

# Retirement Handbook



You've had a long, successful career at UC and now you're thinking of the next phase: retirement. The process is not difficult, but it's important to plan ahead.

You can retire and receive UC benefits anytime after you become eligible—that is, when you have at least five years of UC Retirement Plan (UCRP) service credit and reach age 50 or 55, depending on your membership classification.

Retirement decisions are among the most important you'll ever make. We urge you to consult your financial advisor before making any final decisions. UC has resources to help you as well. Then, about 90 days before the date you want to retire, you'll begin the application process and the election of your benefits.

**This booklet will help answer some common questions:**

What benefits am I eligible for?

What do I need to do and when can I begin collecting these benefits?

How can I stay connected to UC after I retire?



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# Thinking about Retirement

If you're thinking about retiring but aren't certain you're ready, make sure you know the basics of UC's retirement benefits.

Your benefits are determined by your membership classification. Most current UC Retirement Plan (UCRP) members are in the 1976 Tier and are eligible to receive a pension at age 50 with five years of UCRP service credit. Members of UCRP's 2013 Tier are eligible to retire at 55.

UCRP benefits are subject to collective bargaining, so if you're in a union, your UCRP benefits may be different. Consult your collective bargaining agreement for details.

Your maximum benefit cannot exceed 100 percent of your highest average plan compensation (HAPC), which most often occurs when you reach the maximum age and have 40 years of UCRP service credit.

## WHEN'S THE BEST TIME TO RETIRE?

Only you can determine the best time for you to retire, but there are some benchmark years of service credit or age when many people look closely at retirement. Here are a few to consider:

**10 years of UCRP service credit**—Most people become eligible for retiree health benefits at this point. Members of the 1976 Tier are eligible for 50 percent of the UC contribution to medical and dental; the UC contribution for 2013 Tier members ranges from 0 to 50 percent, depending on your age at retirement.

**20 years of UCRP service credit**—At age 60 or 65, depending on your UCRP classification, you'll be eligible to receive up to 50 percent of your highest average plan compensation. 1976 Tier members are eligible for 100 percent of the UC contribution to retiree health; 2013 Tier members are eligible for 0 to 100 percent of the UC contribution, depending on your age at retirement.

**30 years of UCRP service credit**—At age 60 or 65, depending on your UCRP classification, you'll be eligible to receive up to 75 percent of your highest average plan compensation, depending on the retirement benefit you select.

**40 years of UCRP service credit**—At the highest age factor, you'll be eligible to receive up to 100 percent of your highest average plan compensation, depending on the retirement benefit you select.

**If you have CalPERS or CalSTRS benefits**, coordinating your retirement dates for UCRP and your other benefits can be to your advantage.

**Age 65**—If you're eligible for Medicare, you can reduce the cost of your UC retiree health insurance, if you're eligible, by coordinating your retirement with your enrollment in Medicare benefits.

## RESOURCES TO HELP YOU DETERMINE YOUR RETIREMENT READINESS

**UCRP Benefit Estimator** uses your personal information such as service credit and most recent payroll information to estimate your pension benefit at various ages. Visit UCnet ([ucnet.universityofcalifornia.edu](http://ucnet.universityofcalifornia.edu)) and sign in to your At Your Service Online account; then choose "Retirement Estimator" under Retirement & Savings.

**Retirement Roadmap** is a modeling tool that uses information about your UCRP benefits and your Retirement Savings Program balances to create a Retirement Readiness Score. You can also enter information about other retirement savings and Social Security benefits you may have to get a more complete picture of your possible retirement income. You'll find this tool at [ucfocusonyourfuture.com](http://ucfocusonyourfuture.com).

Compare your retirement estimates to your current pay. If you subtract your UCRP contributions, retirement savings contributions and costs for benefits that won't continue in retirement, you may find your retirement income could be higher than your current take home pay. Most investment advisors recommend that you have about 80 percent of your current income available during retirement.

Take advantage of workshops and other resources to learn more about retirement and retirement benefits:

- Fidelity offers on-site workshops, webinars and appointments with Individual Guidance and Planning Consultants (IGPCs) to help you prepare for retirement. Visit [ucfocusonyourfuture.com](http://ucfocusonyourfuture.com) for a list of workshops at your location, online classes and contact information for IGPCs.
- UC's Retirement Administration Service Center, local Retirement Centers and retiree and emeriti associations offer pre-retirement planning workshops and other activities. Topics generally include financial planning, social and emotional preparation for retirement, leisure activities, working after retirement and health. Watch for news about these events on your campus, or contact the organization to learn more (contact information is on page 27).
- UCnet has information about UCRP and the Retirement Savings Program, copies of retirement plan summaries of benefits, and a step-by-step guide to the retirement process. Visit [ucnet.universityofcalifornia.edu](http://ucnet.universityofcalifornia.edu).

**One other note:** If you're disabled and applying for retirement income while your disability income application is pending, be sure to apply for UCRP disability benefits prior to the date your retirement election becomes irrevocable, unless the delay is due to administrative error or your medical condition. For more information, see *Your Guide to UC Disability Benefits*, available on UCnet, or talk to your benefits office or the UC Retirement Administration Service Center.

# Your UC Retirement Benefits

While you've been working, UC and you have been providing for your retirement. In this section, we'll explain the retirement benefits you may have earned through your university employment.

Your exact benefits depend on how long you have worked for UC and how much money you've saved. Here's what may be available to you:

- UC Retirement Plan, a traditional pension plan, and the Capital Accumulation Payment—or CAP, which you may have if you worked at UC between 1992 and 2003
- Retirement savings you've contributed to the DC, 403(b) and 457(b) plans
- Medical, dental, vision, legal and Accidental Death & Dismemberment insurance coverage, if you are eligible

Following is information about these benefits.

## UNIVERSITY OF CALIFORNIA RETIREMENT PLAN

The University of California Retirement Plan (UCRP), a traditional pension plan, is designed to provide lifetime monthly income and other retirement and survivor benefits. Some members may elect a lump sum cashout instead of monthly income. (See "Lump Sum Cashout" on page 10.)

### **ELIGIBILITY**

To be eligible for monthly retirement income, generally you must have at least five years of UCRP service credit as of your separation date and be at least age 50 or 55, depending on your membership classification, on your retirement date.

If you are considering retirement because you recently became disabled, please note that UCRP members with at least five years of service credit may apply for disability income at any age. You must apply for disability income prior to your retirement date. Contact the Retirement Administration Service Center or see your Benefits Representative for information.

### **MONTHLY RETIREMENT INCOME**

If you meet the eligibility requirements, you can receive UCRP monthly income when you retire. In addition to this lifetime income for yourself, UCRP offers several payment options that can provide a lifetime monthly income after your death, which can be paid to your spouse, domestic partner or another person you name. Benefits for 2013 Tier, Tier Two, Safety and some union members may differ from those described here. For information, see the appropriate summary plan description, available on the UCnet website ([ucnet.universityofcalifornia.edu](http://ucnet.universityofcalifornia.edu)) or from your Benefits Office.

### **YOUR RETIREMENT DATE**

Your retirement date cannot be earlier than the first day of the month you start the retirement process. Also, your retirement date cannot be earlier than the day after your last day of UC employment (called your separation date). For example, if your separation date is a Friday, you may retire on Saturday.

### **BASIC RETIREMENT INCOME**

Basic retirement income is the principal benefit of UCRP membership. Generally, it provides the largest monthly benefit you can receive from UCRP. This benefit is based on a formula that includes:

- A factor based on your age at retirement (see chart on page 7)
- Your UCRP service credit and
- Your highest average plan compensation (HAPC). Essentially, this is your highest average monthly salary rate over any consecutive 36-month period. (See "What is Your HAPC?" on page 8.) For part-time employees, the HAPC is the full-time equivalent of the highest average salary.

Basic retirement income is calculated according to the following general formula:

- Age factor x service credit = benefit %
- Benefit % x HAPC = monthly benefit

### **SERVICE CREDIT**

**You earn UCRP service credit whenever you receive covered compensation for a UCRP-eligible appointment. The maximum service credit you can earn for a year of full-time work is one year. If you work part-time or variable time, you earn a proportionate amount to service credit. For example, if you work 50 percent time for one year, you receive one-half year of service credit. Your UCRP service credit and your employment years of service may differ.**

**You should review your service credit and resolve any discrepancies before applying for retirement benefits.**

Depending on your membership, certain offsets may be built into the benefit formula. For instance, if you are in the 1976 Tier and your UC employment is covered by Social Security, your basic retirement income is reduced slightly to account for the Social Security taxes that UC has paid on your behalf. If you retire before age 65, UCRP provides a monthly temporary supplement that restores the full benefit amount. This supplement stops when you reach age 65. Even if you begin receiving Social Security before age 65, you continue to receive the supplement until age 65.

**Note:** UC's contributions to Social Security for 2013 Tier members have been accounted for in the retirement benefit formula; therefore, there is no supplement or offset for these members.

