

# 457(b) Deferred Compensation Plan Summary Plan Description

UNIVERSITY  
OF  
CALIFORNIA

Listed below are telephone numbers and website and correspondence addresses for some of the resources UC employees routinely use.

#### **UC EMPLOYEE WEBSITE**

[ucnet.universityofcalifornia.edu](http://ucnet.universityofcalifornia.edu)

#### **UC RETIREMENT ADMINISTRATION SERVICE CENTER (RASC)**

800-888-8267

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

Send a secure message via UC Retirement At Your Service (UCRAYS): [retirementatyourservice.ucop.edu](http://retirementatyourservice.ucop.edu)

Written correspondence should be sent to:  
UC Retirement Administration Service Center  
P.O. Box 24570  
Oakland, CA 94623-1570

#### **LOCAL BENEFITS OFFICES**

Your local Benefits Office is a resource for answers to questions about your benefits and for benefits publications and forms. The following is a contact list for local campus and lab Benefits Offices.

**UC Berkeley:** 510-664-9000, option 3

**UC Davis:** 530-752-1774

**UC Davis Health:** 916-734-8099

**UC Irvine:** 949-824-0500

**UC Irvine Health:** 949-824-0500

**UCLA:** 310-794-0830

**UCLA Health:** 310-794-0500

**UC Merced:** 209-355-7178

**UC Riverside:** 951-827-4766

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

**UC San Diego Health:** 619-543-3200

**UCSF:** 415-476-1400

**UCSF Health:** 415-353-4545

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

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

**Agriculture & Natural Resources:** 530-752-1774

**ASUCLA:** 310-825-7055

**UC College of the Law, San Francisco (formerly UC Hastings):**  
415-565-4703

**UC Office of the President:** 855-982-7284

**Lawrence Berkeley National Lab:** 510-486-6403

#### **UC RETIREMENT CHOICE AND**

#### **RETIREMENT SAVINGS PROGRAM**

[myUCretirement.com](http://myUCretirement.com)

866-682-7787 (Fidelity Retirement Services)

800-558-9182 (Fidelity Personalized Planning & Help)

#### **INVESTMENT OVERSIGHT**

##### **UC Office of Chief Investment Officer**

Chief Investment Officer's website: [ucop.edu/investment-office](http://ucop.edu/investment-office)

Written correspondence should be sent to:  
Office of the Chief Investment Officer of The Regents  
University of California  
Office of the President  
1111 Franklin St  
Oakland, CA 94607-9828

#### **IF YOU MOVE**

If you are an active UC employee, you can change your address through UCPath, and Fidelity will be notified automatically. If you are no longer working for UC, you can change your address directly with Fidelity Retirement Services by calling 866-682-7787 or logging into your Fidelity account at [netbenefits.com](http://netbenefits.com).

# 457(b) Deferred Compensation Plan: Summary Plan Description

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The 457(b) Plan is a deferred compensation plan described under §457(b) of the Internal Revenue Code (the IRC). Future benefits from the 457(b) Plan will reflect the amount of a participant's voluntary salary deferral contributions plus earnings. Vesting is immediate.

Employees who want to participate in the 457(b) Plan designate a portion of their gross salary to be contributed on a pretax basis, thus reducing the participant's taxable income. Taxes on contributions and any earnings are deferred (that is, postponed) until the participant withdraws the money.

The designated Plan Administrator of the 457(b) Plan is the Vice President, Human Resources (VP-HR). The Office of the Chief Investment Officer (OCIO) is responsible for monitoring a broad range of professionally managed investment options available to Plan participants. Currently, Fidelity Retirement Services performs recordkeeping duties. The relevant contact information is on the inside front cover. The Plan Administrator administers the 457(b) Plan for the sole benefit of Plan participants and their beneficiaries. Participation is voluntary and should be based on the participant's financial objectives and resources. Individual investment strategies should reflect the participant's personal savings goals and tolerance for financial risk. Participants may also want to consult a tax advisor or financial planner before enrolling. UC, the Regents, the Office of the Chief Investment Officer, UC Human Resources and Fidelity Retirement Services are not liable for any loss that may result from participants' investment decisions. This plan summary reflects Plan provisions as in effect Aug. 1, 2023.

## Eligibility

All employees of UC and UC College of the Law, San Francisco (Formerly Hastings College of the Law)—except students who normally work fewer than 20 hours per week—are eligible to participate in the 457(b) Plan. An employee or former employee continues participation until all funds held on the employee's behalf are distributed.

The provisions of the Plan are subject to collective bargaining for represented employees.

