You can only purchase Deferred Lifetime Income once through UC — you can't buy additional income during a future purchase window even if you purchased less than the maximum purchase amount.**

What to Expect After Your Purchase

Once you purchase Deferred Lifetime Income, an account will be opened with the insurance company that will administer your benefit.

- The insurer will send you a welcome packet with details about your Deferred Lifetime Income benefit, including how to access your annuity and make updates to your contact information and beneficiaries.
- At 78, monthly payments from the insurer to your preferred bank account will begin.
- You can access the insurer's website either directly or through Fidelity at NetBenefits.com, where your monthly benefit will be displayed on your account page.



Deferred income annuities provide you with monthly income that will last as long as you do, like having a paycheck for the rest of your life.

Suzanne Shu
Professor Emeritus, UCLA

Get Help with Your Decision

Before making a decision about purchasing Deferred Lifetime Income, you're encouraged to discuss your financial situation with a UC-dedicated Fidelity Workplace Financial Consultant or your financial advisor. This is especially important if you have balances in former employers' retirement plan(s) or if you have an IRA.

They can also walk you through the purchase process and help transfer funds if necessary.

READY TO MAKE AN APPOINTMENT?

To make an appointment with a Fidelity Workplace Financial Consultant, call **1-800-558-9182**, Monday–Friday, 5:30 a.m. – 5:00 p.m. PT or schedule an appointment online at **Fidelity.com/schedule/UC**.



Frequently Asked Questions

What is a QLAC?

A QLAC refers to an annuity product known as a “qualified longevity annuity contract.” It’s a type of deferred income annuity that pays lifetime income starting on a future date, in return for a lump-sum investment of pretax assets. Because payments begin later in life, a QLAC is designed to help prevent you from outliving your savings. The QLAC offered through UC is a part of the UC Pathway Funds, called Deferred Lifetime Income.

The income start date for Deferred Lifetime Income is 78, which is later than the age at which individuals are required to begin taking RMDs from qualified retirement plans and traditional IRAs. (You can contact the insurer directly to change the payment start age; additional restrictions may apply.)

Why did UC choose to offer a deferred income annuity?

UC chose to offer a deferred income annuity because regular income becomes more meaningful with age. Delaying the start of payments until a later age — when it matters most — may provide higher lifetime income than if you started receiving income immediately.

Do I have to buy Deferred Lifetime Income?

No. Choosing to purchase Deferred Lifetime Income is a highly personal decision that is entirely up to you. You’re encouraged to meet with a UC-dedicated Fidelity Workplace Financial Consultant or your own financial advisor before making your decision.

What if I previously purchased a QLAC outside of UC?

Contact your financial advisor. The IRS limits the amount of money you can contribute to a QLAC, so take care to check all other personal retirement accounts — including any with previous employers — to ensure you don’t exceed the IRS limits due to other annuity purchases. You could be subject to penalties if you exceed maximum purchase limits.

How do I pay for Deferred Lifetime Income?

You pay with pretax money from your 403(b), 457(b) or DC plan balance that is invested in any UC Pathway Fund. This payment is called the “premium.”

Why can I only purchase Deferred Lifetime Income using my assets invested in the UC Pathway Funds, 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. A UC-dedicated Fidelity Workplace Financial Consultant can help you transfer assets into these UC Pathway Funds. Call **1-800-558-9182** or schedule a meeting.

What happens after I purchase Deferred Lifetime Income?

The portion of your UC RSP balance used to purchase Deferred Lifetime Income will be deducted from the UC RSP plan you selected to use (403(b), 457(b) or DC plan) and sent to the insurance provider. The rest of your savings can be invested in any UC RSP investment option of your choice. When you are eligible, the rest of your UC RSP balance will be available to you to withdraw.

You’ll be able to view both your UC RSP balance and your Deferred Lifetime Income on the Fidelity NetBenefits® website.

You’ll receive a welcome packet from the insurance provider that issues your Deferred Lifetime Income annuity. The packet will include a certificate verifying your purchase of Deferred Lifetime Income, any terms and conditions, and other details such as direct deposit enrollment instructions. Because Deferred Lifetime Income is held outside of your UC RSP plans, any information or communication about Deferred Lifetime Income will come directly from the insurance provider. Contact the insurance company directly if you have any questions about your Deferred Lifetime Income annuity.

What if I change my mind after purchasing Deferred Lifetime Income?

You now have 90 days from the effective date of your annuity contract to cancel and receive a full refund of your premium — also known as a “free-look” period. The contract effective date is the date that the insurance company receives your premium, which occurs at the end of the election window in late September.

To initiate the cancellation of your Deferred Lifetime Income purchase, contact the insurance company after receiving your insurance certificate.