**EXAMPLE 1: BASIC RETIREMENT INCOME CALCULATION WITHOUT SOCIAL SECURITY OFFSET**

Professor Jones retires at age 65 with 35 years of service credit. Her HAPC is \$9,000.

Age factor for 60 or older is .025 x 35 years of service credit = 87.5% benefit percentage

.875 x \$9,000 = \$7,875 monthly retirement benefit

**EXAMPLE 2: BASIC RETIREMENT INCOME WITH SOCIAL SECURITY OFFSET**

Mr. Padilla retires at age 59 and 8 months with 30 years of service credit. His HAPC is \$5,000.

Age factor for 59 and 8 months is .245 x 30 years of service credit = 73.5% benefit percentage

.735 x (\$5,000 - \$133 offset) = \$3,577.25 monthly benefit + \$XX Social Security supplement until age 65.

Benefits are also reduced for members affected by the noncontributory (Plan 02) period, from July 1, 1966, through June 30, 1971.

**MINIMUM BENEFIT GUARANTEE**

**If you were an active UCRP member on April 1, 1976, and elected Social Security coverage, UCRP guarantees that combined survivor benefits from Social Security and UCRP's postretirement survivor continuance will be no less than the UCRP postretirement survivor continuance alone if you had not elected Social Security. For the guarantee to apply, a survivor must have been your spouse, child or parent on April 1, 1976, and must meet all other eligibility requirements. See the appropriate summary plan description for more information.**

**RETIREMENT AGE FACTORS**

Age	Age	Complete Months From Last Birthday to Retirement Date											
1976 Tier	2013 Tier	0	1	2	3	4	5	6	7	8	9	10	11
50	55	.0110	.0111	.0112	.0114	.0115	.0116	.0117	.0118	.0119	.0121	.0122	.0123
51	56	.0124	.0125	.0126	.0128	.0129	.0130	.0131	.0132	.0133	.0135	.0136	.0137
52	57	.0138	.0139	.0140	.0142	.0143	.0144	.0145	.0146	.0147	.0149	.0150	.0151
53	58	.0152	.0153	.0154	.0156	.0157	.0158	.0159	.0160	.0161	.0163	.0164	.0165
54	59	.0166	.0167	.0168	.0170	.0171	.0172	.0173	.0174	.0175	.0177	.0178	.0179
55	60	.0180	.0181	.0182	.0184	.0185	.0186	.0187	.0188	.0189	.0191	.0192	.0193
56	61	.0194	.0195	.0196	.0198	.0199	.0200	.0201	.0202	.0203	.0205	.0206	.0207
57	62	.0208	.0209	.0210	.0212	.0213	.0214	.0215	.0216	.0217	.0219	.0220	.0221
58	63	.0222	.0223	.0224	.0226	.0227	.0228	.0229	.0230	.0231	.0233	.0234	.0235
59	64	.0236	.0237	.0238	.0240	.0241	.0242	.0243	.0244	.0245	.0247	.0248	.0249
60+	65+	.0250											

# Your UC Retirement Benefits

## WHAT IS YOUR HAPC?

Technically, HAPC is your full-time equivalent covered compensation averaged over the consecutive 36 months during which your compensation is highest. This is usually—but not always—the three years just before you retire.

Covered compensation is the gross monthly pay you actually receive from UC for a regular and normal appointment, including stipends and shift differentials. Only employment wages paid via UC payroll and reportable on your W-2 form are considered compensation for UCRP service and calculation purposes. Covered compensation does not include:

- Pay for overtime, unless in the form of compensatory time off
- Pay for correspondence, summer session or equivalent term, intersession, or UC Extension courses, or for interquarter or vacation periods unless such employment constitutes a part of an annual or indefinite appointment
- Pay that exceeds the full-time rate for the regular and normal position to which you have been appointed
- Pay you receive in excess of the appropriate fiscal year base salary scale through negotiated arrangements
- Pay you receive in excess of the appropriate fiscal year base salary scale for patient care or other professional services
- Pay that exceeds established base pay rates, including nonelective deferred compensation, honoraria and consulting fees
- Pay that exceeds the dollar limit defined in §401(a)(17) of the Internal Revenue Code (see page 11)

## POSTRETIREMENT SURVIVOR CONTINUANCE

When you die, a monthly benefit—called the postretirement survivor continuance—is paid to your eligible survivor or survivors, if you have any. This automatic benefit is built into UCRP's monthly retirement income benefit formula for some membership classifications; your benefit is not reduced to pay for it. Whether your survivor receives this benefit and the amount your survivor receives depends on your membership classification.

**If you are a 1976 Tier UCRP member with Social Security:** postretirement survivor continuance = 25 percent of basic retirement income. (See "Minimum Benefit Guarantee" on page 7.) You forfeit postretirement survivor continuance if you elect a lump sum cashout.

**If you are a UCRP member without Social Security:** postretirement survivor continuance = 50 percent of basic retirement income. You forfeit postretirement survivor continuance if you elect a lump sum cashout.

The postretirement survivor continuance is paid to the first of the following eligible survivors:

- Your spouse (if you have been married at least one full year before retirement and remain continuously married until your death), or
- Your domestic partner (if your partnership began at least one full year before retirement and continues uninterrupted until your death)
- Your eligible children (generally, your natural or adopted children or stepchildren or children of your domestic partner who are under age 18—under age 22 if full-time students—and who receive significant support—50 percent or more—from you in the year before your retirement date. There are exceptions for disabled children. See the summary plan description for details)
- Your eligible dependent parents (generally, parents receiving significant support from you—50 percent or more in the year before your retirement date)

**If you are a 2013 Tier UCRP member:** there is no postretirement survivor retirement continuance.

If the person receiving the continuance dies—or if a child receiving it becomes ineligible—the benefit continues to the next eligible survivor for as long as someone is eligible. The postretirement survivor continuance is not optional, and you may not choose the recipient.

During your election interview, you will be asked for information about your family members in order to determine eligibility for the postretirement survivor continuance. To avoid delay and/or adjustment to any future survivor benefits, please be sure to identify all potentially eligible survivors during the interview.

### **MONTHLY ALTERNATE PAYMENT OPTIONS**

If you want to provide someone with a lifetime monthly income after your death—separate from the postretirement survivor continuance just described—you can elect one of UCRP's alternate payment options by naming a contingent annuitant. The contingent annuitant can be anyone, including the person eligible for the postretirement survivor continuance.<sup>1</sup> You may not change your designation of contingent annuitant after your retirement date.

Electing an alternate payment option means your UCRP benefit could be paid out over multiple lifetimes rather than just one. Your basic retirement income is reduced to provide for these potential payments to a second person. The amount of the reduction depends on your age, the age of your contingent annuitant and the option you choose.

When you request a Personal Retirement Profile, you'll be asked for contingent annuitant information so that your retirement profile can include estimates of the benefits you and your contingent annuitant—after your death—could receive under each payment option.

Remember, the request is not binding. The purpose of the retirement profile is to give you information on which to base your retirement decisions. Should you choose to name a contingent annuitant, you will do so as part of the retirement election process.

For more information on the payment options, see the appropriate UCRP summary plan description.

### **OTHER PROVISIONS THAT MAY AFFECT YOUR BENEFIT**

#### **ACCUMULATED SICK LEAVE**

If you retire within 120 days of separating from UC employment, any accumulated sick leave is generally converted to UCRP service credit at the rate of roughly eight hours of sick leave for one day of service credit. Because service credit is used in your benefit calculation, your accumulated sick leave can increase your monthly benefit.

Sick leave is not converted to service credit if you elect the lump sum cashout.

**Note:** Vacation leave, unlike sick leave, is not converted to service credit. If you earn vacation leave, you may use it (with departmental consent) up to the effective date of your separation. Your location will pay you for any unused vacation leave when your UC employment ends.

#### **SERVICE CREDIT BUYBACKS**

Service credit may be bought back for an approved leave without pay, sabbatical leave, extended sick leave, furlough or temporary layoff or for earlier periods of employment for which UCRP contributions have been refunded. Generally, elections to buy back service credit and payment must be made before you leave UC employment.

If you are an active UCRP member with less than five years of service credit and you are laid off or your appointment is eliminated for budgetary reasons, you may be able to establish service credit for vesting purposes through a trustee-to-trustee transfer, a rollover or a lump sum, after-tax service credit buyback. You must complete your buyback before you leave UC employment. See the *UCRP Buyback Booklet* for more information.

#### **BUYBACK IN PROGRESS**

If you're currently making buyback payments and are retiring, you should check with UC Retirement Administration Service Center to find out what options you have.

<sup>1</sup> Because your spouse or state-registered domestic partner could have a legal right to this benefit, he or she must sign your retirement election form acknowledging your decision to name someone else as contingent annuitant.