## Contributions

Pretax and Roth (after-tax) salary deferral contributions to the 457(b) Plan may come only from income paid through the UC payroll system. Employees may also roll over money from other employer-sponsored plans, including the taxable portion of a lump sum or CAP distribution from the University of California Retirement Plan (UCRP; see “Rollovers: Into the Plan,” page 12).

Contributions to the 457(b) Plan are reported annually on employees' W-2 forms. Pretax contributions reduce a participant's taxable income and are not included in income subject to taxation. Roth contributions do not reduce a participant's taxable income and are included in income subject to taxation.

Participants may enroll in both the pretax and Roth contribution option. Upon enrollment, participants choose whether the contribution will be pretax or Roth, or both, and indicate either a flat dollar amount or a percentage of salary that they will contribute through payroll deductions (generally monthly or biweekly) up to their maximum annual contribution amount.

Under the percentage method, the deferral amount is calculated using the employee's gross salary, and contributions change proportionately as the participant's salary changes.

Contributions to the 457(b) Plan do not reduce salary-related University benefits such as leave accruals (vacation, sick leave, or PTO), life or disability insurance benefits, or benefits payable from UCRP.

### PRETAX CONTRIBUTIONS

Employee pretax salary deferral contributions are deducted from gross salary (after certain pretax deductions including medical plan premiums), and income taxes are calculated on remaining pay.

Taxes on contributions and any investment earnings are deferred until the participant withdraws the money.

Pretax contributions may not be converted to Roth contributions.

### ROTH CONTRIBUTIONS

Employee Roth salary deferral contributions are deducted from pay after all pretax deductions (including medical plan premiums) and income tax deductions have been applied.

Contributions and any investment earnings are not subject to taxation upon withdrawal if the money is withdrawn at least five tax years from when the first Roth contribution was made and if the participant is at least age 59 ½, disabled or passes away (read

the special tax notice provided by Fidelity Retirement Services or available at [ucal.us/specialtaxnotice](http://ucal.us/specialtaxnotice) for more information).

Roth contributions may not be converted to pretax contributions.

### **LEAVES OF ABSENCE**

Contributions stop during a leave without pay and resume automatically at the same rate upon return to pay status unless the participant cancels them.

For sabbatical leaves or administrative leaves with pay during which employees earn less than 100 percent of regular compensation, contributions continue in the same flat dollar amount or percentage (see “Contributions,” page 6) as elected before the leave unless the participant makes a change. Because contributions remain the same while compensation decreases, it is important for participants to review their contribution amount, particularly if being withheld as a flat dollar amount, before going on a paid leave.

Special rules may allow participants who return from military leave to “make up” contributions that would have been credited to their accounts during the military leave. Local Benefits Offices can provide more information.

During paid vacation or sick leave, contributions continue unchanged.

### **TERMINATION OF EMPLOYMENT**

If a participant leaves UC employment, salary deferral contributions stop automatically. The payment options available for a participant’s accumulations are described in “Distributions: Former Employees” (see page 9).

### **REAPPOINTMENT**

If a participant leaves UC employment or retires and is later rehired into an eligible position, the participant may begin contributing to the Plan again.

### **MAXIMUM ANNUAL CONTRIBUTION LIMITS**

The IRC limits the amount participants may contribute annually to tax-advantaged retirement plans and imposes substantial penalties for violating contribution limits (see “Excess Salary Reductions” on page 8) Limits are **not** applied to pretax and Roth contributions separately.

For 2023, the 457(b) Plan contribution limits are as follows:

**Regular contribution limit:** \$22,500<sup>1</sup>

**Participants who are age 50 or older any time during the year:** \$30,000<sup>1</sup>

To contribute the maximum amount, participants should check the limits and adjust their contributions for each calendar year accordingly.

### **SPECIAL CATCH-UP PROVISION**

A special catch-up provision allows eligible participants to make additional contributions in one or more of the three consecutive years ending before the year of the participant’s elected retirement age. The elected retirement age can be any age between 60 (50 for safety employees) and 70½.

For 2023, the total amount the participant can contribute using the special catch-up limit is the lesser of two amounts:<sup>2</sup>

- Twice the regular contribution limit for 2023 (\$22,500 x 2 = \$45,000) or
- The regular contribution limit for 2023 plus the difference between previous years’ regular contribution limits and the actual contributions made during those years (the unused contribution capacity)<sup>3</sup>

<sup>1</sup> Or 100 percent of adjusted gross salary, if less. Adjusted gross salary for any year is a participant’s gross University salary (including any shift differential, summer or equivalent term salary, health science faculty income over the base professorial salary, stipends and overtime), minus any required pretax contributions to other retirement plans (for example, mandatory contributions to the UC Defined Contribution Plan or to UCRP) and any pretax payments for UCRP.

