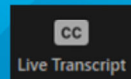


# Preparing for Retirement

Welcome to the webinar. We will start shortly.



Select for Closed Captioning

Welcome everyone and thank you for joining us today. We are here to present Preparing for Retirement, a presentation for those of you who are nearing or considering retirement from UC. We will give you an overview of the UC Retirement Plan, the UC's Retirement Savings Program, our Retiree Health Benefits and the process for retirement. We will also direct you to additional online resources and tools to uncover more details about your retirement benefits.

## Preparing for retirement

- Your UCRP Retirement
- Monthly Retirement Income
- Lump Sum Cashout
- Retirement payment vs Employee paycheck
- Other sources of retirement income
- Retiree health benefits
- Retirement process
- Once you are retired



<https://ucnet.universityofcalifornia.edu/compensation-and-benefits/roadmaps/retiring.html>

Some questions you might be asking yourself is: When can I retire? Can I afford to do so? What health benefits might I have? What benefits will my survivors receive? What steps must I take to enter this new phase of life?

We will address these questions and more including:

- Your UCRP retirement pension and how it's calculated
- Monthly Retirement Income options
- The Lump Sum Cashout option
- How paychecks compare to retirement checks
- Additional sources of retirement income, including the Capital Accumulation Payment, Retirement Savings Program, Social Security and other system agreements
- UC's retiree health benefits for eligible retirees
- How you go about electing your retirement
- Once you are ready and what to expect once you're retired

A blue rectangular slide with a white border. In the top-left corner, there are two short horizontal white lines. The title "Your UCRP Retirement" is centered in white. In the bottom-left corner is the University of California logo, which consists of the words "UNIVERSITY", "OF", and "CALIFORNIA" stacked vertically. The slide has decorative orange and yellow diagonal stripes in the top-left and bottom-right corners.

# Your UCRP Retirement

So let's begin.

Whether you work in a library, classroom, laboratory, medical center or administrative office, or behind the scenes keeping campuses and facilities running, UC values you and the array of important services you provide throughout California.

Faculty and staff make this institution great, and UC rewards you with comprehensive benefits during your career.

Perhaps the most valuable and anticipated benefits go to longtime employees when they start a new journey – retirement.

## Eligibility for UCRP retirement benefits

### UCRP membership

- Hired into an eligible appointment
  - › 50 percent time or more for a year or more
  - › Work 1,000 or more hours in a 12-month period (750 hours for academic appointments)
- Most 2016 Tier eligible employees must choose UCRP participation

### Vesting and Eligibility

- Five or more years of UCRP service credit
- Age 50 or older (1976 Tier/Modified 2013 Tier/Safety)
- Age 55 or older (2013/2016 Tiers)

### Inactive Member



- Separate from UC employment after vesting

First, let's look at the University of California Retirement Plan, or UCRP.

Most people become members UCRP when they're hired into a position for 50 percent time or more for a year or more. If your appointment does not initially qualify, you can also become a member if you work 1,000 hours or more in a 12 month period in an eligible position (lecturers can reach eligibility after 750 hours). Certain appointments, such as student or post doc, temporary, or per diem positions do not qualify for UCRP membership.

Participation is automatic for most if you are in an eligible appointment. However, if you were hired on or after July 1, 2016 in a retirement choice eligible position, you must choose to participate in UCRP under the 2016 tier.

Regardless of when you became a UCRP member, you become vested and are eligible for lifetime, monthly retirement income once you earn five or more years of service credit as a UC Retirement Plan member. If you are a Safety Member or a member of the 1976 or Modified 2013 Tiers, you may retire and receive UCRP benefits any time beginning at age 50 if you are vested. If you are a member of 2013 or 2016 Tier, you may retire when you reach age 55 once vested.

Even if you leave UC employment, you may eligible for your UC pension as long as you are vested and do not refund any UCRP contributions. You will be an "Inactive" member be eligible to collect retirement income at anytime after the minimum retirement age.



## Your UCRP benefits depend on your membership

### 1976 Tier

- coordinated with Social Security
- not coordinated with Social Security

### Safety

### 2013 Tier

### Modified 2013 Tier\*

### 2016 Tier\*

### Multi-tier – service in more than one tier

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



Your benefits under UCRP will vary slightly depending on which tier or membership classification you are in.

Our traditional tier is the 1976 Tier provided you entered UCRP prior to July 1, 2013 and have not incurred a tier break in service. Most 1976 tier members are coordinated with Social Security, making contributions into UCRP and paying Social Security taxes. The university also pays Social Security taxes on their behalf. This means they will likely be eligible for Social Security income as well as a UC pension.

A small number of 1976 Tier members are not coordinated with Social Security. They do not pay Social Security taxes and UC doesn't pay Social Security on their behalf. This also includes Safety members, UC's police and firefighters.

If you became a member of UCRP on or after July 1, 2013, or were rehired after this date, but, before July 1, 2016, you're a member of the 2013 Tier. Several unions negotiated a modified version of the 2013 tier so, your benefits may vary. Check your collective bargaining agreement for more information.

If you became a member of UCRP on or after July 1, 2016, or were rehired after this date, you're a member of the 2016 Tier. Again, if you're a member of a union, your benefits could be different.

In a few cases, you could be a member of more than one tier. For example, if you worked

at UC before 2013 and then return after July 1, 2013, you could have earned benefits under both the 1976 Tier and the 2013 Tier.

While many of the benefits in UCRP are the same for all members, however, there are differences and these will be pointed out along the way.

## Important dates

### Separation Date

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

### Retirement Date

- Effective or start date of UCRP retirement benefits (monthly income or LSC)
- At least one day following your separation date



Before we get into the explanation of the retirement formula, there are two important dates you should understand as you prepare to elect to retire from UCRP.

The first is your separation date. This is your last of employment at the University, otherwise known as a termination date. It can be a working day, a day on vacation or sick leave, or a weekend. It can also be a day where you are on a paid or unpaid leave of absence. But, it is the last of your employment at UC prior to your retirement date.

Your retirement date is the effective date of your UCRP retirement benefits. It is the first day you will receive benefits from UCRP and is the basis of your retirement calculation. Your retirement date can be the day immediately following your separation date or anytime AFTER your UC separation date.

The choice of separation date and retirement date will impact the benefit calculation and other benefits you may be eligible to receive.

## Your UCRP Retirement benefits

### Based on three factors

- Age on the date of retirement
- Years of UCRP service credit
- Highest average plan compensation (HAPC)

**Age Factor x Service Credit x HAPC =  
Basic Retirement Income**



Despite the variations in tiers, the basic formula for calculating your basic retirement income benefit from UCRP is the same; three factors are used based on your age at retirement, your years of UCRP service credit and your highest average plan compensation, or HAPC.

Again, this simple formula, Age Factor at retirement times Service Credit times your HAPC, equals your Basic Retirement Income.

Understanding these factors will help you in deciding when is the right time to retire, to help maximize your benefits from UCRP.

## Age Factor

### 1976/Modified 2013 Tier – ranges from:

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

### 2013/2016 Tier – ranges from:

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

**Higher age factor = higher monthly benefit**

**Safety Members:** 3% at 50



The first factor is the age factor. It ranges from 1.1 percent for the minimum retirement age of 50 to 2.5 percent for age 60, the maximum age factor if you are a member of 1976 or Modified 2013 tiers. An age factor is a percentage of pay for each year of service you've earned. 10 years of service credit at age 50 would be equal to 11% of your HAPC; 10 years of service credit at age 60 would equal 25% of your HAPC.

Your age factor increases each month on the date of your birth. So, if your birthday is the 5<sup>th</sup> of the month, you could consider whether it makes sense to retire on the 5<sup>th</sup> of the month to maximize your age factor.

If you're in the 2013 or 2016 Tier, the age factors are the same, but the minimum retirement age is 55 and the 2.5 percent maximum age factor is for age 65.

In general, the older you are, the higher your age factor and your retirement benefit will be, up to the maximum age factor.

For Safety Members, the age factor is 3% at age 50 or older.

## Service Credit

- Based on actual time worked in a UCRP-eligible position
- No service credit earned during unpaid leaves
  - › Service credit purchase options if you return as an active employee
- Unused sick leave converts to service credit if you elect monthly retirement income
  - ›  $\text{Unused sick leave hours} / 2000 = \text{UCRP service credit}$
- Unused vacation is paid on your last paycheck



The second factor, service credit, is based on your actual time worked in a UCRP-eligible position. So one year of full-time work equals one year of service credit. If you work part-time, you receive a partial year of service credit based on your percent time worked. For example, if you work 50 percent time, you receive half a year of service credit for your year's work.

Time worked in an ineligible appointment such as a student, in a temporary position or per diem also does not earn UCRP service credit. You also do not earn service credit for periods when you aren't paid, such as unpaid leaves of absence or unpaid sabbatical. If you returned to work on active pay status from an approved leave without pay, you can elect to purchase the service credit.

If you have unused sick leave at the time you retire and elect a monthly retirement benefit within 120 days of your UC separation date, your unused sick leave is converted to service credit. One thing to note, however, you can't use sick leave to become vested. In other words, sick leave converts to service credit only after you have five years of credit. To convert your unused sick leave hours to service credit, take the number of unused sick leave hours at your separation date and divide that by 2000. For example, 1,000 hours over 2000 = 0.5000 years of service credit.

Any unused vacation is paid out to you when you leave UC, typically in or after your last paycheck. Unused vacation does not convert to service credit. Some employees might arrange to increase their deferrals in the UC retirement savings plans on their last paycheck

to defer part of their terminal vacation pay. Other employees, with approval from their department, may elect to run out some or all of their vacation leave in advance of their retirement date.