# Your UC Retirement Benefits

## COST-OF-LIVING ADJUSTMENTS

You will receive your first cost-of-living adjustment (COLA) one full year from the July 1 that coincides with or follows your retirement date. In other words, if you retire on July 1, you will receive your first COLA on the following July 1, but if you retire on July 2, you will have to wait two years for your first COLA. Generally, the COLA is effective July 1 and is reflected in your August 1 benefit payment.

The COLA is based on changes in the Consumer Price Index (CPI). The COLA matches a rise in the CPI up to 2 percent and increases by 75 percent of the rise in CPI in excess of 4 percent. Generally, the annual COLA may not exceed 6 percent. For example, if the CPI increase were 5 percent, the COLA would be 2.75 percent, calculated as follows:

CPI increase = 5%

COLA matches first 2% of CPI increase = 2%

75% of CPI amount above 4%:  $.75 \times (5-4) = .75\%$

COLA = 2.75%

In recent years, the annual COLA has generally been about 2 percent of the benefit amount. Based on the availability of funds and approval of The Regents, UC may periodically provide an ad hoc COLA designed to restore purchasing power to 75 percent of the purchasing power of the benefit at the time of retirement.

## LUMP SUM CASHOUT

As an alternative to monthly retirement income, you can choose a lump sum cashout of your retirement benefits. The lump sum cashout is the “actuarial equivalent” of the present value of a UCRP member’s lifetime retirement income. In other words, it is a single payment that would be sufficient to pay monthly retirement income with 2 percent cost-of-living adjustments over an average expected life span, provided the single payment were invested and earned 7.5 percent annually, the Plan’s current assumed earnings rate. See the *Lump Sum Cashout Fact Sheet*, available on UCnet, for more information, including who is eligible for this option.

## IMPORTANT CONSIDERATIONS

The lump sum cashout is based on average life expectancy, which means that if you live longer than the average, you could outlive your lump sum cashout. Monthly retirement income from UCRP is paid out over your lifetime no matter how long you live, and if you choose a contingent annuitant, it is paid out over multiple lifetimes.

Assuming you live an average lifetime, are you confident you—or your financial advisor—can invest your assets so that they consistently earn 7.5 percent without exposing you to unacceptable risk?

Have you factored in the cost of medical and dental coverage? If you elect the lump sum cashout, you are not eligible for UC-sponsored medical, dental, vision or legal coverage as a retiree.

You must choose between the cashout and monthly retirement income. If you elect the lump sum cashout you waive all rights to other UCRP benefits except CAP (see “What You Forfeit” on page 11).

## YOUR CASHOUT DATE

Your cashout date is the same as your retirement date. Your benefit calculation is based on that date. Your cashout date cannot be earlier than the first day of the month you start the election process. Also, your cashout date cannot be earlier than the day after your separation date (your last day of UC employment). For example, if your separation date is a Friday, your lump sum cashout date may be on Saturday.

## EXAMPLE

Jim Smith elects the lump sum cashout at age 60. Basic retirement income (excluding sick leave) is \$2,000 per month. The lump sum cashout factor<sup>2</sup> for age 60 and no months is currently (for 2014) 161.91.

$$\$2,000 \times 161.91 = \$323,820$$

Smith’s lump sum cashout is a one-time payment of \$323,820.

<sup>2</sup> The lump sum cashout factors are subject to change as a result of changes in the Plan’s actuarial assumptions.

## WHAT YOU FORFEIT

The lump sum cashout calculation does not include:

- postretirement survivor continuance
- contingent annuitant benefit
- temporary Social Security supplement (for those under 65) or
- sick leave converted to service credit
- basic death payment (see below)

You also waive all rights to continue UC-sponsored retiree medical and dental benefits if you elect a lump sum cashout. In addition, staff employees may not return to work at UC for more than a 43 percent-time appointment unless the rehire is approved as an exception to policy (see “Returning to UC after Retirement” on page 25).

## CAPITAL ACCUMULATION PAYMENT (CAP)

UCRP’s Capital Accumulation Payment (CAP) provides eligible members with a supplement to their other UCRP benefits. The CAP benefit is based on allocations that were credited on their behalf by UCRP in 1992 through 1994 and in 2002 and 2003.

Each allocation was calculated as a percentage of covered compensation paid during a specified time period.

Your Personal Retirement Profile will include a statement of your CAP balance. You can also find your CAP balance online. Go to UCnet and sign in to At Your Service Online. Then select “UCRP and CAP Balances” under Retirement & Savings.

You must take a distribution of your CAP balance, if any, when you elect monthly retirement income or a lump sum cashout. The CAP is eligible for rollover unless you are subject to one of the Plan limits. See the *Special Tax Notice for UC Retirement Plan Distributions*, included in your retirement initiation packet.

## BASIC DEATH PAYMENT

When you die as a retired member, UCRP provides a one-time payment of \$7,500 to your beneficiary(ies), in addition to any monthly income that may be payable to your eligible survivors or contingent annuitant. If you elect the lump sum cashout, you forfeit the basic death payment.

## YOUR BENEFICIARY

**Your beneficiary is the person, trust, charity or other entity you name to receive benefits upon your death. These benefits include UCRP/CAP and the UC Retirement Savings Program (DC, 403(b) and 457(b) Plans). For UCRP/CAP, you can name or change your beneficiary(ies) online by visiting UCnet ([ucnet.universityofcalifornia.edu](http://ucnet.universityofcalifornia.edu)) and signing in to AYS Online or by submitting form UBEN 116 (*Designation of Beneficiary—Employees*) or form UBEN 117 (*Designation of Beneficiary—Retirees, Former Employees and Others*). For the Retirement Savings Program, you can name or change your beneficiaries online at [netbenefits.com](http://netbenefits.com) or by calling Fidelity Retirement Services at 866-682-7787.**

## BENEFIT LIMITATIONS

The monthly retirement income, CAP balance or lump sum cashout benefits of some UCRP members may be restricted by UCRP, or Internal Revenue Code §415(b) and/or 401(a)(17) limitations.

### UCRP LIMITS

Under UCRP rules, your benefit percentage (that is, your service credit multiplied by your age factor) cannot be more than 100 percent. This limit affects very few members, most of whom have at least 40 years of retirement plan service credit.

### SECTION 415 LIMITS

Internal Revenue Code (IRC) §415(b) limits the maximum annual amount that a defined benefit plan such as UCRP can pay to any individual. If your UCRP benefit is limited under this provision, benefits from the University of California 415(m) Restoration Plan generally make up the difference between the UCRP benefit you earned and the amount UCRP can pay under IRC §415(b). The 415(m) Restoration Plan benefits apply to monthly retirement income, the lump sum cashout and the CAP. See UCnet ([ucal.us/415mfactsheet](http://ucal.us/415mfactsheet)).

Your IRC §415(b) limit depends on the payment option you choose as well as other factors. A preliminary calculation is performed automatically when your Personal Retirement Profile is produced to determine if your UCRP benefit might exceed the limit. If you may be subject to the limit and eligible to receive 415(m) Restoration Plan benefits, UC Retirement Administration Service Center will provide you with additional information.

# Your UC Retirement Benefits

## OTHER RETIREMENT PLANS

If you are a member of a retirement plan other than UCRP, ask the Retirement Administration Service Center for guidance. UCRP has agreements with two public retirement systems to coordinate benefits for members who have worked for more than one public system during their careers.

If you have service with the California Public Employees' Retirement System (CalPERS), see the *UCRP/CalPERS Reciprocity Fact Sheet* for information about eligibility, reciprocal benefits and how to establish reciprocity. If eligible, you must retire under UCRP and CalPERS on the same date for the benefits of reciprocity to apply. You receive separate retirement benefits from each system.

If you have service with the California State Teachers' Retirement System (CalSTRS), see the *UCRP/CalSTRS Concurrent Retirement Fact Sheet* for information about eligibility and resulting UCRP benefit enhancements. You do not have to retire from UCRP and CalSTRS on the same date to be eligible for concurrent retirement. You will, however, lose eligibility for concurrent retirement if you earn service credit under UCRP or CalSTRS after retiring from either plan.

## TAXES

Following is a brief summary of tax provisions that apply to monthly retirement income, the lump sum cashout and the Capital Accumulation Payment (CAP). The *Special Tax Notice for UC Retirement Plan Distributions*, which you'll receive with your retirement initiation packet, provides additional tax information.

### **MONTHLY RETIREMENT INCOME**

In general, UCRP monthly retirement benefits are subject to federal and state taxes in the year you receive them. However, if you made contributions to the Plan before July 1, 1983, and/or made after-tax payments for service credit or a redeposit of accumulations, a part of your retirement income will be nontaxable until you have recovered all previously taxed amounts. Thereafter, all your retirement income becomes taxable.

Your retirement confirmation letter will show the nontaxable portion of your benefit, if any, and explain how it was calculated. Each January, UC will send a tax-reporting form 1099-R showing how much retirement income you received during the preceding year and how much of that amount is taxable.

