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Your UCRP Benefits & How to Retire From UC

The background of the slide features a silhouette of two people standing on a rocky shore, looking out at a sunset over a body of water. The scene is bathed in warm orange and yellow light, with a blue sky and water. The silhouettes are positioned on the right side of the slide, partially overlapping the main title text.

UCSF BENEFITS
Office

Presented by Evelyn Arechiga
& Javier Martinez
March 2024

Pathway to Retirement presentation slides can be found at:

<https://myucretirement.com/Classes/PathwayToRetirement>

UCRP

Potential sources of income for your retirement

SOCIAL
SECURITY



UCRP



SAVINGS



UCRP

UCRP – University of California Retirement Plan is a **Defined Benefit Plan**

- Traditional pension plan with a **vesting requirement**
- Income you receive at retirement is **based on a formula** and is independent from what you contribute
- Monthly benefit is **paid for life**

1976 Tier

Members hired or rehired prior to July 1, 2013

2013 Tier

Members hired or rehired - following a tier break in service*, on July 1, 2013 through June 30, 2016**

2016 Retirement Choice – Pension Option**

Members hired or rehired - following a tier break in service*, on July 1, 2016 or later

* For UCRP membership purposes, a tier break in service is deemed to have occurred when a member in the 1976 tier or 2013 tier is rehired on or after the first day of the second month following the month the member left UC employment

** Subject to collective bargaining agreements; currently represented staff employees are automatically enrolled in the 2013 Modified Tier, with the exception of Teamsters (CX)

UCRP

Monthly UCRP Member Contributions required*

Employees Pay**

- 8% - 1976 Tier
- 7% - 2013 Tier (Modified 2013 Tier 9.0%)
- 7% - 2016 Pension Choice

UC Pays

- 14% - UC contribution (plus Defined Contribution supplement for applicable 2016 tier employees)
- All employee contributions currently earn 6% interest
- UCRP benefit for vested members **based on formula**, independent of the amount of UCRP contributions made

*Up to applicable IRS limits

**Subject to collective bargaining

UCRP

Vesting Requirement

Members 'vested' after accruing 5 years of **UCRP service credit**

- Maximum service credit you can earn for a year of full-time work is one year of service credit
- Part-time or variable-time work results in a **proportionate amount** of service credit

GREAT! I'M VESTED!

But what does that Mean?

It means you are now eligible for a guaranteed retirement benefit from the 'UC Retirement Plan' once you meet the age requirement applicable under your retirement tier



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MONTHLY RETIREMENT INCOME

UCRP



How is Basic Retirement Income Calculated?

Based on a formula with **three components** on the date you retire- **applies to all tiers:**

$$(\text{Age factor}) \times (\text{UCRP service credit}) \times (\text{HAPC}) = \$ \text{Basic Retirement Income}$$

1. Your Age Factor

- 1976/2013 Modified Tier: Earliest age you can retire is age 50, factors increase to age 60
- 2013 and 2016: Earliest age you can retire is age 55, factors increase to age 65

2. Your Years of UCRP Service Credit

- Based on actual time worked up to 100%
 - Unused sick leave converted to additional UCRP service*: Sick Leave Hours/2000 = UCRP Service
- *Retirement date must be within 120 days of separation

3. Your HAPC (Highest Average Plan Compensation)

- Average of your 36 consecutive months of highest Covered Compensation – based on full time equivalent up to the applicable compensation limits

Benefit Percentage Table

Age Factor	0.0110	0.0124	0.0138	0.0152	0.0166	0.0180	0.0194	0.0208	0.0222	0.0236	0.0250
1976 Tier Retirement Age	50	51	52	53	54	55	56	57	58	59	60
Modified 2013 Tier	50	51	52	53	54	55	56	57	58	59	60
2013 & 2016 Tier Retirement Age	55	56	57	58	59	60	61	62	63	64	65