Your full premium will be returned and invested in the UC Pathway Income Fund at the closing price on the date the funds are received by Fidelity from the insurer. While the full premium amount will be returned, depending on market conditions, you may have more or less shares than you did prior to your purchase.

Can I purchase Deferred Lifetime Income if I retire before age 62?

Retirement status does not affect your eligibility to make a purchase.

As long as you have a total vested pretax balance of at least \$10,000 between the UC 403(b), 457(b), and DC plans and are between the ages of 62 and 69 on December 31 of the purchase year, you will be eligible to purchase Deferred Lifetime Income.

Note that when you retire or leave UC and you do **not withdraw, transfer, or rollover** your accounts to another custodian, you will have access to your full retirement savings if you need to withdraw them before age 62. However, unless an exception applies, the IRS assesses penalties on withdrawals made prior to age 59.5.

If I purchase Deferred Lifetime Income, can I still leave some of my retirement savings to my family?

In many cases, yes. It depends on how much you spend and how long you live. Depending on how much Deferred Lifetime Income you purchase, you may have assets remaining in the UC RSP. Any assets left over will remain available for you to withdraw when you are eligible. You can leave this portion of your retirement savings to your beneficiary(ies) the same as you would with your other retirement savings.

Depending on your circumstances, your Deferred Lifetime Income may also be left to your beneficiary(ies). For instance, each Deferred Lifetime Income payment option (single life, 50% joint & survivor, and 75% joint & survivor deferred income annuity) allows you to select a beneficiary who will receive any outstanding premium not yet paid to you and/or your spouse upon your death(s). (See “What happens if I die?” for more details.)

What if I change employers before or after I purchase Deferred Lifetime Income?

Your UC employment status does not affect your eligibility to make a purchase.

If you're between the ages of 62 and 69 on December 31 of the purchase year with a total pretax UC RSP balance of at least \$10,000, you will still be eligible to purchase Deferred Lifetime Income. If your balance is below this amount, you will not be eligible to purchase Deferred Lifetime Income.

When you purchase Deferred Lifetime Income, the annuity certificate is held by you, outside of the UC RSP plans. That means, if you change employers after purchasing Deferred Lifetime Income, you keep your Deferred Lifetime Income with you. Update the insurance provider of any changes in your contact information.

What happens if I die?

When you die, any money you used to purchase Deferred Lifetime Income (the premium) that has not been paid out to you or your spouse will go to your beneficiary(ies). Here's how it works:

OPTION 1: Single Life Deferred Income Annuity

- **If you die before age 78, before payments begin:** The amount you paid to purchase Deferred Lifetime Income (the premium) will be returned to your beneficiary(ies).
- **If you die after payments begin but before you have recouped the amount you paid to purchase Deferred Lifetime Income (the premium):** The difference between the amount you paid (the premium) and the amount you already received in monthly payments will be returned to your beneficiary(ies).

OPTIONS 2 AND 3: Joint & Survivor Deferred Income Annuity (50% or 75%)

- **If you die before age 78, when payments begin:** The insurer will make monthly payments to your spouse in the amount of 50% or 75% (depending on the option selected) of the monthly income you would have received. Payments will start when you would have turned 78 and will continue for the remainder of your spouse's life.
- **If you die after age 78 (after payments begin):** Your spouse will continue to receive 50% or 75% (depending on the option you select) of the monthly income you would have received for the remainder of their life.
- **If both you and your spouse die before you have recouped the amount you paid to purchase Deferred Lifetime Income (the premium):** The difference between the amount you paid (the premium) and the amount you and your spouse already received in monthly payments will be returned to your beneficiary(ies).

Will Deferred Lifetime Income affect my RMDs?

Deferred Lifetime Income is a deferred income annuity, known as a QLAC, that allows you to defer paying taxes on your income. The amount you use to purchase the QLAC is excluded from the RMD calculation so you will not have to pay taxes on those assets until you start receiving your monthly income payments at age 78. As a reminder, QLAC purchases are subject to a specific limit set by the IRS. Please consult a qualified tax advisor.

Should I purchase Deferred Lifetime Income at age 62 or wait until age 69?

You may make a one-time QLAC purchase in any year that you are eligible. While QLAC income is highly dependent on the level of interest rates, the earlier you purchase the QLAC, the more income it can potentially provide you due to a longer deferral period. However, everyone's needs and circumstances are different, so you should talk to your financial advisor or use the Fidelity Planning and Guidance Center on [NetBenefits.com](https://www.fidelity.com/NetBenefits.com) to help you with your retirement planning.

How is Deferred Lifetime Income different from my UC pension?

The UC Retirement Plan (UCRP), provides a monthly income benefit to eligible members upon retirement. The payment is based on UCRP service credit, eligible pay and age at retirement.