As part of the retirement election process, you will have the opportunity to choose your tax withholding status. UCRP will withhold only federal and California state taxes. If you move outside of California, you should consult with your tax advisor regarding your withholding amount.

**Please note** that automatic withholding amounts may not be enough to satisfy your income tax obligations. You can ask UC to change your monthly payments at any time. There are penalties for not paying enough taxes, either through withholding or estimated tax payments.

### **LUMP SUM CASHOUT**

The lump sum cashout is subject to federal and state taxes in the year you receive it. If you made contributions to the Plan on an after-tax basis (member contributions made before July 1, 1983, or after-tax payments for a service credit buyback), taxes have already been paid on the portion of the cashout that represents a return of those contributions. This part of the cashout is nontaxable and is distributed separately from the taxable part. Both the taxable and non-taxable portions of the lump sum cashout may be eligible for rollover, unless a portion of the distribution is a "minimum required distribution" under federal tax law. In that case, the portion cannot be rolled over. See the *Special Tax Notice for UC Retirement Plan Distributions* for more information. You will be asked to choose your withholding options when you elect a cashout.

### **CAPITAL ACCUMULATION PAYMENT (CAP)**

Any CAP distribution is taxable income in the year it is distributed. See the *Special Tax Notice for UC Retirement Plan Distributions*, for additional details about your options and income tax withholding.

## **UC RETIREMENT SAVINGS PROGRAM**

If you were a UCRP member between 1990 and 2010, you made mandatory contributions to the DC Plan—Pretax Account. In addition, many UC employees make voluntary pretax contributions to the 403(b) Plan, the 457(b) Plan and/or the DC Plan after-tax account. Future income from these plans is based solely on the amount of money contributed, plus any earnings. You can find your account balances on the UC Focus on Your Future website ([ucfocusonyourfuture.com](http://ucfocusonyourfuture.com)).

### **When you retire, you have several options for your Retirement Savings Program accounts. You can:**

- Leave your money in the Plan(s). If you have at least \$2,000 in the DC Plan, the 403(b) Plan, or the 457(b) Plan, you can leave your money on deposit in that plan. As a retiree, you cannot contribute to the plans, but you can transfer your money among the investment funds and take distributions—subject to plan rules and federal regulations. If you receive a CAP distribution and/or a lump sum cashout, you can also roll over that money into the plan.

**Note:** You cannot leave your money in the plans indefinitely. Tax laws require you to begin taking minimum distributions by April 1 following the calendar year in which you reach age 70½ or the year in which you leave UC employment, whichever is later.

You can also elect to take systematic withdrawals of your money in the Plans. This option enables you to receive periodic distributions from your Plan balances without having to make a separate request for each distribution. For details, contact Fidelity Retirement Services at [ucfocusonyourfuture.com](http://ucfocusonyourfuture.com) or 1-866-682-7787.

### **If you have less than \$2,000 in any Plan, you must take a full distribution from that Plan.**

- Take a full or partial distribution. Subject to Plan rules and processing deadlines, you can request a full or partial distribution of your money. You can have this distribution paid to you or you can arrange a rollover to an IRA or another employer plan that accepts rollovers.

## **TAXES**

All 403(b) and 457(b) Plan distributions and the taxable portion of DC Plan distributions are taxed as ordinary income in the year in which you receive them unless you roll the money over into an IRA or employer plan that accepts rollovers. See the *Special Tax Notice for UC Retirement Plan Distributions*. You will receive an IRS form 1099-R from Fidelity Retirement Services reporting any distributions issued during the calendar year.

In addition, if you receive a taxable distribution from your DC Plan or 403(b) Plan account before you reach age 59½, it may be subject to early distribution penalty taxes (10 percent federal, 2.5 percent California) in addition to regular income tax. The penalty taxes apply unless at least one of these criteria is met:

- You roll over the distribution
- You leave UC employment during or after the year you reach age 55
- You purchase a life annuity through a third-party insurance contract
- You are permanently disabled under IRS rules
- Your distribution is used for deductible medical expenses in excess of 7.5 percent of your adjusted gross income
- Your beneficiary withdraws the money after your death
- Your distribution is paid to an alternate payee in accordance with a qualified domestic relations order.

See the summary plan description for the appropriate plan, available on UCnet, for more information. We strongly recommend that you consult a qualified tax advisor before making any final decisions.

## **403(B) PLAN LOAN PROGRAM**

**If you have a 403(b) Plan loan when you retire, you may arrange with Fidelity Retirement Services to continue monthly payments or to repay the loan in full. Call Fidelity Retirement Services at 866-682-7787. If you do not take any action within 90 days of your separation date, your loan will be treated as a 403(b) Plan distribution, subject to federal and state income taxes and any applicable penalties. You can defer current taxation and avoid possible penalties by rolling over within 60 days an amount no greater than the amount of the defaulted loan into an IRA or an employer plan that accepts rollovers. After retirement, you cannot borrow from your 403(b) Plan account.**

# Your UC Health & Welfare Benefits

## ELIGIBILITY TO CONTINUE HEALTH AND WELFARE BENEFITS

UC currently offers continuation of medical, dental, vision, legal and accidental death and dismemberment (AD&D) insurance to eligible UCRP members who elect UCRP monthly retirement income. However, health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of medical and dental coverage is determined by UC and may change or stop altogether. You waive all rights to continue UC-sponsored retiree medical, dental, vision, legal and AD&D benefits if you elect a lump sum cashout (see "Other Coverage Continuation Options" on page 18).

To be eligible to continue your UC medical, dental, vision, legal and/or AD&D coverage, you must elect UCRP monthly retirement income, and:

- Meet the service credit eligibility requirements for medical and dental coverage (see at right)
- Be eligible for UC-sponsored coverage when you leave UC employment and be enrolled in either that coverage or other qualifying non-UC coverage
- Elect to continue coverage at the time of retirement or to suspend UC coverage because of other qualifying coverage
- Have a retirement date that is within 120 calendar days of your separation from employment and
- Have continuous coverage until the date your retirement income begins
- If you and/or your dependents are 65 or older, enroll in Medicare if eligible for premium-free Part A, or submit a denial letter from Social Security.

If there is a gap in time between your last day on active pay and your retirement date, you may have to pay the full cost for your monthly medical and dental plans (including UC's contribution) in order to remain covered and to continue eligibility into retirement.

If you are not eligible to continue medical and dental coverage as a retiree, see "Other Coverage Continuation Options" on page 19.

### LANL AND LLNL RETIREES

**The information about health and welfare plans on pages 14–19 does not apply to you. Contact your local Benefits Office for information about your health and welfare benefits as a retiree.**

## SERVICE CREDIT REQUIREMENTS FOR MEDICAL AND DENTAL INSURANCE

In order to be eligible for medical and dental coverage as a retiree, you must meet the UC service credit requirements based on the date you became a retirement plan member. Only UC service credit counts toward eligibility for these health and welfare benefits. (Service credit from a reciprocal system as a non-UC employee affects only retirement plan benefits.)

Provisions for retiree health are subject to collective bargaining. Represented employees should refer to their contract for information.

**If you became a UCRP member before Jan. 1, 1990**, and you have not had a break in covered service of more than 120 days, you will receive 100 percent of UC's contribution toward the medical and/or dental plan's monthly premium. You are eligible if:

- You retire before age 55 and have at least 10 years of UC service credit<sup>3</sup> (five years for Safety members).
- You retire at age 55 or later and you have at least five years of UC service credit.

**If you became a UCRP member on or after Jan. 1, 1990 and before July 1, 2013**, or were rehired after Jan. 1, 1990, following a break in service of more than 120 days, you are eligible and will receive a percentage of UC's contribution toward the medical and/or dental plan's monthly premium. You must retire at age 50 or later and have at least 10 years of service credit or meet the "rule of 75." The percentage of UC's contribution you will receive is determined by your years of UCRP service credit as follows:

<b>YEARS OF MEMBER'S UC SERVICE CREDIT**</b>	<b>PERCENTAGE OF UC CONTRIBUTION</b>
5–9	Rule of 75: If age plus years of service credit equal at least 75, then 50%; otherwise not eligible.
10	50%
11–20	Increases in 5% increments per year from 55% at 11 years to 100% at 20 years

\*\* Only whole years of service credit are considered.

<sup>3</sup> Service credit may include service credit for sick leave or service credit bought back for leave, furlough, temporary layoff, sabbatical, extended sick leave, TRIP, TRIT, or for a period for which you received a refund. See "Service Credit Buyback" in the appropriate UCRP summary plan description.

If you became a UCRP member on or after July 1, 2013, you are eligible to enroll (and pay the full premium) provided you are 50 or older and have at least 10 years of service credit at the time you retire. If you retire at age 56 or older, you will receive a percentage of UC's contribution toward monthly premiums based on your age and years of UCRP service credit at retirement.