2013/2016
50% achieved at
age 65 w/20
years of service

Years of Service Credit	Retirement Benefit Percentage										
5	5.50%	6.20%	6.90%	7.60%	8.30%	9.00%	9.70%	10.40%	11.10%	11.80%	12.50%
10	11.00%	12.40%	13.80%	15.20%	16.60%	18.00%	19.40%	20.80%	22.20%	23.60%	25.00%
15	16.50%	18.60%	20.70%	22.80%	24.90%	27.00%	29.10%	31.20%	33.30%	35.40%	37.50%
20	22.00%	24.80%	27.60%	30.40%	33.20%	36.00%	38.80%	41.60%	44.40%	47.20%	50.00%
21	23.10%	26.04%	28.98%	31.92%	34.86%	37.80%	40.74%	43.68%	46.62%	49.56%	52.50%
22	24.20%	27.28%	30.36%	33.44%	36.52%	39.60%	42.68%	45.76%	48.84%	51.92%	55.00%
23	25.30%	28.52%	31.74%	34.96%	38.18%	41.40%	44.62%	47.84%	51.06%	54.28%	57.50%
24	26.40%	29.76%	33.12%	36.48%	39.84%	43.20%	46.56%	49.92%	53.28%	56.64%	60.00%
25	27.50%	31.00%	34.50%	38.00%	41.50%	45.00%	48.50%	52.00%	55.50%	59.00%	62.50%
26	28.60%	32.24%	35.88%	39.52%	43.16%	46.80%	50.44%	54.08%	57.72%	61.36%	65.00%
27	29.70%	33.48%	37.26%	41.04%	44.82%	48.60%	52.38%	56.16%	59.94%	63.72%	67.50%
28	30.80%	34.72%	38.64%	42.56%	46.48%	50.40%	54.32%	58.24%	62.16%	66.08%	70.00%
29	31.90%	35.96%	40.02%	44.08%	48.14%	52.20%	56.26%	60.32%	64.38%	68.44%	72.50%
30	33.00%	37.20%	41.40%	45.60%	49.80%	54.00%	58.20%	62.40%	66.60%	70.80%	75.00%
31	34.10%	38.44%	42.78%	47.12%	51.46%	55.80%	60.14%	64.48%	68.82%	73.16%	77.50%
32	35.20%	39.68%	44.16%	48.64%	53.12%	57.60%	62.08%	66.56%	71.04%	75.52%	80.00%
33	36.30%	40.92%	45.54%	50.16%	54.78%	59.40%	64.02%	68.64%	73.26%	77.88%	82.50%
34	37.40%	42.16%	46.92%	51.68%	56.44%	61.20%	65.96%	70.72%	75.48%	80.24%	85.00%
35	38.50%	43.40%	48.30%	53.20%	58.10%	63.00%	67.90%	72.80%	77.70%	82.60%	87.50%
36	39.60%	44.64%	49.68%	54.72%	59.76%	64.80%	69.84%	74.88%	79.92%	84.96%	90.00%
37	40.70%	45.88%	51.06%	56.24%	61.42%	66.60%	71.78%	76.96%	82.14%	87.32%	92.50%
38	41.80%	47.12%	52.44%	57.76%	63.08%	68.40%	73.72%	79.04%	84.36%	89.68%	95.00%
39	42.90%	48.36%	53.82%	59.28%	64.74%	70.20%	75.66%	81.12%	86.58%	92.04%	97.50%
40	44.00%	49.60%	55.20%	60.80%	66.40%	72.00%	77.60%	83.20%	88.80%	94.40%	100.00%

**1976 Tier/2013
Modified**
50% achieved at
age 60 w/20 years of
service

UCRAYS Retirement Estimator & Election Tool

<https://ucnet.universityofcalifornia.edu>

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TOP NEWS



President Drake announces new Systemwide Office of Civil Rights

For these UC medical students, California's health equity crisis is personal

UC inventions garnered more patents than any other university in the world last year

LIFE AT UC



Cast your vote!

Vote early, by mail or at the polls on Election Day — and make your voice heard!

SIGN IN TO YOUR ACCOUNTS

Faculty/staff

UCPATH

Health Benefits | Payroll

UCRAYS

UCRP Pension Benefits

FIDELITY

Savings Choice, DCP, 403(b), 457(b)

Not sure where to go?