## **Highest average plan compensation (HAPC)**

### **Highest average salary over 36 consecutive months**

#### **Calculated based on Covered Compensation**

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



The last factor used in calculating your pension is your highest average plan compensation or HAPC.

Your HAPC is essentially your highest average monthly salary over a consecutive 36-month period and is based on your covered compensation, which is the full-time equivalent salary, paid for your regular and normal appointment.

For example, a person working 50% time for an annual full time salary of \$100,000 is paid \$50,000. But a salary of \$100,000 is used to calculate the HAPC.

Administrative stipends and shift differentials are also included in your HAPC.

Your HAPC is generally your last 36 month period. However, if there is a different period in your career where your HAPC is higher, your benefits will be calculated based on the HAPC from that period.



## Highest average plan compensation (HAPC)

### Does not include

- Overtime
- Summer Salary
- Negotiated Annual Additions/Incentive Compensation (Health Sciences)

### Covered compensation limits

- Salary that exceeds the annual covered compensation limit
- 2022 plan year limits based on membership:
  - › UCRP entry date prior to July 1, 1994: \$450,000
  - › IRC 401(a)(17): \$305,000
  - › PEPPRA limit for 2016 tier member: \$134,974



Additional salary you may receive will not be included in the your HAPC, such as overtime, summer salary for academic appointments and negotiated additions and incentive compensation for health sciences employees.

The Internal Revenue Code (IRC) does impose limits on salary that can be included for pension purposes under IRC 401(a)(17). The current limits for plan year 2022 are listed on UC Net and may vary depending on your UCRP entry date.

New employees who were first hired on or after 7/1/2016 and elected to participate in the 2016 tier through pension choice may be subject to the Public Employee Pension Reform Act (PEPPRA) covered compensation limit, currently \$134,974.

Contributions into UCRP stop once the UCRP covered compensation limit in the fiscal year is reached and any compensation that is earned above the limit cannot be considered for HAPC purposes. Please note the covered compensation limits typically change annually. So, if your HAPC is from a prior period, it will be affected by the limits imposed for the applicable calendar year in which the salary was earned.

## Adjustments to HAPC

### Social Security offset

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

### Inactive Cost of Living Adjustment (COLA)

- Annual adjustment to your HAPC
- Earned each July 1<sup>st</sup> while an inactive member
- 1976 Tier and Safety Members only
- Maximum of 2% annually



There additional adjustments that may apply to your HAPC.

If you are a 1976 tier member coordinated with Social Security, your HAPC will be reduced by \$133 to account for yours and the University's contributions in Social Security. This will reduce your benefits slightly. If you choose monthly retirement income and are under age 65 at the time of retirement, you will receive a temporary social security supplement to restore the offset until you reach age 65. The offset and supplement apply regardless of when you begin to collect Social Security income.

For 1976 tier and Safety members, you may be eligible for an Inactive Cost of Living Adjustment, or Inactive COLA. As previously mentioned, if you separate from UC employment and are vested, your HAPC will earn an Inactive COLA each July 1<sup>st</sup> after you've had at least one day break in service. This is a COLA that is earned on the HAPC and increases your benefits when you retire.

For example, if you separate at age 45 and retire at age 60, your HAPC could have earned Inactive COLA each July 1<sup>st</sup> since you left. You need only be inactive for one business day so if you separate on June 29<sup>th</sup> in most years and retire July 1<sup>st</sup>, you earn an Inactive COLA. The Inactive COLA is limited to 2%.

Note that there is no Inactive COLA provision for 2013 Tier, Modified 2013 Tier, or 2016 Tier members.

## Additional limits on your pension

### No more than 100% of your HAPC

- **1976 & Modified 2013 Tiers:**  
Age 60 and 40 years service credit
- **2013 & 2016 Tiers:** Age 65 and 40 years
- **Safety Members:** Age 50 and 33.34 years

### Internal Revenue Code Section 415

- Limits the total benefit payable from a pension
- 415(m) Restoration Plan restores the difference



Before we continue, we should point out two additional limits on how much income you can receive from your pension.

Regardless of your age, years of service, and salary, you can never receive more than 100 percent of your highest average plan compensation at retirement. In general that means once you've reached the highest age factor, at age 60 or 65 for most members, and earned 40 years of service credit, you can't get a higher benefit unless your HAPC grows. Safety members reach this limit at age 50 with 33.34 years.

This limit also includes any service credit that was awarded to a former spouse or domestic partner in a qualified domestic relations order (QDRO).

The Internal Revenue Code 415 also limits payments to individuals from a pension plan. If you earned benefits greater than the limit, UCRP may restore the difference through the 415(m) restoration plan. See more information about the restoration plan on UCnet.



# Monthly Retirement Income

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Now that we've discussed the factors in the pension formula, let's look at an example to see how the UC pension is calculated and the different monthly payment options.

## Basic Retirement Income

### 1976 Tier coordinated with Social Security (age 60)

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

x \$8,333.00 (HAPC) - \$133 (SS offset)  
**= \$4,100.00 (basic retirement income)**

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



Here is an example of a member who is a 1976 tier, coordinated member, who is considering retirement at age 60.

To calculate the member's pension, we'll take the age factor for age 60, which is .025, multiply that by the 20 years of service credit. That comes to .5 or a benefits percent of 50.

We multiply that .5 benefits percent by the HAPC. But, in this, the member's \$8,333 HAPC is first reduced by \$133 as they are coordinated with Social Security. The HAPC becomes \$8,200. As a result, the monthly retirement income is \$4,100.00.

Until age 65, the retiree gets an additional \$66.50 as a Social Security supplement to restore the offset, for a total monthly gross benefit of \$4,166.50.

## Basic Retirement Income

### 2013 Tier (age 65)

0.025	(age factor)
x 20.0000	(service credit)
= 0.5 or 50%	(benefits percentage)
x \$8,333.00	(HAPC)
<b>= \$4,166.50</b>	<b>(basic retirement income)</b>

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Here is another example of a member who is a 2013 tier member, who is considering retirement at age 65.

To calculate the member's pension, we'll take the age factor for age 65, which is .025, multiply that by the 20 years of service credit. That comes to .5 or a benefits percent of 50.

We multiply that .5 benefits percent by the HAPC. The member's HAPC is \$8,333 HAPC and there is no reduction of \$133 as this is not a 1976 tier member. As a result, the monthly retirement income is \$4,166.50.

# Retirement Estimates on UCRAYS

**UNIVERSITY OF CALIFORNIA** Retirement At Your Service

UCRP Service Credit  
**19.0980 years**  
as of 12/31/2021  
[Membership Details](#)

[Retirement](#)

[Beneficiary Designations](#)

View and manage your contacts' details. Your contacts include your plan beneficiaries, power of attorney, or your domestic partner.  
[Manage Contacts](#)

Estimate your potential UCRP disability income, compare the benefits of UCRP disability and UCRP retirement, or apply for disability income.  
[UCRP Disability](#)

Estimate the cost of an eligible UCRP service credit purchase.  
[UCRP Service Credit Purchase](#)

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To estimate your own retirement income, you can log on to UC Retirement At Your Service, or UCRAYS. On the left, you can view your “Membership Details” which will show you that amount of service credit you have, in what tier, your contribution balances to UCRP, your CAP account, if you have one, and your HAPC.

Click on the “Retirement” button to prepare retirement estimates and even apply for and elect your UC retirement.

## Retirement Estimates on UCRAYS

### UCRP Benefit Estimate

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

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

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

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

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On this screen, you can view basic retirement income estimates for various ages, including any temporary social security supplement or lump sum cashout you might be eligible to receive.

By clicking on “Create a Retirement Estimate”, you can prepare your own estimates and model different scenarios.

You can choose your preferred retirement and separation date, add a contingent annuitant. If you have an upcoming raise, you can input the new, higher salary, or if you wish to reduce your percent time worked in advance of retirement, you can change your percent time work. This tool allows to model various scenarios for your retirement at any time.



## Cost of Living Adjustments

### Retirement COLA

- Effective July 1 after one full year of retirement
- Example:
  - › Retire July 1, 2022 = first COLA is July 1, 2023
  - › Retire January 1, 2023 = first COLA is July 1, 2024
- Paid annually on August 1 pension check
- Retirement COLA ranges from 0% to 6%; generally 1-2%

### Based on changes in Consumer Price Index (CPI)



If you elect a monthly retirement income option, you will be paid that for the rest of your life. However, after you have been retired for at least one full year, you'll be eligible to accrue annual Retirement COLAs each July 1<sup>st</sup>.

As an example, if you retire on July 1, 2022, you will be eligible for your first retirement COLA on July 1, 2023. If you retire on January 1, 2023, however, you will not be retired for one full year by July 1, 2023 and will have to wait until July 1, 2024 to receive your first Retirement COLA. After that, you will receive the COLA annually and it will be paid on your August 1<sup>st</sup> check.

Cost of living adjustments (COLA) are based on the annual movement in the consumer price index based on a blend of the San Francisco Bay Area and Los Angeles metropolitan areas. They are generally between 1-2% with a maximum of 6%.

## **Payment continuation after death**

### **Post-retirement Survivor Continuance**

- Eligible survivors defined by the plan
- Available to 1976 and Safety Members

### **Alternate Payment Option to Contingent Annuitant**

- Can name anyone
- Available to all members

### **Pre-retirement Survivor Income**

- Benefits depend on eligible family members and eligibility for retirement



We've talked about the calculation of the basic retirement income and the lifetime monthly income it provides. But, UCRP also offers several ways you can provide monthly income to someone else in the event of your death.

These benefits include:

Post retirement survivor continuance payable to those eligible family members defined by the plan. This benefit is "free" and is available to 1976 tier and Safety members.

Alternative payment options where you can reduce your monthly income to provide lifetime monthly income to a contingent annuitant. This benefit is available to all members and can be payable to anyone.