To receive the maximum UC contribution, you need to retire at age 65 with 20 or more years of service.

The chart below shows the percentage of the UC contribution for all eligible ages and years of service credit.

This chart also applies to you if you have a break in service of more than 120 days after July 1, 2013.

AGE*	YEARS OF UCRP SERVICE CREDIT AT RETIREMENT										
	10	11	12	13	14	15	16	17	18	19	20+
50-55**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
56	5.0%	5.5%	6.0%	6.5%	7.0%	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%
57	10.0%	11.0%	12.0%	13.0%	14.0%	15.0%	16.0%	17.0%	18.0%	19.0%	20.0%
58	15.0%	16.5%	18.0%	19.5%	21.0%	22.5%	24.0%	25.5%	27.0%	28.5%	30.0%
59	20.0%	22.0%	24.0%	26.0%	28.0%	30.0%	32.0%	34.0%	36.0%	38.0%	40.0%
60	25.0%	27.5%	30.0%	32.5%	35.0%	37.5%	40.0%	42.5%	45.0%	47.5%	50.0%
61	30.0%	33.0%	36.0%	39.0%	42.0%	45.0%	48.0%	51.0%	54.0%	57.0%	60.0%
62	35.0%	38.5%	42.0%	45.5%	49.0%	52.5%	56.0%	59.5%	63.0%	66.5%	70.0%
63	40.0%	44.0%	48.0%	52.0%	56.0%	60.0%	64.0%	68.0%	72.0%	76.0%	80.0%
64	45.0%	49.5%	54.0%	58.5%	63.0%	67.5%	72.0%	76.5%	81.0%	85.5%	90.0%
65	50.0%	55.0%	60.0%	65.0%	70.0%	75.0%	80.0%	85.0%	90.0%	95.0%	100.0%

To find the university contribution for a particular age and number of years of UCRP service credit, look down the far left column for the appropriate age; then look across that row to the number of years of UCRP service credit. That will show the percentage of the maximum university contribution that a retiree at that age and with those years of service credit will receive.

**Example:** with 15 years of UCRP service credit at age 60, the retiree receives 37.5% of the maximum university contribution.

\* Age is measured in whole years.

\*\* Those who retire between ages 50 and 55 are eligible to enroll in UC-sponsored health insurance for retirees but will not receive a UC contribution.

## Your UC Health & Welfare Benefits

### UC'S CONTRIBUTION TO MEDICAL AND DENTAL PREMIUMS

Currently UC contributes to the cost of medical and dental premiums for eligible retirees. The amount of the contribution is determined annually, depending on state funding and other factors. The monthly costs are likely to be different than the amounts you pay as an employee.

Here are examples of how the UC contribution is applied to retiree medical benefits. The numbers are for illustrative purposes only, and are not actual premiums or contributions.

In general, the maximum UC contribution does not cover the entire premium cost for non-Medicare plans.

#### NON-MEDICARE PLAN

	Eligible for 100% of UC Contribution	Subject to graduated eligibility; receiving 50% of UC contribution	Subject to graduated eligibility; receiving 75% of UC contribution
<b>Total monthly premium</b>	\$575	\$575	\$575
<b>UC Contribution</b>	\$450	\$225	\$337.50
<b>Your monthly premium</b>	\$125	\$350	\$237.50

#### MEDICARE PLAN

	Eligible for 100% of UC Contribution	Subject to graduated eligibility; receiving 50% of UC contribution	Subject to graduated eligibility; receiving 75% of UC contribution
<b>Total monthly premium</b>	\$250	\$250	\$250
<b>UC Contribution</b>	\$350	\$175	\$262.50
<b>Your monthly premium</b>	0	\$75	0
<b>Medicare Part B reimbursement*</b>	\$100	0	\$12.50

\* If UC's contribution to your medical plan is greater than the premium, UC reimburses you for a portion of the standard Medicare Part B premium you pay for Medicare coverage, usually as a deduction from your Social Security benefit.

In order to receive the Medicare rate, you must have provided all Medicare-related forms to the carrier. See the *Medicare Fact Sheet* for additional information.

## **MEDICARE**

There are three parts to Medicare. They are hospital insurance (Medicare Part A), medical insurance (Medicare Part B), and prescription drug insurance (Medicare Part D).

Medicare Part A is financed by payroll taxes, and if you are eligible to receive it based on your own or your spouse's contributions during employment, you do not pay a premium.

Medicare Part B has a monthly premium, which usually is deducted from your Social Security check. If you do enroll in a separate Part D plan, you may lose your UC medical coverage.

Most UC medical plans coordinate with Medicare Part D, so you do not need to enroll in a separate plan.

If you are enrolled in a UC-sponsored medical plan after retirement and you or any of your enrolled family members become eligible for Medicare Part A free of charge, UC requires that you (or the family members) enroll in Medicare Part B. If you do not enroll, UC will permanently cancel your medical insurance.

Once you are enrolled in a UC-sponsored medical plan for Medicare enrollees, UC may reimburse some or all of your Medicare Part B premium if the monthly UC contribution is greater than the cost of your plan.

For more information about UC's Medicare requirements, see the *Medicare Fact Sheet*, available on UCnet ([ucnet.universityofcalifornia.edu](http://ucnet.universityofcalifornia.edu)) or from the Retirement Administration Service Center.

For Medicare enrollment and eligibility information, call Social Security at 1-800-772-1213. You can also find Medicare information online at [www.medicare.gov](http://www.medicare.gov).

### **IF YOU RETIRE OUTSIDE OF CALIFORNIA AND ALL FAMILY MEMBERS ARE ELIGIBLE FOR MEDICARE**

UC provides Medicare-eligible retirees and their families who live outside California access to a variety of Medicare plans through a Medicare exchange. This approach is intended to offer retirees more choice, more value, more flexibility and more personalized support.

The Medicare exchange allows each covered family member to choose an individual plan that's best for him or her. That includes Kaiser, if available in the retiree's location. With the growing market for individual plans, you could have more choices, many of which could meet your needs better than the UC plans currently available to you.

Plus, UC will provide an annual contribution under an HRA—health reimbursement arrangement—to pay toward medical premiums and expenses. In most cases, the HRA funds will cover the cost of the premiums as well as some additional out-of-pocket costs and Medicare Part B premiums. If Medicare-eligible family members—such as a spouse or domestic partner—are covered, UC will contribute to the HRA for each of them. The HRA contribution is subject to graduated eligibility rules. The HRA is subject to graduated eligibility.

To be eligible for this program, you and all covered family members must:

- Be eligible for and enrolled in Medicare Parts A, B and D
- Have an address outside California on file with UC
- Be eligible for UC retiree medical insurance

To assist retirees, UC has retained OneExchange, a specialist in helping retirees choose individual Medicare plans and providing support after enrollment, including help with coverage, claims and network questions. UC believes this arrangement with OneExchange provides retirees outside California with improved benefits and service.

Enrollment through OneExchange will occur annually in the fall, usually from October through December. Retirees who reside outside of California and become eligible for Medicare during the year will enroll in a UC-sponsored group plan for the rest of the current plan year and then enroll in an individual plan through OneExchange for the following year.

## **OTHER UC-SPONSORED INSURANCE**

In general, you may continue or convert coverage in the following plans within 30 days of the date your employee coverage ends.

### **LEGAL INSURANCE**

If you are enrolled in the legal plan as an active employee, you may elect to continue coverage when you retire and elect monthly retirement income. If you elect the lump sum cashout, you forfeit your right to continue UC legal coverage.

### **VISION INSURANCE**

If you are enrolled in the Vision Service Plan (VSP) as an active employee, you may elect to continue coverage when you retire and elect monthly retirement income. You pay the entire premium for coverage directly to VSP. VSP will send you information about retiree enrollment.

# Your UC Health & Welfare Benefits

## ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)

You may enroll in Accidental Death & Dismemberment insurance at any time as long as you choose to receive a monthly retirement benefit. You pay the full premium directly to the carrier. To enroll, complete the enrollment form for retirees, available on UCnet ([ucnet.universityofcalifornia.edu](http://ucnet.universityofcalifornia.edu)) or from the Retirement Administration Service Center. Send the completed form and the premium payment directly to the carrier.

## BASIC LIFE, CORE LIFE, SUPPLEMENTAL LIFE, DEPENDENT LIFE

When you retire, you can continue life insurance benefits. You have different options depending upon the plan.

**Basic or Core Life Insurance** benefits can be converted to an individual whole life plan with Prudential, UC's life insurance carrier.

**Supplemental Life Insurance** benefits can be converted to a whole life plan or carried over to the Prudential Portability group term life plan. Group term life insurance plans have slightly lower premiums than individual whole life plans.

**Dependent Life Insurance** coverage also has both the portability and conversion options.

Portability means your UC group term life policy is converted to a Prudential group term life plan. However, portability is available only if you also elect portability of your Supplemental Life Insurance Plan. You must be actively at work on the day prior to separation from employment to be eligible for portability, and dependents must not be confined for medical treatment or care at home or in the hospital on the day prior to your separation.