Deferred Lifetime Income is not related to the UC Retirement Plan. Deferred Lifetime Income is an annuity that you purchase from the insurance company using your pretax funds in the UC Retirement Savings Program plan that starts paying benefits when you turn age 78. The payment amount is based on how much you purchase now.

Are there any upfront fees or commissions included in the Deferred Lifetime Income purchase price?

While these kinds of extra fees are common in the retail marketplace, UC has negotiated rates that exclude upfront fees and commissions. Please read the insurance company materials for any additional fees that may apply.

Is there an option to provide lifetime income to my domestic partner?

No, the Joint & Survivor option is only available to legally married spouses. You may name your domestic partner to be your beneficiary(ies).

If your spouse changes after purchasing a Joint & Survivor option, you may or may not be able to change your spousal designation. Please contact the selected insurer to determine if there are specific circumstances in which they permit spousal designation changes.

Footnotes & Disclosures

*Income estimates are for illustrative purposes and subject to change. Precise pricing will be available on the election site during the purchase window of September 3-25, 2024.

Beneficiaries of a primary account holder and alternative payees of a qualified domestic relations order (QDRO) are not eligible to purchase Deferred Lifetime Income. Deferred Lifetime Income is a type of deferred income annuity called a “qualified longevity annuity contract” (QLAC). A QLAC is an insurance product that pays lifetime income starting on a future date in return for a lump sum investment of pretax assets.

The income start date for Deferred Lifetime Income is 78. This is later than the age at which individuals must begin taking RMDs from qualified retirement plans and traditional IRAs.

Participants can contact the insurer directly to change the payment start age; additional restrictions may apply. **Annuity payments are subject to product terms, exclusions and limitations and the issuing insurance company’s claims-paying ability and financial strength.**

The UC Pathway Funds, as well as QLACs, are not insured by the FDIC or by another governmental agency; they are not obligations of the FDIC or deposits or obligations guaranteed by State Street Global Advisors (“SSGA”), the UC Retirement Savings Program plans, or the University of California. QLAC purchases are subject to regulatory limitations. Income annuities permanently convert a single premium into an income stream. The QLAC has no accumulation value and cannot be surrendered. Please consult your tax advisor.

If you move money out of the required UC Pathway Funds and the balance in those funds drops below the minimum purchase amount before your QLAC purchase is processed, then the highest amount possible subject to IRS limits will be sent to the insurer. The actual purchase amount will be no less than \$9,000 and no more than \$200,000 of your vested pretax account balance, excluding outstanding loans. If less than \$9,000 is available for your purchase, your purchase will be canceled. No purchase will be made. The QLAC is subject to regulatory limitations. The QLAC purchase is subject to market availability and cannot be guaranteed in any given year. The QLAC is not provided by or guaranteed by SSGA or any affiliate of SSGA, the UC Retirement Savings Program plans, University of California, or Fidelity Investments. Once you elect to purchase or purchase a QLAC, you cannot reverse the purchase of the QLAC.

UC Pathway Funds are designed for investors expecting to retire around the year indicated in each fund's name. When choosing a fund, investors should consider whether they anticipate retiring significantly earlier or later than age 65, even if such investors retire on or near a fund's approximate target date. There may be other considerations relevant to fund selection, and investors should select the fund that best meets their individual circumstances and investment goals. The funds' asset allocation strategy becomes increasingly conservative as it approaches the target date and beyond. The investment risks of each fund change over time as its asset allocation changes.

The UC Pathway Funds portfolios' asset allocation changes. The funds' portfolios 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' portfolios' target dates.

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.

Payment of the Deferred Lifetime Income option is subject to the claims-paying ability of the issuing insurance company; it is possible that the issuing company may not be able to honor the income payouts at any time. The Deferred Lifetime Income option is not insured by the FDIC or by another governmental agency. The Deferred Lifetime Income option is not provided by or guaranteed by the University of California, the University's Retirement Savings Program plans or any affiliate of the University of California.

Investing involves risk, including the risk of loss of principal.

The information in this booklet reflects the terms of the benefit plans in effect on June 1, 2024. Please note that this is only a summary of plan features; additional requirements, limitations and exclusions may apply. Refer to applicable plan documents and regulations for details. The applicable policy issued by the carrier and other applicable UC policies will take precedence if there is a difference between the provisions therein and those of this document.

NOTICE REGARDING ADMINISTRATION OF BENEFITS

By authority of the Regents, University of California Human Resources, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, group insurance contracts, and state and federal laws.

No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (800.888.8267). What is written here does not constitute a guarantee of plan coverage or benefits — particular rules and eligibility requirements must be met before benefits can be received.

If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here.

For more information about UC retirement benefits, employees should contact their Human Resources Office and retirees should call the UC Retirement Administration Service Center (800.888.8267).