CLICK "UCRAYS" to login



Retirement At Your Service

Login into your account

Username :

Log in

Click 'Register' if you've
never logged on before

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Retirement
At Your Service

<p>UCRP Service Credit</p> <p>22.9384 years</p> <p>as of 12/31/2023</p> <p>Service Credit, UCRP & CAP Balances, Tier</p> <p>Membership Details</p>	<p>Retirement Estimates/Election</p> <p>Retirement</p>	<p>Beneficiary Updates</p> <p>Beneficiary Designations</p>
<p>View and manage your contacts' details. Your contacts include your plan beneficiaries, power of attorney, or your domestic partner.</p> <p>Manage Contacts</p>	<p>Estimate your potential UCRP disability income, compare the benefits of UCRP disability and UCRP retirement, or apply for disability income.</p> <p>UCRP Disability</p>	<p>Estimate the cost of an eligible UCRP service credit purchase.</p> <p>UCRP Service Credit Purchase</p>

UCRAYS RETIREMENT PAGE

UCRAYS

Retirement Estimates, Initiation, and Election

To help prepare for your University of California Retirement Plan (UCRP) retirement, you may:

- View your basic retirement estimates below.

... retirement estimate by clicking on Create a Retirement Estimate. This will allow you to select your own retirement date and time.

... the process of electing your UCRP retirement benefits by selecting your retirement.

UCRP Retirement

For more information on preparing for your retirement, including details on the steps, visit the University of California Retirement page.

[Create a Retirement Estimate](#) [Initiate & Elect UCRP Retirement](#)

Saved Retirement Estimates

Click a transaction number to review an estimate.

Transaction Number	Retirement Date	Separation Date	Estimate Created
11171467	07/01/2024	06/27/2024	02/16/2024 12:00 PM
11159690	06/30/2028	06/29/2028	02/13/2024 03:26 PM
11159664	06/29/2028	06/27/2024	02/13/2024 03:21 PM
10515316	06/29/2028	06/30/2023	11/27/2023 02:24 PM
8358921	06/30/2023	06/29/2023	02/23/2023 11:36 AM
8356586	06/30/2030	06/28/2030	02/22/2023 04:58 PM
8356567	06/30/2028	06/29/2028	02/22/2023 04:51 PM

[Compare Estimates](#)

Callouts:

- Create Custom Estimates** (points to 'Create a Retirement Estimate' button)
- Submit Your Retirement Election** (points to 'Initiate & Elect UCRP Retirement' button)
- Click to Compare Estimates** (points to 'Compare Estimates' button)

Retirement Calculation Example

▶ **Example** – 1976 tier member, coordinated with Social Security

- **Age** at Retirement 60 = Age Factor of .0250
- **UCRP Service Credit** = 28.4113 Years
- **HAPC** = \$8,745.00

Formula (age factor) x (years of service credit) x (HAPC)*
(.0250) x (28.4113) x (\$8,745.00– \$133*) =

\$6,116.95 a month in Basic Retirement Income

* Reduced by SS offset of \$133 for 1976 tier members coordinated with Social Security

UCRAYS RETIREMENT ESTIMATE RESULT

- ✎ Edit Profile >
- ✉ Messages
- 👤 My Account >
- 👥 Manage Contacts
- 📅 Upcoming Seminars
- 📞 Contact Us
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BASIC RETIREMENT INCOME - Unreduced retirement income			
Membership Type	Lifetime monthly payment to you	Eligible Survivor	Contingent Annuitant
1976 Tier with SS	\$6,116.95	\$1,529.24	N/A
Total	\$6,116.95	\$1,529.24	N/A

Basic Retirement Income
 (Includes Eligible Survivor benefit for 1976 members)

ALTERNATE PAYMENT OPTION A - Full Continuance to Contingent Annuitant			
Membership Type	Lifetime monthly payment to you	Eligible Survivor	Contingent Annuitant
1976 Tier with SS	\$5,704.00	\$1,529.24	\$4,174.76
Total	\$5,704.00	\$1,529.24	\$4,174.76

ALTERNATE PAYMENT OPTION B - Two-Thirds Continuance to Contingent Annuitant			
Membership Type	Lifetime monthly payment to you	Eligible Survivor	Contingent Annuitant
1976 Tier with SS	\$5,833.14	\$1,529.24	\$2,869.41
Total	\$5,833.14	\$1,529.24	\$2,869.41

Alternate Payment Options
 "Contingent Annuitant"