If you choose the portability option, your benefits will be reduced to 60 percent at age 65, 50 percent at age 70, and will end at age 80.

Conversion means you convert your UC group term life policy to an individual whole life policy.

For the appropriate conversion or portability application form, contact the Retirement Administration Service Center or your local Benefits Office.

## AUTOMOBILE AND HOMEOWNER/RENTER INSURANCE

You may continue coverage by arranging to pay premiums directly to the insurance company. Contact California Casualty for more information (see page 26).

## COVERAGE THAT STOPS

### SHORT-TERM AND SUPPLEMENTAL DISABILITY PLANS

Disability coverage stops your last day actively at work before your retirement date. If you remain on pay status (using vacation to your retirement date) after your last day actively at work, you must complete a cancellation form to stop premium deductions for the Supplemental Disability Plan. Otherwise, you will be paying for coverage that has stopped.

### DEPENDENT CARE REIMBURSEMENT ACCOUNT (DEPCARE)

Contributions to your DepCare account stop when you go off pay status. You may continue to file claims for funds still in your account until the filing deadline for the plan year, but the expenses you claim must have been incurred while you were on pay status. Any funds left in your account after the filing deadline will be forfeited. COBRA option is not available for this plan.

## OTHER COVERAGE CONTINUATION OPTIONS

### COBRA CONTINUATION

If you or an eligible family member loses eligibility for medical, dental or vision coverage, or for the Health Flexible Spending Account, you may be able to continue coverage through COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985). You have 60 days from the date of the qualifying event (your last day of UC employment, for example), or the date you receive notice of your continuation rights, whichever is later, to enroll.

The federal COBRA period runs for 18 months; if you have exhausted this coverage period, you and/or eligible family members may be able to extend your UC-sponsored medical coverage under CalCOBRA for up to an additional 18 months, depending on your medical plan. CalCOBRA is not available for UC Care and Core. These options, though, tend to be more expensive than continuation through UC.

**Deadlines:** If you want to continue benefits via COBRA, you need to apply no later than 60 days from the date you lose coverage by reason of a qualifying event, or 60 days from the date you receive notice of your continuation rights—whichever is later. Talk with the UC Retirement Administration Service Center about how to apply, or go to [ucal.us/COBRA](http://ucal.us/COBRA).

### CONVERSION OPTIONS

If you do not elect group medical coverage under COBRA, you may convert your coverage to an individual policy, if available. If you elect group medical coverage under COBRA, you can convert to an individual policy only at the end of the full COBRA continuation period, and only if you maintain the coverage throughout this period. You may also convert your group legal coverage to an individual policy (see page 17). (Dental and vision coverage cannot be converted to individual policies.)

If you are not eligible for Medicare, you may also consider medical insurance through the health care marketplace. In California, visit [coveredCA.com](http://coveredCA.com) or call 800-300-1506.

### HEALTH FLEXIBLE SPENDING ACCOUNT

Your participation stops at the end of the pay period in which your last contribution is deducted from your pay. You may submit claims for eligible expenses incurred through your last day of plan participation. Expenses incurred after that date are not eligible for reimbursement.

You may submit claims for funds in your account until the deadline for the plan year. You may be able to continue participation under COBRA through the end of the plan year by making direct, after-tax payments to your account. Some retirees elect this option in order to be sure they are able to use all the funds they have in their account for the plan year. Call the FSA administrator for more information (see page 26).

For more information, see the UCnet website ([ucal.us/COBRA](http://ucal.us/COBRA)).

## OTHER INFORMATION ABOUT RETIREE HEALTH AND WELFARE BENEFITS

### IMPUTED INCOME

Unless you claim your domestic partner or your partner's child or grandchild as your income tax dependent(s), UC's contribution toward medical and/or dental coverage for them is considered your imputed income. It is subject to FICA (Social Security and Medicare) and federal and state income taxes. Exception: If your partner's child is considered your stepchild under state law, imputed income will not apply. See the *Benefits for Domestic Partners* booklet for more information.

### SUSPENDING MEDICAL COVERAGE

If you have other non-UC medical or dental coverage at the time you retire, you can suspend your UC retiree medical coverage and re-enroll at any future Open Enrollment. If you lose your other coverage and had suspended your UC-sponsored coverage, you may re-enroll in UC-sponsored medical insurance within 31 days of the loss of coverage. You must provide proof of loss of other coverage.

### MOVING OUT OF THE PLAN SERVICE AREA

If you are enrolled in a UC-sponsored HMO and move out of the plan service area, you must enroll in another plan that provides service in your new location. You may also need to select a new primary care physician. Remember, also, to update your address on AYS Online. If you move outside of the United States, please contact the UC Retirement Administration Service Center regarding coverage under your current insurance plans and Medicare.

### TAX SAVINGS ON INSURANCE PREMIUMS (TIP)

TIP allows employees to pay certain insurance premiums before taxes are taken from their pay. This option is not available to retirees per IRS regulations, so it stops with your last paycheck.

### WORKERS' COMPENSATION AND BUSINESS TRAVEL ACCIDENT INSURANCE

Coverage under these plans stops the last day you are actively at work.



# The Retirement Process

Once you have a retirement date in mind, there are a number of tasks for you to complete.

- Contact your tax advisor or financial planner. We strongly recommend that you discuss your finances with a professional who can help you establish your long- and short-range goals. Fidelity offers appointments with Individual Planning and Guidance Consultants (IPGCs) to help you prepare for retirement. Visit [ucfocusonyourfuture.com](http://ucfocusonyourfuture.com) for contact information for IPGCs.
- Call the Retirement Administration Service Center or your local Benefits Office to find out how to begin the retirement process, which varies depending on your UC location. (If you are an inactive UCRP member, you should call the Retirement Administration Service Center.)
- Submit a *Request for Retirement Initiation Packet* to the Retirement Administration Service Center. This form is available online ([ucal.us/retirementform](http://ucal.us/retirementform)) and should be submitted about three to four months before your retirement date. Submitting this form starts the retirement election process, which is outlined below, but it doesn't commit you to anything. You must submit a signed election form to complete the retirement process.
- Once you submit your *Request for Retirement Initiation Packet*, you'll be assigned a retirement counselor, from the Retirement Administration Service Center or your local campus depending on staffing, with whom you'll work throughout the process. The counselor will contact you by email or telephone to begin the counseling relationship.
- Gather required documentation, including birth certificates, your marriage certificate or documentation of your domestic partnership, which you may need when you elect a benefit (see "Required Documentation" on page 23). Obtaining records can be time consuming, particularly if the records must come from foreign countries or rural regions of the U.S. By acting early, you can prevent delays later.
- Be sure that your beneficiary designations are up-to-date. You can update your UCRP and AD&D beneficiaries by signing in to your At Your Service Online account. For 403(b), 457(b) and DC plan beneficiaries, log in to [netbenefits on ucfocusonyourfuture.com](http://netbenefits.ucfocusonyourfuture.com).
- Begin gathering information about other retirement benefits for which you may be eligible.
  - Contact Fidelity Retirement Services, the recordkeeping and account services company for the UC Retirement Savings Program (DC, 403(b) and 457(b) Plans). Fidelity can provide account balances and other information about your accounts.
  - Check your eligibility for Social Security and Medicare benefits. The Social Security Administration provides an online personal Social Security Statement for all employees and former employees age 25 and older. This is a detailed, personal estimate of monthly Social Security benefit amounts you and your family may qualify for now and in the future.
  - If you are married or divorced, you may be eligible for Social Security and/or Medicare benefits based on your spouse's work record. Visit the Social Security website ([ssa.gov](http://ssa.gov)) to view your statement. The Social Security website is filled with valuable information about Social Security benefits, application procedures and Medicare. You can also get information from your local Social Security office.

Contact past employers and, if appropriate, the military to find out whether you qualify for retirement income under their plans. UCRP has agreements regarding benefits with certain public retirement systems, including the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) that provide advantages if you retire from both systems. See the *UCRP/CalPERS Reciprocity Fact Sheet* or the *UCRP/CalSTRS Concurrent Retirement Fact Sheet*, available on UCnet, for more information.

# The Retirement Process

## ELECTION PROCESS

After you submit the *Request for Retirement Initiation Packet* form, UC will create a personalized retirement packet for you. Submitting the form does not commit you to anything. The packet includes a Personal Retirement Profile, worksheets to help you plan for monthly income or a lump sum cashout, the *Special Tax Notice for UC Retirement Plan Distributions*, the *Lump Sum Cashout Fact Sheet* and any additional information you may need.

The Personal Retirement Profile contains up-to-date personalized information about your UCRP benefit options to help you make informed decisions. The estimates that appear on your retirement profile will be based, in part, on the information you provide. You should request a new retirement profile if you decide to change your separation date, your retirement or cashout date, or your choice of contingent annuitant.