If you pass away prior to retirement, there are provisions that allow certain eligible family members to receive monthly survivor income depending if you are eligible to retire at the time of death.

## Post retirement survivor continuance

### Monthly income to eligible survivors automatically

- Does not reduce your monthly income

### Your eligible survivor receives:

- **25%** of basic retirement income if coordinated with Social Security
- **50%** of basic retirement if you are not coordinated with Social Security (including Safety)

### This provision is only available to 1976 Tier and Safety



The post-retirement survivor continuance is an automatic, monthly benefit payable to your eligible survivor. Your monthly benefit is not reduced to pay for it.

If you are a UCRP member who is coordinated with Social Security, your eligible survivor will receive 25 percent of your basic retirement income. If you are not coordinated with Social Security or you're a Safety member, your survivor will receive 50 percent of your basic retirement income.

This benefits is only available to 1976 tier and Safety members; it is not payable to 2013, Modified 2013 or 2016 Tier members.

## Order in which eligible survivors are paid:

### Spouse or domestic partner

- Married/Partnered one year prior to retirement until death
- Payable for life
- Marriage Cert./UBEN 250 Domestic Partnership Declaration

### Children

- Under age 18, or age 22 if full-time student
- Disabled, provided disability occurred before 18 or 22

### Dependent parent(s)

- You must provide 50% support
- Payable for life



You cannot choose the survivor eligible for post retirement survivor continuance, eligible survivors are defined by UCRP in the following order:

Your spouse or domestic partner (if you have been married or in a domestic partnership for at least one full year prior to retirement).

To verify, examples of acceptable marriage or partnership evidence could include a copy of your marriage certificate, registration of domestic partnership, or UBEN 250 Declaration of Domestic Partnership form with two pieces of evidence showing financial interdependence;

Your eligible children (under age 18, or under age 22 if full time students, or disabled). Any disabled child must have become disabled prior to age 18 or 22 if in school full time.

Your eligible dependent parents

If the person receiving this benefit dies or if a child receiving it becomes ineligible, the benefit continues to the next survivor as long as someone is eligible.

## Alternate payment options to Contingent Annuitant

- Provides lifetime monthly income after your death
- Can be anyone, including person eligible for post-retirement survivor continuance, if applicable
- Your monthly retirement income is reduced
- Reduction based on your age, the age of your contingent annuitant and option you choose
  - › If your contingent annuitant is not your spouse and greater than 10 years younger, your options may be limited
- **Election is irrevocable**



Besides the post-retirement survivor continuance, there is another provision that allows you to choose one of several alternative payment options to provide someone with lifetime monthly income after your death.

We call this person a contingent annuitant and they can be anyone that you choose, including your eligible survivor, or it can be someone else, like an adult child.

This provision is available to all tiers.

When you choose this option, your monthly retirement income is reduced and that reduction is based on your age and the age of your contingent annuitant at retirement as well as the option you choose. If your contingent annuitant is not your spouse and is greater than 10 years younger than you at retirement, your options may be limited under the Internal Revenue Code Minimum Distribution Incidental Benefit (MDIB) rules. Please contact the RASC for more information.

The election of contingent annuitant is an important decision because once you retire, the choice is irrevocable. For example, should that person pass away before you do, the benefit is not transferable to someone else and you continue to receive a reduced pension.

## Monthly Retirement Income Options

Monthly Retirement	Lifetime monthly payment to you	UPON DEATH - Monthly payment to:		
		Eligible Survivor 25% of BRI	Contingent Annuitant	Total
Basic Retirement Income (BRI)	\$2,433	\$608	not applicable	\$608
Payment Option A (full continuance)	\$2,219	\$608	\$1,611	\$2,219
Payment Option B (two thirds continuance)	\$2,285	\$608	\$1,118	\$1,726
Payment Option C (one half continuance)	\$2,319	\$608	\$855	\$1,463
Payment Option D (50% to eligible spouse or domestic partner)	\$2,357	not applicable	\$1,178	\$1,178

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This chart outlines the alternate payment options. This member is age 60 at retirement with an eligible spouse, age 57, who has also been named as contingent annuitant.

If you select one of the alternate payment options, your monthly retirement income will be reduced to pay for the contingent annuitant's benefit. The amount of your monthly reduction depends on your age, the age of your contingent annuitant and the option that you choose.

Option D is only available to 1976 tier members, coordinated with Social Security, whose spouse or domestic partner is also their contingent annuitant.

## Monthly Retirement Income Options

Monthly Retirement	Lifetime monthly payment to you	UPON DEATH - Monthly payment to:	
		Eligible Survivor 25% of BRI	Contingent Annuitant
Basic Retirement Income (BRI)	\$2,433	not applicable	not applicable
Payment Option A (full continuance)	\$2,148	not applicable	\$2,148
Payment Option B (two thirds continuance)	\$2,235	not applicable	\$1,490
Payment Option C (one half continuance)	\$2,282	not applicable	\$1,141

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This second chart outlines the alternate payment options without an eligible survivor. This could be because the member does not have an eligible survivor or has service in a tier that does not have an automatic survivor continuance.

Again, the benefits payable to your contingent annuitant, if you elect one, is payable for their lifetime upon your death. They will also be entitled to retirement COLA.

## Death prior to retirement

### Death while eligible to retire

- Alternate Payment Option A to your spouse or domestic partner

### Pre-retirement Survivor Income

- Percentage of salary depending on Tier
- Surviving Spouse/Domestic Partner:
  - › Lifetime monthly income at age 60 or on behalf of eligible child
- Eligible Child(ren):
  - › Monthly income until the age of 18, age 22 if in school, or as long as disabled



If you pass away prior to your retirement, certain eligible family members may be eligible for income or benefits.

If you are eligible to retire at the time of death, meaning you have at least 5 years of UCRP service and meet the minimum age requirements, your spouse or domestic partner would be entitled to lifetime monthly income equivalent to alternative payment option A.

If you died prior to reaching minimum age requirements, but, have at least two years of service credit, your surviving spouse or domestic partner would be eligible to collect a percentage of your salary at the age of 60 for the rest of their life. If you have eligible children under age 18, 22 if in school full time, or a child who became disabled prior to age 18 or 22, they may also qualify for monthly survivor income.

If, upon your death, prior to retirement, you do not have family members that qualify for these benefits, then UCRP will refund your contributions and interest to your named beneficiary(ies).



## Basic death payment

### One time payment of \$7,500 to beneficiaries

- Taxable to your beneficiary
- Can designate or change your beneficiary at anytime



Another benefit of UCRP is a one-time basic death payment of \$7,500 to your designated beneficiary or beneficiaries.

This Basic Death Benefit is in addition to any monthly income that may be payable to your eligible survivors or contingent annuitant.

## UCRP Pre-tax / After-tax Contributions

- Mandatory employee contributions into UCRP
- After-tax contributions prior to 1983
- Help to fund your UCRP benefits
- Not payable separately upon retirement
- Any unpaid contributions are refunded to your beneficiaries upon death



As a member of UCRP, you make contributions into UCRP based on a percentage of salary. This percentage is based on membership classification, tier and bargaining group. Any UCRP contributions made before 1983 were on an after-tax basis and will reduce slightly the taxability of your UCRP retirement income. Since 1983, contributions have been made on a pretax basis.

Your UCRP contributions do not factor into the calculation of your UCRP benefits; as we discussed, your retirement income is based on your age, years of service and salary at retirement. Your contributions, along with those made by UC on your behalf, do however help fund your retirement benefit.

Upon retirement, your UCRP contributions are not payable as a separate benefit. They are simply moved into the pension trust.

In the event of your death and the death of any eligible survivors or contingent annuitant, if the total UCRP benefits paid to you, your eligible survivors and/or contingent annuitant are less than the total amount you contributed into UCRP, with interest through your retirement date, the remaining balance would be payable to your named beneficiary(ies).

The slide has a solid blue background. In the top-left corner, there is a small decorative graphic consisting of several overlapping diagonal lines in shades of blue and orange. The title "Lump Sum Cashout" is written in a large, white, sans-serif font. Below the title, there are two short, horizontal white lines. In the bottom-left corner, the University of California logo is displayed, which includes the words "UNIVERSITY OF CALIFORNIA" in white, stacked vertically, next to a small blue square.

# Lump Sum Cashout

We've discussed monthly retirement income options when you retire, which are available to all membership tiers and classifications, once vested. Now we'll cover the lump sum cashout option, which is alternate form of UCRP income that 1976 Tier, Modified 2013 Tier and Safety members can elect in lieu of lifetime monthly income.

## Lump sum cashout

### One time, lump sum payment

### Elect instead of lifetime monthly income

- Based on the present value of the retirement income you would receive over your life expectancy
  - ›  $\text{Basic Retirement Income} \times \text{Single Payment Factor}$

### Available to 1976 Tier members, Safety and Modified 2013 Tier members only

- Not available to 2013 or 2016 Tier members



The lump sum cashout is a one time, lump sum payment in lieu of lifetime monthly income.

It is based on the present value of the basic retirement income you would receive over your life expectancy. Cost of living adjustments are included in the projection.

Use the Retirement Estimator on UCRAYS to estimate your lump sum cashout.

Members of the 1976 Tier, Safety and Modified 2013 Tier members are eligible for the Lump Sum Cashout. 2013 and 2016 Tier member not eligible.

## **Lump sum cashout**

### **Forfeit other benefits:**

- Health benefits
- UCRP basic death benefit
- UCRP survivor and contingent annuitant benefits

**Sick leave is not converted to service credit**

**More restrictive return-to-work rules**



If you elect the lump sum cashout, you will give up all other UC retirement benefits, including retiree health benefits and death benefits for your survivor.