<sup>2</sup> Participants who take advantage of this special provision cannot also take advantage of the over-age-50 provision; they must choose whichever provides the higher contribution amount.

<sup>3</sup> The calculation can include only those years in which the participant was eligible to contribute to the Plan, which was established in 2004.

## Contributions

Here is an example showing contribution limits and annual contributions since 2020 for a hypothetical employee:

	2020	2021	2022
Regular contribution limits	\$19,500	\$19,500	\$20,500
Participant contributions	\$15,000	\$15,000	\$15,000
Unused eligible contribution capacity	\$4,500	\$4,500	\$5,500
Cumulative unused contribution capacity:			\$14,500
Regular 2023 contribution limit:			\$22,500
<b>Total amount the participant can contribute in 2023:</b>			<b>\$37,000</b>

In subsequent years, the special catch-up limit must be reduced to reflect any unused contribution capacity that has already been taken into account in calculating a special catch-up provision.

### EXCESS SALARY REDUCTIONS

UC payroll systems monitor 457(b) Plan contributions, and a participant's salary deferral contributions will stop automatically if they reach the applicable limit before the end of the year. In limited circumstances, however, excess salary reductions may be made—if, for example, a participant contributes to a 457(b) plan with another employer.

**If participants think they have overcontributed but have not been contacted, or if they contribute to a 457(b) plan with another employer during the year, they should call Fidelity Retirement Services before the end of the year (or by March 1 of the following year) to request a refund.**

The IRC requires that excess salary reductions in any calendar year be refunded to the participant by April 15 of the following year to avoid tax penalties. If the excess is refunded by April 15, the excess is treated as ordinary income for the year in which the salary reductions were made. The refund will also reflect any earnings (or loss) generated by the excess salary reductions during that year. The earnings must be reported on tax returns for the year in which the refund is paid. For example, if a participant receives a refund of 2023 excess contributions in 2023, all amounts should be reported on tax returns for 2023. If the participant receives the refund in 2024, however, the excess contributions should be reported on 2023 tax returns and any earnings on tax returns for 2024.

Refunds of excess contributions and earnings are not eligible for rollover, nor are they subject to the penalty taxes on early distributions (see “Early Distribution Penalties” on page 11).

If an excess contribution is not refunded by April 15, the excess amount must remain in the Plan. The participant must still report the excess as ordinary income for the year in which the contributions were made. In addition, excess pretax contribution amounts will again be taxable as ordinary income in the year in which the participant receives a distribution that includes these funds. In other words, excess pretax contributions that are not refunded by the April 15 deadline are taxed twice.

If a participant's Roth account includes excess deferrals that were not distributed by the April 15 deadline, any distribution from the account will be considered “nonqualified” (subject to taxes and penalties) under IRC rules. In this case, distributions will be considered nonqualified until the total amount distributed from the Roth account equals the total amount of excess deferrals and any associated investment income. Such distributions would not be eligible for rollovers.

If, during a year, contributions for the participant are made to another plan over which the participant has control, or a participant makes salary deferral contributions to another plan (other than a 457(b)), the participant should consult a tax advisor on the applicable limitations on contributions.

### INVESTMENT OF CONTRIBUTIONS

Participants choose the investment options in which they want to invest their contributions. The investment options are explained on page 11.

Subject to payroll deadlines, participants may start, stop or change the amount of their contributions to the Plan at any time on the Fidelity Retirement Services website ([netbenefits.com](http://netbenefits.com)) or by calling Fidelity at 866-682-7787. They also may redirect future 457(b) Plan contributions to one or more of the investment options and/or exchange (transfer) accumulations in the Plan among the investment options at any time. Direct exchanges between certain investment options may be prohibited. See the Fidelity Retirement Services website ([netbenefits.com](http://netbenefits.com)) for more information.

# Distributions

Distribution rules vary depending on the participant's employment status.

## **CURRENT UC EMPLOYEES**

The IRC restricts the 457(b) Plan in-service distributions made to current employees. In general, an employee may take a distribution of plan accumulations if **any of the following** apply:

- Voluntary in-service withdrawal of the total balance is allowed once if the balance is less than \$5,000 and no contributions have been made in the past two years and the employee has never taken another distribution except an unforeseeable emergency withdrawal
- Attainment of age 59½ or
- An unforeseeable emergency or other permitted withdrawal as described below

## **UNFORESEEABLE EMERGENCY WITHDRAWAL**

Participants may be able to take a withdrawal on account of an unforeseeable emergency resulting from:

- An illness or accident involving the participant or the participant's beneficiary or the spouse of the participant or the participant's beneficiary or a dependent of the participant or the participant's beneficiary
- Loss of property due to casualty or
- Other similar, extraordinary and unforeseeable circumstances arising from events beyond the control of the participant