In most cases, you will receive your retirement packet about two to three weeks after you submit your request. To produce the most accurate estimate possible, UC cannot provide a packet any earlier than 90 days before your intended retirement date.

In some situations, your request will require special handling or a special calculation and could take six to eight weeks. For example, if your record shows an outstanding community property claim or if you have service credit in more than one UCRP membership classification, it could be referred for special handling. The Retirement Administration Service Center will ensure that you receive your profile as quickly as possible.

Once you receive your retirement packet, talk with your family and a trusted financial advisor. Your election of monthly retirement income or a lump sum cashout, if available, is an important decision; so it's important that you understand your options. UC Retirement Administration Service Center counselors can answer any questions you have about the UCRP retirement packet, UCRP benefits and UC-sponsored health and welfare benefits.

When you are ready to make an election, take these steps:

- Call your assigned retirement counselor or the Retirement Administration Service Center at 800-888-8267. You are welcome to have other family members join the conversation. If possible, you should hold your election interview approximately one to two months in advance of your retirement date to ensure timely payment of your retirement benefits. During your interview, you'll make your benefits choices.
- UC will produce a personalized retirement election form, which is the document you will sign to confirm your choices and finalize your decision to retire. Your retirement election form will indicate if any additional documentation is required before benefits can be paid.

- Review the form, sign it and submit it to UC Retirement Administration Service Center, along with any other required forms or documents. If you are married or your domestic partnership is registered with the State of California, your spouse or domestic partner must also sign your election form.
- If you and/or your dependents are 65 or older, you will also receive information about Medicare. See page 17 for more information.

In order to receive your first benefit check by the first of the month following your retirement date, you should submit your signed election form to UC Retirement Administration Service Center six to eight weeks before your retirement date. If UC Retirement Administration Service Center receives your election form after that time, your first benefit check or lump sum cashout may be delayed, and you may experience an interruption in income between employment and retirement. You may also delay your medical and dental plan coverage. If UC Retirement Administration Service Center receives your election form more than 90 days after the retirement date on your election form, your original retirement date will be cancelled, and you will have to submit a new election form with a new retirement date.

After your retirement election paperwork has been processed, UC Retirement Administration will send you a confirmation letter. This letter will confirm your benefit amount, the date you can expect to receive your benefit, and any UC-sponsored medical, dental or legal coverage that will continue into retirement. This letter also will specify age factor, years and months of service credit and HAPC that UCRP used to calculate your benefit. It is a good idea to review this information to be sure all of your elections have been properly recorded.

After you receive your confirmation letter, you do not have to take any further action to receive your benefit. You may cancel or change your benefit election or alter or add family information at any time up to your retirement date (or 15 days after your confirmation letter is sent, if later). After that time, your election, choice of retirement date, payment option or contingent annuitant (if any) is irrevocable.

**Note:** If you die before the UC Retirement Administration Service Center receives your retirement election form, your retirement election will not be effective. See the *Survivor and Beneficiary Handbook for Survivors and Beneficiaries of UC Employees*, available on UCnet ([ucnet.universityofcalifornia.edu](http://ucnet.universityofcalifornia.edu)) for more information.

## **REQUIRED DOCUMENTATION**

You will be notified in advance if you need to provide documentation along with your UCRP benefit election. Below are the general requirements for birth, marriage and domestic partnership evidence. UC reserves the right to require proof of identity and/or verification before making payments. You do not need to submit original documents. A legible copy will suffice. Altered documents will not be accepted.

### **BIRTH EVIDENCE**

- Required for your contingent annuitant if you elect a monthly retirement alternative payment option for which you name a contingent annuitant.
- Required for you if there is a discrepancy between the date of birth in UC records and the date of birth you report when you make your election.
- Required for any children eligible for post-retirement survivor benefits
- Acceptable forms of birth evidence include:
  - Birth certificate
  - Passport
  - Certificate of naturalization (showing date or age at certain year)
  - Military record

### **MARRIAGE EVIDENCE**

Required if you are married and you elect monthly retirement income.

Acceptable forms of marriage evidence include:

- Marriage certificate
- Passport (must be joint passport and show date of issue)
- Joint tax return

### **DOMESTIC PARTNERSHIP EVIDENCE**

Required if you have a domestic partner and you elect monthly retirement income.

Acceptable forms of partnership evidence include:

- Copy of California state form filed with the Secretary of State or an equivalent form from another state, or if no state form,
- UC *Declaration of Domestic Partnership* (UBEN 250) and three supporting documents. (A list of acceptable documents is on the form.)

For more information about eligibility and benefits for domestic partners of UC employees, see the *Benefits for Domestic Partners* booklet, available on the UCnet website ([ucnet.universityofcalifornia.edu/forms](http://ucnet.universityofcalifornia.edu/forms)).

### **ADDITIONAL EVIDENCE**

If you, your spouse, your domestic partner or contingent annuitant have changed names and the documentation you submit does not clearly identify the person, additional evidence may be required. This additional evidence might include a copy of a court order showing the name change, a copy of a marriage certificate or divorce decree, or a notarized statement from the person explaining the name change.

If, when you elect monthly retirement income, you indicate that you have an eligible disabled child and/or dependent parent, you must also provide a copy of pertinent parts of your most recent federal income tax return to verify tax dependency.

## After You Retire

Many things will change for you when you retire from the University of California, but you remain a valued member of the UC community.

Among the changes you'll experience is where you go for information and assistance regarding your retirement benefits. To be sure you receive important information about your UC benefits, keep your address current. You can update your address online by visiting UCnet ([ucnet.universityofcalifornia.edu](http://ucnet.universityofcalifornia.edu)) and selecting AYS Online. Or call the UC Retirement Administration Service Center at 800-888-8267.

You'll also have new opportunities to remain connected to UC.

**Here are some resources you may wish to use in your retirement:**

### UC RETIREMENT ADMINISTRATION SERVICE CENTER

As an employee, you have looked to your location for information and services regarding your benefits; as a retiree, the UC Retirement Administration Service Center will serve you. You can contact the Service Center by phone (800-888-8267) or via a web-based form available at: [ucal.us/askrasc](http://ucal.us/askrasc)

### EMERITI/RETIREE ASSOCIATIONS AND RETIREMENT CENTERS

Every campus and laboratory has an emeriti and/or retiree association which you are eligible to join upon retirement. Dues range from \$15 to \$40 per year, and some associations offer first-year membership at no cost. These associations:

- Promote the interests of UC retirees and emeriti, particularly regarding UC-sponsored benefits for retirees, to university administration
- Facilitate retirees' support of UC through volunteer programs, scholarship funds for students, advocacy programs and more
- Provide social, intellectual, wellness and other programs that foster continued connections to friends, colleagues and the university
- Keep members informed of news and events through regular emails and newsletters

If you move away from your home campus, you are welcome to join the association where you live. For more information, visit [ucnet.universityofcalifornia.edu/retirees/associations.html](http://ucnet.universityofcalifornia.edu/retirees/associations.html)

In addition, UC Berkeley, UC Davis, UC Irvine, UCLA, UC San Diego, UC Santa Barbara and UC Santa Cruz have on-campus emeriti/retiree centers with dedicated staff and facilities to serve retirees and emeriti. Most of the centers

- Support the work of the emeriti and retiree associations
- Provide additional programs and services including pre- and post- retirement workshops
- Serve as liaisons between the campus and retirees/emmeriti
- Help retiring faculty and staff with retaining UC email privileges, library privileges, parking and more

For contact information, see page 27 or visit [ucnet.universityofcalifornia.edu/retirees](http://ucnet.universityofcalifornia.edu/retirees) for additional information.

### UCNET

Keep up with important news about the university and the latest information about your UC retiree benefits by visiting the UCnet website ([ucnet.universityofcalifornia.edu](http://ucnet.universityofcalifornia.edu)). The site has a special section for retirees ([ucnet.universityofcalifornia.edu/retirees](http://ucnet.universityofcalifornia.edu/retirees)) where you'll also find links to campus resources for retirees.

UCnet also provides a link to At Your Service Online, the portal where you will continue to view your current UC-sponsored benefits enrollments. After you sign in to AYS Online, you can view your monthly retirement benefits statement, change your address, change or add beneficiaries, change your tax withholdings and direct deposit information.

### NEW DIMENSIONS

All retirees receiving a monthly UCRP benefit and/or UC-sponsored health and welfare benefits receive *New Dimensions*, the UC retiree quarterly newsletter. You may choose to receive it via U.S. mail or electronically. *New Dimensions* is UC's official publication regarding retiree benefits information.

## **RETURNING TO UC AFTER RETIREMENT**

Every year some retired faculty and staff return to work at UC. Most rehired UC retirees work on a part-time basis and for a limited duration, which supports the orderly administration of the retirement system and the need to refresh the UC workforce.