ALTERNATE PAYMENT OPTION C - One-Half Continuance to Contingent Annuitant			
Membership Type	Lifetime monthly payment to you	Eligible Survivor	Contingent Annuitant
1976 Tier with SS	\$5,900.74	\$1,529.24	\$2,185.76
Total	\$5,900.74	\$1,529.24	\$2,185.76

ALTERNATE PAYMENT OPTION D - One-Half Continuance to Eligible Survivor and Contingent Annuitant			
Membership Type	Lifetime monthly payment to you	Eligible Survivor	Contingent Annuitant
1976 Tier with SS	\$5,972.82	N/A	\$2,986.41
Total	\$5,972.82	N/A	\$2,986.41

The calculation of your total basic retirement income (BRI) is impacted by the offset(s) and/or limit(s) noted below

Social Security Offset : \$94.47*

*You will receive this amount monthly as a Social Security Supplement until you reach the age of 65.

LUMP SUM CASHOUT - One-time payment in lieu of lifetime monthly income. By electing a Lump Sum Cashout, you forfeit all rights to all other UC benefits including retiree health insurance (if eligible), unused sick leave conversion, and survivor and death benefits.

Lump Sum Cashout Factor : 182.50

Post Retirement Survivor Continuance

1976 Tier Only

- Guaranteed benefit for “Eligible Survivor” - payable upon your death
 - ✓ 25% of Basic Retirement Income for members coordinated with Social Security
 - ✓ 50% of Basic Retirement Income for members not coordinated with Social Security (Safety Employees)

“Eligible Survivor” is defined by the Plan as:

- 1) **Spouse or Domestic Partner** - where marriage or domestic partnership was established at least one year prior to the Member’s retirement and continuous until the Member’s death; or if none -
- 2) **Natural or adopted children** (50% support, unmarried, under age 18 or under age 22, if a full-time student; or disabled based on age, as above); or if none -
- 3) **Dependent parent** (50% support)

Does not apply if electing a Lump Sum Cashout

CONTINGENT ANNUITANT

(optional)

A Contingent Annuitant is a person you can voluntarily designate at retirement to receive monthly income when you pass away

Reduces your monthly retirement income while you are living

- ✓ Available under all retirement tiers
- ✓ Separate from the Post Retirement Survivor Continuance
- ✓ Contingent annuitant **can be anyone**, regardless of relationship
- ✓ Can be eligible survivor (spouse/domestic partner) or not
- ✓ 4 Possible Alternate Payment Options
- ✓ Irrevocable after election and cannot be changed

Your **income reduction** and the contingent annuitant benefit amount is **based on your age, the age of the contingent annuitant,*** and the **option you choose**

Does not apply if electing a Lump Sum Cashout *Requires IRS MDIB testing for a non-spouse that is 10 years or more younger than you

ONE-TIME BASIC DEATH PAYMENT

A **basic death payment** of \$7,500 is paid to beneficiary(ies) after retiree's death (in addition to any monthly UCRP income that may be payable to eligible survivor or to the contingent annuitant.)

**Does not apply if electing a Lump Sum Cashout*

UCRP Pre-Retirement Survivor Benefits Death While Eligible

What happens if I am **eligible to retire** and I pass away before I elect to Retire?

- Benefit is calculated as though you had elected Alternate Payment Option “A” on the date following your death and your **Eligible Survivor** is designated as “Contingent Annuitant”

Lump Sum Cashout

Lump Sum Cashout is in lieu of monthly retirement benefit

➤ Only applies to 1976 Tier members **and** members under certain bargaining units

Present-day value of projected lifetime basic retirement income, including COLAs

- ❖ Waives retiree health insurance and all other UCRP survivor/death benefits (except CAP)
- ❖ No sick leave conversion included in LSC calculation
- ❖ No temporary Social Security supplement
- ❖ May be subject to taxes and early distribution penalties unless rolled over to another qualified plan

CAPITAL ACCUMULATION PROVISION (CAP)

CAP Balance is a 401a account (for applicable 1976 Tier Members)

- CAP I: Allocations in 1992, 1993, and 1994 earn 8.5% interest
- CAP II: Allocations in 2002 and 2003 earn 6.75% interest
- ✓ Must be disbursed at time of retirement
- ✓ Subject to taxes and possibly early distribution penalties **unless rolled over** to another qualified plan (i.e. 403(b), 457(b), DCP)