Also, sick leave will not convert to service credit.

If you elect a lump sum cashout, you also cannot return to work in a staff career position at UC.

While the lump sum cashout can work for some members, since it is a one time payment based on average life expectancy, you should consider what could happen if you live longer than average and possibly outlive the lump sum cashout. Or how you will provide for your health care. These are important things to consider before selecting this option.

## **Lump sum cashout**

**Subject to taxes the year in which you take the payout**

**May roll over into another eligible retirement account**

- UC Retirement Savings Plans—403(b), 457(b), DC Plan
- Other qualified employer retirement plans
- Traditional or Roth IRA

**Decision to take cashout is irrevocable**



The lump sum cashout is subject to federal and state taxes in the year in which you receive it. You may, however, defer taxes until you receive distributions by rolling it over into either your UC retirement savings plans, another employer plan or a qualified IRA. The amount eligible for rollover may be limited by Internal Revenue Code 415. A rollover to a ROTH IRA is also available though this would still be a taxable event.

Once you choose a lump sum cashout -- instead of a lifetime monthly benefit -- that decision is irrevocable upon your retirement date, so weigh your decision very carefully.

See the retirement section of the UCnet website for more details about the lump sum cashout.

A blue rectangular slide with a white title and logo. The title "Retirement Payment vs Paycheck" is centered in white. The University of California logo is in the bottom left. There are two short white horizontal lines on the left side of the slide.

# Retirement Payment vs Paycheck

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Now that we've explained how your pension benefit is calculated, let's take a look at how your paychecks compare to retirement payments. If you're a longtime UC employee, you may find the amount of your retirement payment is not that different than your paycheck.

## Active employee paycheck vs Retiree payment

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

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As an employee, there are a lot of deductions that are withheld from our paychecks. This includes federal, state, social security and Medicare taxes; your cost of any health insurance premiums, potentially voluntary contributions to the retirement savings plans and the mandatory employee contribution to the UC Retirement Plan.

This does not include other voluntary deductions such as disability, life or legal insurance or transportation and parking costs that may be deducted. All these deductions reduce our pay from the gross paycheck to the net paycheck, which is the amount we live on.

In retirement, you no longer pay into Social Security and Medicare taxes, UC retirement contributions (voluntary and mandatory), and many of the employee insurance deductions like life and disability insurance.

Even though cost of the retiree medical plan goes up in retirement, after deducting insurance premiums and federal and state taxes, the net monthly may be closer to your net employee check than you think.



# Other sources of retirement income

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## Other sources of retirement income

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



In addition to your UCRP pension, most UC employees will have other retirement income they've earned or saved during their career. These can include

- the Capital Accumulation Payment
- Retirement Savings Programs
- Social Security
- Agreements with other retirement systems

## Capital Accumulation Payment

### Special allocations to UCRP members based on a percentage of compensation

- CAP I – issued 1992-1994 earn 8.5% annual interest
- CAP II – issued 2002-2003 earn 6.75% annual interest

### Must be distributed upon retirement

- Rollover or a taxable distribution paid to you

### Issued following your first pension check or lump sum cashout

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



If you worked at UC in the early 90s or 2000s, you may have received one or more CAP allocations, during years where state budget crises led to salary freezes. Eligible employees received these allocations from UCRP, based on a percentage of their covered compensation during the select periods.

Cap I allocations, which were awarded between 1992 through 1994, earn annual interest of 8.5 percent. Allocations in 2002 and 2003, called CAP II, earn interest based on actuarial assumptions. Currently, the interest is 6.75 percent.

When you retire, you must take a distribution of your CAP balances. If you take all or a portion of your CAP money as a distribution paid to you, it will be taxed as income in the year it was received. You may also defer taxes by rolling over all or a portion of your CAP balance directly into to your existing UC retirement savings plans, to an IRA or to another employer plan that accepts rollovers.

You may view your current CAP balances and project how much CAP money you will receive when you retire by logging into your account on UCRAYS.

## Retirement Savings Program (RSP) - Employee

### Defined Contribution Plan (DC Plan)

- Voluntary contributions on an after-tax basis
- Mandatory pretax contributions for:
  - › UCRP eligible employees between 1990-2010
  - › DC Safe Harbor, DC Supplement, Savings Choice

### 403(b) & 457(b) Plan

- Voluntary Pretax contributions
- Deferral limit = \$20,500 + \$6,500 if over age 50 to each plan

### In-service distributions allowed at age 59 ½



Check balances, manage investments or enroll at <http://netbenefits.com>

As an employee, there are many ways in which you can supplement your pension income through UC's Retirement Savings Programs.

UCRP eligible employees may make voluntary after-tax contributions into the DC Plan After Tax account or you may rollover pretax funds from other qualified plans.

If you were a UCRP eligible employee between 1990 and April 2010, you will have funds in the Defined Contribution Plan Pretax plan. You may also have contributions in the DC Safe Harbor if you worked in a casual or other position ineligible for UCRP, the DC Supplement (if in Pension Choice), or DC Savings Choice prior to a Second Choice election.

Currently UC also offers voluntary Pre-tax savings options through the 403(b) and 457 plans. For the 2022 plan year, you may contribute up to \$20,500, per plan, and an additional \$6,500 if you are over age 50 into each plan separately.

For active employees, you can take in-service distributions from the DC Plan after-tax plan at anytime. For any of the pretax RSP plans, you can take in-service starting at age 59.5.

Your contributions to all these plans will cease when you retire.

If you are not already enrolled in the 403(b) or 457 plan, and you would like to start saving additional money for retirement, you may set-up automatic payroll contributions and manage your investments through [netbenefits.com](http://netbenefits.com) or by calling Fidelity directly. You may

also view your current account balances online.

## RSP – Options after you retire

- ✓ **Contributions stop**
- ✓ **Maintain accounts if your balance is greater than \$2,000**
- ✓ **Request one time or automatic withdrawals**
- ✓ **Continue to manage investments**
- ✓ **Roll money into or out of the plans**



When you retire, your contributions into the RSP plans stop, but, you have several options for your money in these plans as a retiree.

You can leave your money if you have at least \$2,000 in each plan. If you have less than \$2,000 in any of the plans, you must withdraw the full amount from that plan or rollover into another UC plan with at least \$2,000. For example, say you have \$10,000 in your DC Plan account and \$1,500 in your 403(b) Plan. You must take the 403(b) Plan money, but you can keep the DC Plan money in the account. You could even roll the 403(b) into the DC Plan.

While you can no longer contribute to these plans after you retire, you have several options:

- You may continue to manage your investments, transfer your money among the funds or roll over other eligible funds into the plans
- You may take a full or partial distributions of your money or roll over the funds to an IRA or another employer's retirement savings plan. Once you retire you may take your first distribution no sooner than 31 days after you last day of UC employment
- You may set up systematic withdrawals, where you arrange with Fidelity to have a specific amount or percentage of your funds sent to you on a regular basis such as monthly or quarterly

## RSP – Withdrawals

### Taxed as income in year received, unless:

- After-tax contributions
- Rolled over to another qualified plan

### Subject to early distribution penalty if taken before age 59 ½, unless:

- 457(b) funds
- Leaving UC during or after year in which you turn 55

### Minimum Required Distributions (MRDs)

- Required after attaining age 72 or year of separation if later



Whenever you take money from your Retirement Saving Program accounts, you'll pay taxes on your pretax contributions and earnings on all contributions as income the year in which you receive the money. You may defer taxes by rolling over your funds into an IRA or another employer plan that accepts rollovers.

If you receive money from your DC Plan or 403(b) Plan before you turn age 59 ½, you also may be subject to early distribution penalties, 10 percent federal and 2.5 percent for California. Early distribution penalties do not apply to 457 (b) Plan money.

You will not be subject to early withdrawal penalties, if you leave UC during or after the year in which you turn 55. There are additional situations in which the early distribution penalty may not apply. See the Retirement Handbook and Special Tax Notice on the UCnet website for more information.

The IRS also requires retirees 72 or older to take Minimum Required Distributions. If you leave your savings with Fidelity, they will set-up your minimum required distributions when the time comes. If you are 72 or older at the time of retirement, any rollover from the CAP account or the Lump Sum Cashout are also subject to MRDs.

## RSP – Deferred Lifetime Income Option

- At age 62-69, convert a portion of your RSP balance into lifetime monthly payments that start at age 78
- Annual purchase opportunity
- Get all the details about these new features at:  
[myUCretirement.com>Retirement Income>Strategies](https://myUCretirement.com/RetirementIncome/Strategies)



Starting in 2021, UC added a new way to have guaranteed income in retirement. Between the ages of 62-69, you have an annual opportunity to convert a portion of your RSP balance into an annuity that will provide lifetime monthly income starting at age 78. You can even elect an option to provide a joint and survivor annuity to provide lifetime monthly income for yourself and your spouse.

For more details about this option, including plan limits and when the annual window will open, please visit [myUCretirement.com](https://myUCretirement.com) and select “Retirement Income” and “Strategies”.



## Social Security

- Most UC employees eligible for Social Security on their own
- Social Security benefits can begin at age 62
- Benefit higher if you delay taking Social Security
- Visit [ssa.gov](https://ssa.gov) to project Social Security income



Most UC employees pay Social Security taxes through their UC employment and UC has also contributed into SS on their behalf. You can receive Social Security benefits as early as age 62, but the age at which you can receive full benefits depends on the year in which you were born.

If you did not pay into Social Security during your UC employment, you may still be eligible for benefits through another source such as a spouse or prior employer.

Visit the Social Security Administration website at [ssa.gov](https://ssa.gov) to get an estimate of your Social Security benefits and to project your future Social Security income.