To protect the university's reputation and ensure compliance with IRS pension distribution rules while continuing to give managers the flexibility to call on retired employees when needed, the university has developed the following policy requirements for returning to work in a staff or senior management position after retirement:

- Reemployment must be in response to a university need; for example, the retired employee possesses skills and institutional knowledge that the hiring department cannot otherwise obtain with equal cost effectiveness; the hiring department anticipates a prolonged process for hiring a replacement; or the hiring department anticipates that the retired employee will assist the replacement in acquiring necessary skills and knowledge.
  - You must have a break in service of at least 30 calendar days, and preferably 90 days before you can be rehired. In addition, if you have not reached normal retirement age, defined by UCRP as age 60 (65 for most 2013 Tier members and 50 for Safety Members), you must not engage in discussions concerning reemployment until after you have received your first monthly payment or lump sum cashout or 30 days after separation, whichever is later.
  - The rehire appointment must be limited to the equivalent of no more than 43 percent time during a 12-month period; for faculty, the appointment cannot be more than 43 percent time per month.
  - Employment of a staff retiree must not exceed a total of 12 months. If continued reemployment is necessary after 12 months, the hiring department must follow the same approval process as it did for the original appointment.
  - The location's executive officer (or designee) must approve all staff appointments after the chief human resources officer's review and endorsement. For academics, the chancellor (or designee) approves all appointments, and the provost must approve compensation that exceeds the appropriate indexed compensation level. In addition, the regents must approve the appointment of a retired employee into a senior management position or one in which the base salary plus any other cash compensation meets or exceeds the indexed compensation level.
- Retirees receiving a monthly retirement benefit who take a staff position must submit a completed *UCRP Retired Employee Notification Form* (UBEN 1039). (The form is not required for retired staff employees who received a lump sum cashout.)
  - A retired employee who is receiving UCRP monthly retirement income may suspend retirement income payments and be reemployed in a career or long-term appointment after an appropriate break in service. A retired employee who takes a lump sum cashout however, may not be reemployed into a career or long-term appointment.
  - If you suspend retirement income because you've been rehired into a UCRP-eligible position, you must re-retire the day after you again leave UC employment.

It is important to disclose your status as a UC retiree at the time you apply for employment with the university. If you do not disclose your status, you may be subject to appropriate disciplinary action and your appointment could subsequently be modified or withdrawn.

For more information, see the *Returning to UC Employment after Retirement Fact Sheet*, available on the UCnet website ([ucnet.universityofcalifornia.edu](http://ucnet.universityofcalifornia.edu)) or from the Retirement Administration Service Center.

## For More Information

### UCnet

ucnet.universityofcalifornia.edu

### UC Retirement Administration Service Center

800-888-8267

Monday–Friday, Hours: 8:30 a.m.–4:30 p.m. PT.

### Fidelity Retirement Services

866-682-7787    [ucfocusonyourfuture.com](http://ucfocusonyourfuture.com)

### California Public Employees' Retirement System (CalPERS)

888-225-7377

### California State Teachers' Retirement System (CalSTRS)

800-228-5453

### Social Security Administration

800-772-1213    [ssa.gov](http://ssa.gov)

### California Franchise Tax Board

800-852-5711

### Internal Revenue Service

800-829-1040

### MEDICAL PLAN PROVIDERS

#### Blue Shield Health Savings Plan

#### Blue Shield Medicare PPO

#### Blue Shield Medicare PPO without Prescription drugs Core

#### High Option Supplement to Medicare

855-339-9973    [www.blueshieldca.com/uc](http://www.blueshieldca.com/uc)

#### Health Equity

866-212-4729    [www.healthequity.com/ed/uc](http://www.healthequity.com/ed/uc)

#### Health Net Blue & Gold

#### Health Net Seniority Plus

800-539-4072    [www.healthnet.com/uc](http://www.healthnet.com/uc)

#### Kaiser Permanente—California

800-464-4000    [my.kp.org/universityofcalifornia](http://my.kp.org/universityofcalifornia)

#### Kaiser Permanente Senior Advantage

800-443-0815    [my.kp.org/universityofcalifornia](http://my.kp.org/universityofcalifornia)

#### UC Care

855-702-0477 (domestic)    [uc-care.org](http://uc-care.org)

800-60004040 (international)

#### Western Health Advantage

888-563-2250

[www.westernhealth.com/mywha/university-of-california](http://www.westernhealth.com/mywha/university-of-california)

#### Optum (behavioral health)

888-440-8225

[liveandworkwell.com](http://liveandworkwell.com)    Access Code: 11280

### OTHER PLAN PROVIDERS

#### AIG Benefit Solutions (for AD&D conversion)

800-772-7863

#### California Casualty Service Center (Auto and Homeowner/Renter)

800-800-9410

#### CONEXIS (Flexible Spending Accounts)

800-482-4120

#### Dental Plan PPO

800-777-5854

#### DeltaCare® USA

800-422-4234

#### Prudential Life Conversion Unit

877-889-2070

#### Prudential Life Portability Unit

800-778-3827

#### Vision Service Plan (VSP)

866-240-8344    [vsp.com/go/uc retirees](http://vsp.com/go/uc retirees)

### BENEFITS OFFICES

#### UC Berkeley

510-664-9000, option 3

#### UC Davis

530-752-1774

#### UC Davis Medical Center

916-734-8099

#### UC Irvine

949-824-5210

#### UC Irvine Medical Center

714-456-5736

#### UCLA

310-794-0830

#### UCLA Medical Center

310-794-0500

#### ASUCLA

310-825-7055

#### UC Merced

209-228-2363

#### UC Riverside

951-827-4766

**UC San Diego**  
858-534-2816

**UC San Diego Medical Center**  
619-543-7585

**UC San Francisco**  
415-476-1400

**UC San Francisco Medical Center**  
415-353-4545

**UC Santa Barbara**  
805-893-2489

**UC Santa Cruz**  
831-459-2013

**Agriculture & Natural Resources**  
530-750-1323

**Office of the President**  
510-987-0900

**Lawrence Berkeley National Laboratory**  
510-486-6403

**Hastings College of the Law**  
415-565-4703

## RETIREMENT CENTERS AND ASSOCIATIONS

### Berkeley

Retirement Center, Emeriti Association,  
Retiree Association  
1925 Walnut Street #1550 Berkeley, CA 94720-1550  
510-642-5461  
retirement.berkeley.edu  
ucbrc@berkeley.edu

### UC Davis

Retiree Center  
Sue Barnes, Director  
530-752-5182  
retireecenter.ucdavis.edu  
retireecenter@ucdavis.edu  
**Emeriti Association:** emeritiassociation.ucdavis.edu  
**Retiree Association:** ucra.ucdavis.edu

### UC Irvine

Center for Emeriti & Retirees (CER)  
Jeri I. Frederick, Director  
(949) 824-7769  
retirees.uci.edu  
retirees@uci.edu  
Emeriti Association: sites.uci.edu/emmeriti  
Retiree Association: retirees.uci.edu/retirees-association

### UCLA

Emeriti Retirees Relations Center  
Ragini Gill, Director  
310-825-7456 310-825-1572 (fax)  
errc.ucla.edu emeriti@errc.ucla.edu  
Emeriti Association: www.errc.ucla.edu/em  
Retiree Association: www.retirees.ucla.edu

### UC Riverside

Emeriti and Retiree Associations: www.emeriti-retirees.ucr.edu

### UC San Diego

Retirement Resource Center  
Suzan Cioffi, Director  
858-534-4724 858-534-3767 (fax)  
Emeriti Association: emeriti.ucsd.edu  
Retiree Association: retirement.ucsd.edu  
RetireeLink@ucsd.edu  
Emeriti@ucsd.edu

### UC San Francisco

Retiree Association: www.ucsfalumni.org/ucsfra

### UC Santa Barbara

Emeriti/Retiree Relations Center  
Debra Martin, Coordinator  
www.hr.ucsb.edu/retirees/welcome  
debra.martin@hr.ucsb.edu  
805-893-2168

### UC Santa Cruz

Retiree Center  
Rebecca Skinner, Coordinator  
ucscsilverslug@gmail.com  
831-459-4063  
Emeriti Association: emeriti.ucsc.edu  
Retiree Association: retirees.ucsc.edu

### Lawrence Berkeley National Laboratory

retirement.berkeley.edu/ex-ls

### Lawrence Livermore National Laboratory

livermorelabretirees.org  
chair@livermorelabretirees.org

### Los Alamos National Laboratory

www.losalamoslrg.org

### UC Office of the President

retirement.berkeley.edu/parra



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, University of California Group Insurance Regulations, 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. 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. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. For more information, employees should contact their Human Resources Office and retirees should call the UC Retirement Administration Service Center (800-888-8267).

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Systemwide AA/EEO Policy Coordinator, University of California, Office of the President, 1111 Franklin Street, 5th Floor, CA 94607, and for faculty to the Office of Academic Personnel, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