Balance, if applicable, can be viewed on UCRAYS

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HOW TO RETIRE FROM UC

ROADMAP TO RETIREMENT



Timing for Retirement

Best time to retire? Personal decision – everyone has a different timeline

Things to consider

- **Retiree health** graduated eligibility considerations?
 - Graduated eligibility based on whole years
 - Sick leave converted service credit included for graduated eligibility
- **Age?**
 - 1976 Tier 2013 Modified - Age factors increase between ages 50 & 60
 - 2013 Tier & 2016 Pension Choice - Age factors increase between ages 55 & 65
- **Cost of living adjustments (COLA)**
 - Two different COLAs

WHY IS RETIRING JULY 1 SO POPULAR?

1) ONE-TIME INACTIVE COLA

If you are a 1976 Tier* member and retire on **July 1** and separate at least one business day before 7/1

- ✓ You will receive a one-time '**Inactive COLA**' applied to your HAPC
- ✓ Generally 2% increase
- ✓ Separate from and will be in addition to annual COLA

2) ANNUAL COLA

A July 1 retirement will position you to receive your first '**Annual COLA**', exactly 12 months later on July 1

- ✓ Issued every July 1, must be retired for 12 months
- ✓ Generally 2% up to maximum 6%

*Also applies to Safety and Tier Two members

Steps to Retirement

Approximately **3–4 months in advance** of your retirement date

1. Contact a retirement counselor

- Campus Employees contact UCSF Benefits Office **415-476-1400**
- Health Employees **schedule an appointment online** with the Retirement Administration Service Center (RASC)
rasc.universityofcalifornia.edu/retirement-counseling

2. **Create a Retirement Estimate** in “UCRAYs” to review with your counselor.

Ready to submit your Election?

3. Submit your Retirement election through UCRAYS self-service

Step 1: Generate your Personal Retirement Profile

- Must be **within 90 days of targeted retirement** date
- Once you are logged in, click on 'Retirement'
- Then click on 'Initiate & Elect UCRP Retirement' and follow the steps to create your Personal Retirement Profile (PRP)

Step 2: Generate your Election Form

- Click on 'Retirement' then 'Initiate & Elect UCRP Retirement'
- Click on Transaction Number for PRP generated, then 'View PRP/Elect Retirement'
- **Enter all your retirement choices**
- Upload any required documentation and e-sign to electronically submit to the RASC

No Lapse In Pay Program (NLIP) for July 1 Retirees

- ✓ If approved for NLIP, **guarantees on-time pension payment** and continuation of medical and dental benefits (if eligible), regardless of the processing status of your retirement election.
- ☐ Click the “**No Lapse in Pay**” **opt-in box** during the retirement election step in **UCRAYS** to apply for the program.
- ✓ NLIP payment **based on estimated retirement** amount.
- ✓ Employees interested in this option must submit all required retirement documents by the deadline.
- ✓ If not approved for NLIP, your **retirement election will still be processed!**

Steps to Retirement

4. Submit Your Resignation Notice

- Notify your department of your intent to **'retire'**
- Typically send via email to your supervisor or department chair
- Department must notify HR of your **separation date** and intended retirement

5. Retirement Confirmation Letter

- When retirement processing is complete **Confirmation Letter** sent to your UCRAYS Message inbox **approximately 60-90 days** from when signed election form and documentation have been submitted to RASC.
- Confirmation letter generally received **after** your **separation date**.

PAYMENT INFORMATION

➤ **UCRP benefits paid monthly**

- Generally the 1st of each month (paid Aug 1st for July benefit)
- If your initial payment is delayed, you will be paid retroactive to your retirement date

➤ **CAP, if eligible**

- Typically paid the **month after** receipt of your first retirement check
- **Rollover to UC Fidelity** plans transferred **electronically**

➤ **Unused vacation hours**

- Paid out with your final paycheck

- ❖ **Note:** Unused **sick leave** converted to additional UCRP service if retirement date within 120 days of separation. Not paid out separately.

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Questions?

UCSF Benefits Office

415-476-1400



Happy Retirement Planning!

THANK YOU!