## Social Security

- Some employees hired before 1976 or Safety are not coordinated with Social Security
- May still be eligible for Social Security benefits from another source
- Contact Social Security for more information

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Some employees hired before 1976, as well as Safety Members, do not pay Social Security taxes through their UC employment and UC does not pay taxes on their behalf. As a result, they may not be eligible for Social Security income unless they have Social Security earnings from another employer or are eligible for Social Security benefits through a spouse.

If you do not pay Social Security taxes as a UC employee but are eligible for Social Security income from another source, the Social Security Administration may limit your benefit. Since you have not contributed to Social Security and your UCRP pension is considered a government pension, you may be subject to Windfall Elimination Provision and Government Pension Offset.

Contact the Social Security Administration website to learn more.

## Other retirement system agreements

### CalPERS: Reciprocity

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

### CalSTRS: Concurrent Retirement

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

### Advantages:

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



UCRP has agreements with the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS).

To qualify for reciprocity with CalPERS, you must have left CalPERS employment and started in a UCRP eligible position, or vice versa, within 180 days. You must also retire from both systems on the same date.

To qualify for concurrent retirement with CalSTRS, you must have been an active UCRP member on or after July 1, 2002 when UCRP entered the agreement from CalSTRS. While you do not have to retire from both systems on the same date, you can retire from one system and earned service credit in the other system at the same time.

While benefits are paid from each system separately, the advantages to reciprocity or concurrent retirement are that you may use service from the other system to become vested and you may use the higher salary in either system to calculate benefits from both systems.

Other public pension systems in California may also offer similar agreements even if UCRP does not have an agreement with their system. If you worked under another California public pension system, contact them directly if you can take advantage of any shared vesting or salary provisions.

A blue rectangular slide with a thin black border. In the top-left corner, there is a small orange and yellow triangular graphic. In the bottom-right corner, there is a larger orange and yellow triangular graphic. The text "Retiree Health Benefits" is centered in white. The University of California logo is in the bottom-left corner. Two short white horizontal lines are positioned to the left of the title and above the logo.

# Retiree Health Benefits

One of the other important benefits that UC offers to eligible retirees is retiree health benefits for you and your family. We'll now talk about what retiree health benefits are, the eligibility criteria, how premiums are determined and UC's Medicare requirements.

## Retiree health and welfare benefits



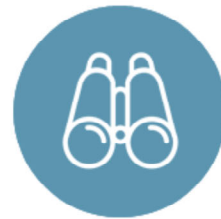
Medical



Dental



Legal



Vision



Accidental Death &  
Dismemberment



Pet Insurance



Retiree health and welfare benefits can include medical, dental, and legal, as well as other UC insurances benefits like the Vision and Accidental Death and Dismemberment. UC's also offers employees and retirees the opportunity to obtain health insurance for your pets.

In general, you will keep the same plans you had as an employee.

## UC retiree health benefits



UC is committed to ongoing health benefits



Not a guaranteed benefit



Plan designs can change



Your share of costs may change



As an important part of our retirement benefits, UC is committed to offering ongoing retiree health benefits to those who qualify.

It is important to know that these benefits are separate from the retirement pension and are not a vested benefit.

Plan designs can change from year to year and UC's contributions to these benefits may change or be discontinued at any time, which impacts your share of the costs.

## To be eligible for retiree health benefits:

- ✓ Enrolled or eligible to be enrolled in UC employee benefits
- ✓ 10 or more years of Retiree Health service credit
- ✓ Elect monthly retirement income\*
- ✓ Retirement date within 120 days of the date you separate from UC employment
- ✓ Continuous coverage until your retiree eligibility begins
- ✓ If you are rehired after a break in service, you must work at least 12 months in an eligible position



\*You forfeit retiree health benefits if you elect a lump sum cashout

In order to be eligible for retiree health and welfare benefits:

- You must be enrolled, or eligible to be enrolled, in UC-sponsored health coverage at the time you retire.
- In most cases, to be eligible for retiree medical and dental coverage you must be a UCRP member with at least 10 years of retiree health service credit.
- You must elect to receive monthly retirement income; you're not eligible for retiree health benefits if you choose a Lump Sum Cashout.
- You also must retire within 120 days of the date you separate from UCRP eligible employment. This means that if you separate UC employment, but don't retire until a year later, you will not be eligible for retiree health benefits.
- You must maintain continuous coverage from the date your UC employment ends until your retirement income begins.

If you separated from UC employment and returned to work, regardless of your age and years of service, you must work at least 12 months in a UCRP eligible position to qualify for retiree health benefits in retirement. This is not required if you previously retired from UCRP and were eligible for retiree health benefits during your prior retirement.

At the time you retire, if you have other coverage, such as your spouse's plan or a new employer's plan, you may suspend your UC retiree medical and/or dental coverage. Provided that your other coverage has been continuous, you may re-enroll within 31 days of an involuntary loss of the other coverage, with proof of the involuntary required, or during a future Open Enrollment.

## **Eligible family members**

**Spouse**

**Domestic partner**

**Children up to age 26**

**Grand children**

**Legal ward**

**Over aged disabled child**

- Certified by your medical plan prior to age 26

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All the same eligible family members you were eligible to cover as employee may continue or be enrolled in retirement, including your spouse or domestic partner, any children up to age 26, a tax dependent grandchild or legal ward, or an overaged disabled child who was certified by your medical plan as disabled prior to age 26.



## Your cost for retiree medical and dental

- Premiums charged to UC by the medical/dental plan
- UC's contribution, determined annually
- Your retiree health group
- Your retiree health service credit
- Percentage of UC's contribution for which you are eligible
- Who is covered
- Medicare coordination with your UC medical plan



**Current premiums on UCnet:** <https://ucnet.universityofcalifornia.edu/compensation-and-benefits/health-plans/medical/retiree-plan-costs.html>

If you are eligible for retiree medical and dental, your cost is determined by a number of factors.

These include:

- the full cost of premium charged to UC by the medical or dental plan
- UC's full contribution rate which is determined annually
- Your retiree health group and retiree health service credit
- the percentage of UC's contribution for which you are eligible
- Who you have covered under your insurance plans
- Whether Medicare is coordinated with your UC medical plan

You can view the current retiree premiums for those eligible for UC's full contribution on UCnet.

## UC retiree health eligibility groups

Group 1	Group 2	Group 3
Active UCRP member without break in service: <b>Before January 1, 1990</b>	Active UCRP member without break in service: <b>January 1, 1990 - June 30, 2013*</b>	Newly hired, or rehired after a break in service: <b>On/after July 1, 2013*</b>
% of UC Contribution: <b>100%</b>	% of UC contribution: <b>50-100% based on service</b>	% of UC contribution: <b>0-100% based on age and service</b>



\*Subject to collective bargaining

If you are eligible for retiree health benefits, your retiree health group is going to determine what portion of UC's contribution you are eligible to receive towards retiree medical and dental premiums.

UC has three retiree health groups and you are eligible for each group based on the date you first became UCRP eligible, or based on the date you were rehired in a UCRP eligible position after a break in service of more than 120 days.

We'll go into more detail in a moment.

## Retiree health service credit

- UCRP service credit
- Savings Choice service credit
- Earned based on percent time worked in an eligible position
- Forfeited if you take a full refund of UCRP accumulations or Savings Choice DC Plan balances before retirement



You earn retiree health service credit any time you are a member of UCRP or participating in the Saving Choice program.

UCRP and Savings Choice service credit are both earned based on the percent time worked in an eligible appointment. The retiree health service credit earned will be used to determine minimum eligibility requirements and the percentage of UC's contribution for which you are eligible to receive.

If you separate from UC employment and elect a refund of your UCRP accumulations and/or elect a full refund of your Savings Choice DC Plan balances, you will forfeit the associated service credit.

## Retiree health group 1

### UC's contribution: 100%

- Active UCRP member prior to January 1, 1990
- No break in service of more than 120 days



If your original UCRP entry date was prior to January 1, 1990 and you have not had a break in service, you will be eligible for 100% of UC's contribution.

If you experience a break in service, your retiree health benefits will be based on your rehire date.

## Retiree health group 2

### UC's contribution: 50-100%

- Active UCRP member between January 1, 1990 and June 30, 2013\*
- Rehired during this period after a break in service

### 50% of UC's contribution with:

- 10 years of Retiree Health service credit
- Age and service credit in whole years equals 75

### Increases 5% for each whole year over 10:

- 11 years = 55%, 12 years = 60%, 13 years = 65%, etc

### 100% UC contribution with 20+ years of service



\*Subject to collective bargaining

If your original UCRP entry date was between January 1, 1990 and June 30, 2013 and you have not had a break in service, your retiree health contribution is based on your years of service credit at retirement.

To be eligible for a medical and dental coverage, you must have at least 10 years of service credit or your age and years of service at retirement must equal at least 75. If you meet the minimum criteria, you will be eligible to enroll in retiree medical and dental coverage and receive 50% of UC's contribution.

For each additional whole year of service credit above 10 years, you will receive an additional 5% of UC's contribution. For example, at 11 years, you would receive 55% of UC's contribution. At 12 years, 60% and so on. You will receive the maximum contribution of 100% with 20+ years of service credit.

If you experience a break in service, your retiree health benefits will be based on your rehire date.

These benefits are subject to collective bargaining. Please see your collective bargaining agreement for more information.

## Retiree health group 3

### UC's contribution: 0-100%

- Active UCRP member or Savings Choice participant on or after July 1, 2013, or rehired after a break in service
- Does not apply to Safety Members

### UC's contribution based on age and service at retirement:

- 10 years of retiree health service credit required
- Minimum UC contribution of 5% at age 56

### 100% UC contribution at age 65 with 20+ years of service



If you first became an active UCRP member or Savings Choice participant on or after July 1, 2013, or you were rehired on or after this date after a break in service, your eligibility for UC's contribution is based on your age and years of service at retirement. Safety members hired on or after July 1, 2013 still may qualify for retiree health benefits under Group 2.

You must still have at least 10 years of retiree health service credit to qualify for retiree medical and dental coverage.

If you retire prior to the age of 56, there will be no UC contribution towards your medical and dental coverage. You will be responsible for the full premium.

At the age of 56, UC's contribution is 5% and will increase incrementally with each whole year of age and service credit. You are eligible for 100% of UC's contribution toward medical and dental if you retire on or after the age of 65 with 20 or more years of service credit.

If you experience a break in service, your retiree health benefits will be based on your rehire date.

These benefits are subject to collective bargaining. Please see your collective bargaining agreement for more information.

## Retiree health group 3

Service Credit	Age at retirement										
	55	56	57	58	59	60	61	62	63	64	65
10	0%	5.0%	10.0%	15.0%	20.0%	25.0%	30.0%	35.0%	40.0%	45.0%	50.0%
11	0%	5.5%	11.0%	16.5%	22.0%	27.5%	33.0%	38.5%	44.0%	49.5%	55.0%
12	0%	6.0%	12.0%	18.0%	24.0%	30.0%	36.0%	42.0%	48.0%	54.0%	60.0%
13	0%	6.5%	13.0%	19.5%	26.0%	32.5%	39.0%	45.5%	52.0%	58.5%	65.0%
14	0%	7.0%	14.0%	21.0%	28.0%	35.0%	42.0%	49.0%	56.0%	63.0%	70.0%
15	0%	7.5%	15.0%	22.5%	30.0%	37.5%	45.0%	52.5%	60.0%	67.5%	75.0%
16	0%	8.0%	16.0%	24.0%	32.0%	40.0%	48.0%	56.0%	64.0%	72.0%	80.0%
17	0%	8.5%	17.0%	25.5%	34.0%	42.7%	51.0%	59.5%	68.0%	76.5%	85.0%
18	0%	9.0%	18.0%	27.0%	36.0%	45.0%	54.0%	63.0%	72.0%	81.0%	90.0%
19	0%	9.5%	19.0%	28.5%	38.0%	47.5%	57.0%	66.5%	76.0%	85.5%	95.0%
20 or more	0%	10.0%	20.0%	30.0%	40.0%	50.0%	60.0%	70.0%	80.0%	90.0%	100.0%

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Here is the full chart which shows the percentage of UC's contribution towards medical and dental premiums under Group 3. Service credit and age at retirement are in whole years only. For example, if you have 14.5 years of service credit and are age 60.5, you are eligible for 35% of UC's contribution.

## Your premiums and UC's contribution to medical/dental

	<b>Example A</b> 100% of UC contribution	<b>Example B</b> 75% of UC contribution	<b>Example C</b> 50% of UC contribution
<b>Total monthly premium</b> (UC Blue &Gold, Self + Adult)	\$1,552	\$1,552	\$1,552
<b>UC contribution</b>	\$1,000	\$750	\$500
<b>Your monthly cost</b>	\$552	\$802	\$1,052

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Here are some examples of how UC's contribution is applied to premiums for retirees eligible for 100% of the UC contribution, 75% of the contribution, and 50% of the UC contribution.

In this chart, the full premium for two party, UC Blue & Gold, is \$1552 per month. UC's contribution is \$1000, so if you are eligible to receive 100 percent of UC's contribution, you pay \$552 per month. If you are eligible to receive 75 percent of UC's contribution, you pay \$802 per month and UC pays \$750. If you are eligible to receive 50 percent of UC's contribution, you pay \$1052 per month and UC pays \$500, which is 50% of the \$1000 full contribution.

As this chart illustrates, your costs can go down substantially if you wait to retire when you can maximize UC's contribution.



## Transition from employee benefits to retiree benefits

### Enrollment in retiree medical, dental and legal plans

- Occurs as part of the retirement process
- Premiums deducted from your pension payment
- We encourage you to refill any prescriptions and make any necessary appointments prior to retirement
- You will receive new medical plan cards

### Medicare plans

- You will receive a Medicare packet from the RASC
- You must enroll with Medicare through Social Security
- You must complete the proper UC forms to coordinate Medicare with your UC medical plan



The transition into retiree medical, dental and legal benefits occur as part of the retirement process. Your premiums, if any, will be deducted from your monthly retirement check.

To ensure a seamless transition into retirement, it is often a good idea to fill critical prescriptions and make any necessary medical appointments prior to your retirement in case any issues should arise. Upon retirement, you will be in a new retiree medical group and will receive new medical plan cards.

If you or any of your covered family members will be 65 or older upon retirement, as part of the retirement process you will receive a Medicare packet from the Retirement Administration Service Center (RASC). If eligible for Medicare Part A for free, you must enroll in Medicare Part B through Social Security. Once enrolled, you will need to complete the necessary forms to coordinate your Medicare benefits with your UC medical plan.

## Other benefits

### Enrollment in retiree vision, AD&D and pet insurance

- You will complete your enrollment with VSP and Prudential
- Visit Nationwide for pet insurance at <http://petinsurance.com/uc/>

### Homeowners/renters/auto insurance

- Premiums paid directly to California Casualty

### COBRA Notification

- When your employee benefits end, you will automatically receive a COBRA packet in the mail
- If you are eligible for retiree health benefits or otherwise do not need COBRA continuation coverage, you can disregard



If you enrolled in the vision service plan and accidental death and dismemberment insurance as an employee, you may continue that coverage when you retire. As a retiree, you pay the entire premium for vision and AD&D coverage directly to the carrier. If you have enrolled, or wish to enroll, your pets in insurance, you may do so by contacting Nationwide and enrolling directly.

If you have homeowners, renters, or automobile insurance through California Casualty, you may continue coverage by paying the full premium directly to the insurance carrier. Contact the individual carriers directly for cost information and/or conversion options.

If you are enrolled in employee benefits through UC and you separate from UC employment, you will be sent a packet to continue coverage through COBRA by paying up 102% of the full premium. Generally, COBRA continuation is for 18 months, but, can be extended an additional 18 months at a higher cost.

If you are not eligible for UC retiree health benefits when you retire, you can continue your employee benefits through COBRA. However, if you are eligible for retiree health benefits, you do not need to enroll in the COBRA continuation and can disregard the COBRA packet. You may also receive notification from your medical carrier that your employee benefits will end, but don't worry. You will receive a new card for your retiree medical plan.

## Benefits that end at retirement

### Life Insurance & Supplemental Health

- Conversion or portability options may be available

### Health FSA

- End on last day of last month you contributed

### UC and employee paid disability

- End on last day of work



Several benefits that you may be enrolled in as an employee will end when you separate and retire.

There is no retiree group policy for life insurance or supplement health benefits. These plans do offer conversion or portability options, which may allow you to enroll in an individual policy. Please contact the carrier for more information on premiums.

Your Health Flexible Spending Account, if you have one, ends at the end of the month following your last contribution. That means you may be reimbursed for expenses incurred through the date coverage ends. You have the option of continuing the Health FSA through COBRA until the end of the calendar year in which you retire.

Your employee disability insurance ends on your last day of employment.

See the Retirement Handbook for more details about these plans.

## UC medical plans and Medicare

### Employees

- You may delay enrollment until retirement
- Domestic partners contact Social Security

### Non-Medicare retirees and family members

- Same plan options as active employees
- Includes over age 65 and not eligible for Medicare Part A for free

### Medicare requirements

- If eligible for Medicare Part A for free, you must enroll in Part B
- Eligible under your own record or that of a current, former, or deceased spouse



Since most UC faculty and staff will be eligible for Medicare, let's take a few minutes to talk about how that affects your UC medical plan enrollment.

If you or your covered family members turn age 65 and become eligible for Medicare while enrolled in employee group benefits, you do not need to enroll in Medicare and may delay until retirement without penalty. This includes your spouse if they are covered under your medical plan. Domestic partners are not allowed to delay enrollment without penalty if covered as a dependent. Please contact Social Security for more information.

For non-Medicare retirees and family members, you can continue the same plan options as active employees. This includes retirees or family members over age 65 and not eligible for Medicare Part A for free.

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 cost, you must enroll in Medicare Part B and pay the Medicare premiums. Keep in mind you might be eligible for Medicare not only under your own record, but, that of a current, former, or deceased spouse. If you fail to enroll, UC will permanently cancel your medical insurance.

## Medicare – Made up of three parts\*



### Part A: Hospital insurance

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



### Part B: Medical insurance

- Monthly premium, usually deducted from SS check



### Part D: Prescription insurance

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



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

Before we talk about how Medicare coordinates with UC medical coverage, let's briefly discuss what are the components of Medicare.

Medicare Part A provides for hospital insurance and is financed by payroll taxes. If you have paid into Medicare for 40 quarters, or 10 years, you will qualify for Part A for free. You can also qualify under a current, former or deceased spouse.

Medicare Part B covers medical insurance, such as doctors appointments. There is a monthly premium for Part B and this will either be deducted from your Social Security check or you will pay the premiums directly to Medicare.

Medicare Part D helps pay for prescriptions. Most retirees will not pay a premium for Part D and the benefits are coordinated with another prescription plan, such as UC's medical plans. Medicare does charge a premium for Part D, as well as a higher Part B premiums, for certain retirees who have higher income. Please contact Social Security for more information.

Part C of Medicare is not specifically a component to Medicare, but, rather refers to the coordination of Medicare with a Medicare Advantage Plan. An example would be UC's Kaiser Senior Advantage.

## UC medical plans and Medicare

### Medicare becomes your primary insurance

- You will switch to a version of your UC medical plan that coordinates with Medicare (Medicare Advantage and Supplemental plans)
- Some UC medical plans do not have Medicare coordination and you will have to change to another medical plan

### Once enrolled in UC-sponsored Medicare plans

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

### Most UC medical plans coordinate with Part D

- Do not need to enroll in separate plan
- You may lose your UC medical coverage if you enroll separately



Once you enroll in Medicare, it becomes your primary insurance and your UC medical plan is secondary. For Medical Advantage Plans, your coverage is handled by your insurance carriers and you pay your standard copay or coinsurance. Medicare pays the insurance carrier directly.

For supplemental plans, Medicare pays most of your costs, while your UC medical coverage often pays a portion of what Medicare doesn't pay. Your UC medical plan may also cover some services Medicare doesn't.

In some cases, your medical plan may not have a Medicare partner plan, or you may live in an area that does have Medicare services with your current Medicare plan. In that case, you will have a 31 day opportunity to change to a UC Medicare plan in your area. This would include any family members covered under your plan.

Depending on the cost of your medical premium and UC's contribution, you may be eligible for a full or partial Medicare Part B reimbursement for you costs for Part B premiums.

You must coordinate your Part D coverage with your UC medical plan or risk losing coverage altogether. UC does offer one UC Medicare PPO plan with prescription, that you can enroll in during Open Enrollment, provided you have creditable prescription coverage elsewhere.

## Part B reimbursement

	<b>Example A</b> 100% of UC contribution	<b>Example B</b> 75% of UC contribution	<b>Example C</b> 50% of UC contribution
<b>Total monthly premium</b> (Kaiser Senior Advantage)	\$500	\$500	\$500
<b>UC contribution</b>	\$640	\$480	\$320
<b>Your monthly cost</b>	\$0	\$20	\$180
<b>Part B reimbursement*</b>	\$140	\$0	\$0



\*Part B reimbursement only payable if UC's contribution exceeds the Medicare plan premium

This chart illustrates the cost of medical premiums when coordinated with Medicare. The premiums for a UC-sponsored Medicare plan goes down significantly, and thus so does the retiree's medical premiums. In most cases, the reduction in premiums alone more than cover the cost of Medicare Part B.

In this example, the monthly premium for Kaiser Senior Advantage is \$500 per month and UC's contribution is \$640. Under example A, a retiree receiving 100% of UC's contribution would have no monthly premium for their medical plan. In addition, since UC's contribution exceeds the medical plan premium, the retiree is eligible to receive the difference, \$140, added to their UC pension check to offset the retiree's cost for Medicare Part B.

In the other examples, while there is no Part B reimbursement, the monthly premiums is significantly reduced compared to a non-Medicare Plan.



## Medicare Coordinator Program

### For retirees living outside California

- All family members in Medicare
- Within the US only

### More choices

- Individual plans for each family member
- Administered by ViaBenefits

### Maximum \$3,000 health reimbursement account

- Deposited for each family member up to \$9,000
- HRA is prorated if not eligible for UC's full contribution
- Used to pay premiums, out of pocket expenses, Medicare premiums
- Any unused funds roll over each year



If you plan to live outside California after you retire, but remain in the US, and you and all your covered family members are enrolled in Medicare, UC now has a special medical benefits program for you.

You'll work with ViaBenefits, a Medicare exchange, to purchase individual plans for you and each covered member of your family. ViaBenefits offers more choices than UC can offer through its group plans and allows you to choose plans that meet your individual needs. This can include a non-UC Kaiser plan outside of California. And you and your family member can choose a different plan.

To help pay for the costs, UC will give each covered family member a maximum of \$3,000 in a health reimbursement account to pay the plan premiums, out-of-pocket costs such as copays, and Medicare Part B premiums. If you are not eligible for UC's full contribution, you will receive a prorated amount into the HRA each year. For example, if you retire with 10 years of service credit and are eligible for 50% of the UC contribution, you would receive \$1,500 in your HRA for each eligible family member.

If you don't use all of the HRA money during the year, it rolls over to the next year or later.



## **Enrollment changes once retired**

### **Certain qualifying events allow changes mid year**

- Marriage/Domestic Partnership
- Birth/Tax dependent (such as grand child)
- Out of area move
- Involuntary loss of other coverage

### **Make changes during Open Enrollment**

#### **Suspend due to other coverage**

- Medical and dental

### **Your eligible survivors may continue health benefits**



- Must be provided with monthly income upon your death

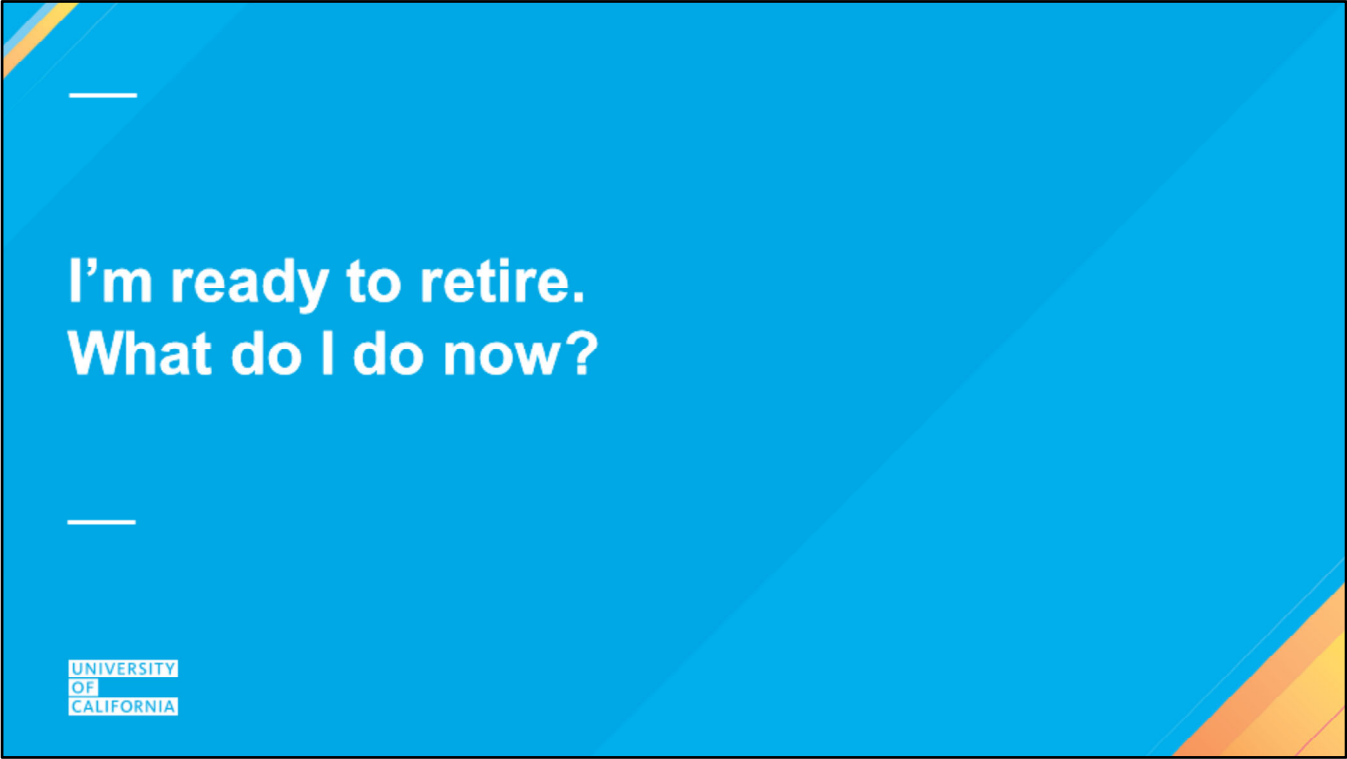
Here are some other things you need to know about retiree health coverage:

Within 31 days of certain qualifying life events, you may make changes to your retiree health coverage. Qualifying events can include moving outside your current plan's service area, Medicare not being available with your current plan or within the area you live. You may also add eligible dependents due to events such as marriage, birth, and/or involuntary loss of other coverage. Please note that if you miss the 31 day period to enroll, you may add your eligible dependents to medical only after a 90 day wait period.

During the annual Open Enrollment period, you may also add any eligible dependents and/or change your retiree health plans to be effective the following January 1st.

If you retire and have other coverage, you may elect to suspend your medical and dental benefits. As long as you maintain continuous coverage, you may re-enroll due to an involuntary loss of that coverage or during Open Enrollment. If your spouse or domestic partner is also a UC employee or retiree, it's important to note that retirement itself is not a qualifying event. If you wish to enroll under your spouse's or domestic partner's UC benefits, you must do so during an Open Enrollment period.

Your eligible survivors may continue health benefits when you die, depending on your tier and your retirement election. Note that if you're a 2013, Modified 2013 Tier, or 2016 Tier member and you choose basic retirement income, your survivor will not receive a monthly benefit and will not be eligible to continue retiree health benefits.



# I'm ready to retire. What do I do now?

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If you think you're ready to retire, here are several steps you'll need to take:

Presenter note:

The following information on the Retirement Process is briefly explained.

There is a more detailed webinar for those who are initiating retirement from UC. It is called The UC Retirement Process: Step by Step.

Registration for this webinar can be found on UCnet. You can also find the presentation slides as well as a pre-recorded video to view on demand.

## First steps

- ✓ Attend UC retirement planning workshops and webinars
- ✓ Review your UCRP estimates and retirement savings balances
- ✓ See your projected Social Security benefit
- ✓ Talk to a Fidelity Workplace Financial Consultant
- ✓ Find out if you qualify for benefits from previous employers
- ✓ Consult with your tax or financial advisor
- ✓ Ensure your personal finances are in order



Retirement is a big event in anyone's life, but, it's important to taking these first steps to ensure you are prepared.

- Attend UC retirement presentations and workshops so that you understand all your options.
- Review your UCRP retirement estimates on the UCRAYS website; Visit the NetBenefits website to see your balances in the DC Plan, 403(b) or 457(b).
- You may want to talk to a Fidelity Workplace Financial Consultant to discuss your options for the money in these plans. UC offers this service at no additional cost to you.
- Check your eligibility for Social Security and Medicare. Visit the Social Security Administration website. The site shows your Social Security earnings and projects your future Social Security income.
- Also, contact previous employers and, if appropriate, the military to find out if you qualify for retirement income from their plans.
- Be sure to consult with your tax or financial advisor before making any decisions.
- It is also important to ensure that all your finances are in order before you retire. For example, we would suggest that if you are planning to refinance your home, that you not do that during the retirement process as it can be difficult to provide verification of income until you receive your first retirement payment.

## Decide your retirement date

### Select a retirement and separation dates

- Initiate your retirement up to three months in advance

**Staff employees:** inform your department

**Academic appointees:** notify Academic Personnel



You should select your retirement date and begin the process three to four months before your intended retirement date.

If you have accrued vacation and want to use it before retiring, you first will need to get approval from your department in advance.

If you are an academic appointee, consult with your local Academic Personnel Director about your intended retirement date.

## Initiate Your Retirement

### Log on to UCRAYS and select:

- Retirement > Initiate & Elect Retirement > Create PRP
- Follow the prompts to create and save your Personal Retirement Profile (PRP)

Or

### Fill out the Request for Retirement Initiation Packet form:

<http://ucal.us/retirementform>



Once you have determined your retirement date with UCRP, you can initiate your retirement within 90 days. To begin the process, most members can log on UCRAYS and select the “Retirement” icon. From there, you can select “Initiate & Elect Retirement” and “Create PRP”, or Personal Retirement Profile.

Follow the prompts and enter the details of your planned retirement including your retirement and separation dates and details regarding any eligible survivors and/or contingent annuitants. Once you are done, you will be able to view your Personal Retirement Profile details, including your estimated retirement income options and eligibility for retiree health insurance, if applicable.

If you are unable to use UCRAYS, or encounter any issues, you can contact the RASC or complete and submit the Request for Retirement Initiation Packet form to initiate your retirement and receive your PRP.

## **Review your Personal Retirement Profile**

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



Once you have your PRP, review the various options available and decide which best suit your retirement needs. Your Personal Retirement Profile provides your personal UC retirement data, including projections of your UC retirement income, your eligibility for health insurance and the percentage of UC's contribution toward your retiree health premiums.

You should read the Retirement Handbook to fully understand your retirement options and you can always contact the RASC for any questions to assist you throughout the process. If you are married or have a domestic partner, be sure to discuss the options with them as well.

If you are ready to proceed with your election of retirement, please log back on to UCRAYS and complete the election process. Or you may complete and return to the Election Planning Worksheet if you received a retirement packet from the RASC.

## The election process

### Log on to UCRAYS and select:

- Retirement > Initiate & Elect Retirement
- View PRP/Elect Retirement
- Follow the prompts to prepare your retirement election

### Sign and submit your election

- Your spouse or domestic partner must also sign

### Upload any required documents

- Marriage certificate/domestic partner documentation
- Birth evidence for contingent annuitant, eligible children



To complete the retirement election process, you'll need to log on to UCRAYS and select the Retirement icon. Continue by selecting Initiate & Elect Retirement and View PRP/Elect Retirement. If you prepared more than one PRP, be sure to select the correct one.

On UCRAYS, follow the prompts to select the retirement option you want and provide payment details, including tax withholding and direct deposit information, as well as rollover or distribution information if you have a CAP account or are electing a lump sum cashout. You will have the opportunity to review your election details before completing your election and receiving your election form for signature.

Once your election on UCRAYS is done, you must sign your election and submit to the RASC. You can sign your election electronically through UCRAYS or you can print and sign a copy and mail to the RASC or upload via UCRAYS. If you are married, or have a domestic partner, they must also sign your election via UCRAYS or paper form.

Your retirement election is not completed until your signed election is received by the RASC and you have submitted any required documentation such as marriage certificates, birth evidence for family members and/or contingent annuitant.

## Final review

- ✓ RASC reviews your retirement election documents
- ✓ Track your progress on UCRAYS
- ✓ Receive confirmation letter in about 45 days
- ✓ Change or cancel election up to retirement date or 15 days after confirmation letter sent, whichever is later



Once RASC receives your election forms and required documents, they will process and review your retirement election and retirement calculations. You will receive a confirmation letter of your retirement in about 45 days. The RASC will reach out to you if any additional documents are missing or needed.

If you want to change or cancel your retirement election, you may do via UCRAYS or by contacting the RASC any time up to your retirement date or 15 days after your confirmation letter is sent, whichever date is later.





Now that I am retired

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## What to expect with your retirement payment

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



Once you are retired, if you've elected a monthly pension, your first regular retirement benefit payment usually will come around the first of the month following your retirement date. For example, if you retire on May 1 you will receive your first retirement benefit close to June 1. Depending on the time, it is possible that you will receive a retroactive payment in advance of your first regular payments.

Retirement benefits are typically electronically deposited to your bank and you can find your direct deposit statements are available on UCRAYS. If you did not elect direct deposit, you will receive your check in the mail.

Rollover payments of a lump sum cashout or CAP account will be mailed to you directly unless you elected to rollover to one your UC Retirement Savings plans.

Retirement income is reported on an IRS 1099R form – rather than a W-2 – after the end of the year. During your first year of retirement you will receive both a W-2 and a 1099R. If you have a CAP account, you'll receive a second 1099R. Your annual 1099R forms can be downloaded from the UCRAYS site.

## Keep your personal information up to date

### Use UCRAYS to update:

- Address, phone or email
- Tax withholding
- Direct deposit information
- UCRP beneficiary designation and contact information
- Health benefits changes

Use Fidelity website to update Retirement Savings beneficiaries: [www.netbenefits.com](http://www.netbenefits.com)



It's important to keep your person contact information up to date, including your address, telephone number and email, on UCRAYS so you can receive important information about your benefits after you retire.

You may also use UCRAYS to change your tax withholding, enroll or change your direct deposit account, make changes to your UCRP beneficiary designations or update your beneficiary's contact information. You can also make changes to your retiree health benefits, if eligible, during Open Enrollment or due to certain qualified Life Events.

If you have funds in the UC Retirement Savings program, you must update your beneficiaries for those plans on the Fidelity NetBenefits website.

## Stay connected

### New Dimensions newsletter

### Important websites

- **UCRAYS:** [Retirementatyourservice.ucop.edu](https://retirementatyourservice.ucop.edu)
- **UCNet:** [ucnet.universityofcalifornia.edu](https://ucnet.universityofcalifornia.edu)
- [myUCretirement.com](https://myUCretirement.com)

### Local resources

- Emeriti and Retiree Associations
- Retirement Centers
- Health Care Facilitator



Many UC retirees stay connected to the university and we hope you will, too.

As a retiree, you will receive New Dimensions, a quarterly newsletter with news about UC, your benefits and your fellow retirees. You can also follow UC news and retiree issues on the UCnet website.

You can access many important websites that provide benefits information, make changes, and learn more about your retirement planning and needs. These include UCRAYS, which is our retiree member portal, UCNet, which is UC's website and contains summary plan descriptions, factsheets, and retiree premium costs, and MyUCretirement.com where you can find planning tools, enroll in webinars and make an appointment with a Fidelity representative.

There are many ways to stay connected locally. You may join your location's Emeriti or Retiree Association. They provide lectures, social programs, volunteer opportunities and more. Seven UC campuses also have retirement centers that offer additional programs and opportunities to serve the university. You'll find more information, including a list of the associations and centers and their contact information, on UCnet.

Each location has a Health Care Facilitator who can help you better understand and obtain the full benefits and services available from the UC-sponsored health plans.

## Returning to work at UC after retirement

- ✓ Break in service of at least 30 days
- ✓ Initial appointment is limited to 12 months at 43% time
- ✓ May return to employee health and welfare benefits
- ✓ You must suspend retirement income and retiree health if you return to a UCRP-eligible position
- ✓ You may earn service in a new tier
- ✓ Re-retire the day after position ends
- ✓ If taking lump sum cashout, you are restricted from being rehired into a UCRP-eligible position



We hope that once you are retired, you enjoy all the things this new chapter will bring into your life. However, if you do plan to come to work after retirement at UC, there are some rules you need to be aware of before returning.

First, you must not discuss returning to work prior to retirement unless you are at your normal retirement age and you generally need to have a break in service of at least 30 days, though 90 days is preferred.

Your initial appointment must not exceed 43% time in a twelve month period. After 12 months, the hiring department must follow the same approval process as it did during the original appointment. Faculty appointments may be renewed annually following review. If your new appointment qualifies you for employee benefits, you may need to suspend your retiree medical benefits and enroll as an employee.

If you are receiving a monthly pension from UC and return to work in a UCRP eligible position, you may suspend retirement income and retiree health benefits. You will return to employee health and welfare benefits and may earn service credit in a new tier. Your retirement benefits will be suspended even if you qualify for the retirement choice program and elect to participate in Savings Choice. You must re-retire the day after your appointment ends.

If you elected a lump sum cashout, you are restricted from being rehired into a UCRP eligible appointment at UC.



# Thank you!

The information contained herein has been provided by the University of California and is solely the responsibility of the University of California.



One last thought, for those of you who will retire soon: thank you for your service to the University of California. And congratulations as you start your journey into what we hope will be an enjoyable and rewarding period of your life.