The unforeseeable emergency withdrawal may not be in excess of the amount reasonably needed to satisfy the participant's or beneficiary's emergency need. The participant must first satisfy the need using other available financial resources including:

- Insurance reimbursements
- Cessation of salary deferral contributions to the 457(b) Plan, and the UC 403(b) Plan, and the Defined Contribution Plan After-Tax Account
- A 403(b) Plan loan
- Withdrawal of eligible monies from the UC Defined Contribution Plan or
- Liquidation of other assets, to the extent the liquidation does not itself cause severe financial hardship

After taking an unforeseeable emergency withdrawal, a participant may not make voluntary contributions to the 457(b) Plan, the 403(b) Plan or the DC Plan for six months.

Withdrawals of pretax accumulations and investment earnings on a Roth account that do not qualify for a non-taxable distribution are generally taxed as ordinary income in the year issued.

In accordance with IRS regulations, Fidelity Retirement Services will withhold 10 percent for federal taxes and 1 percent for California state taxes (unless the participant elects no withholding).

There are specific federal tax withholding rules that apply to all distributions from retirement and savings plans (see "Taxes on Distributions" on page 10).

## **OTHER PERMITTED WITHDRAWALS**

Effective January 1, 2024, participants who are victims of domestic abuse may request a distribution up to the lesser of 50% of their account balance or \$10,000 (indexed for inflation).

## **FORMER EMPLOYEES**

Participants who leave UC employment have the following payment options for assets in the 457(b) Plan:

- Leave the assets in the Plan if the Plan balance totals at least \$2,000, subject to minimum required distribution rules. Although participants may no longer contribute, they may transfer funds among the investment options, subject to the transfer/exchange rules and roll over money into the Plan.
- Take a full or partial distribution (payable to the participant or, if eligible, directly rolled over to a traditional IRA, a Roth IRA or employer-sponsored plan); see page 11 for information on early distributions.
- Arrange for systematic withdrawals. This option enables the participant to receive regular, periodic distributions without having to make a specific request for each one.

The following Plan rules apply to distributions of small accounts after the participant has terminated UC employment:

If the value of the participant's accumulations is less than \$2,000, but more than \$1,000, and the participant fails to provide distribution directions, the participant's accumulations will be rolled over to an IRA custodian designated by the Plan Administrator in an account maintained for the participant.

If the value of the participant's accumulations is \$1,000 or less, and the participant fails to provide distribution directions, the participant's accumulations shall be paid directly to the participant at the address of record.

In general, participants cannot request a distribution until 31 days after their employment ends. However, this is waived for participants who are 59 ½ or older.

# Distributions

**All distributions are subject to Fidelity Retirement Services and payroll deadlines. No distributions can be made until all payroll activity is complete, which can take from 31 to 60 days.**

## BENEFICIARIES

Participants should designate a beneficiary to receive their accumulations in the 457(b) Plan in the event of their death. Participants may name more than one beneficiary and specify the percentage of the Plan balance that each beneficiary is to receive. A beneficiary may be a person, trustee or organization.

Subject to restrictions on small accounts, a beneficiary may elect to take the benefit as a lump sum or in periodic payments over a term that meets the IRC requirements on minimum distributions. If a beneficiary is a person and fails to make an election, the benefit will be distributed to the beneficiary in a lump sum by the last day of the calendar year that contains the tenth anniversary of the participant's death. You may wish to speak with a tax advisor for more information on your options.

A deceased participant's beneficiary (the participant's beneficiary) may also designate a beneficiary (beneficiary's beneficiary) to receive the balance in the deceased participant's account if the participant's beneficiary dies before taking a total distribution. The beneficiary's beneficiary must decide how they want money to be distributed within nine months of the death of the participant's beneficiary.

If no beneficiary has been named, or if the beneficiary dies before the participant, any amount remaining will be distributed to the participant's eligible survivors in the following order of succession:

- Surviving spouse or domestic partner or, if none,
- Surviving children, biological or adopted, on an equal-share basis (children of a deceased child share their parent's benefit) or, if none,
- Surviving parents on an equal-share basis or, if none,
- Brothers and sisters on an equal-share basis or, if none,
- The participant's estate

A will or trust does not supersede a designation of beneficiary, nor does either supersede the Plan's "default" beneficiary rules (described above) that apply in the absence of a valid beneficiary designation.

It is the participant's responsibility to keep information on beneficiaries, including addresses, up to date. You can name or

change your beneficiary information by contacting Fidelity Retirement Services (netbenefits.com or 866-682-7787). The address of record is binding for all purposes of the 457(b) Plan.

## COMMUNITY PROPERTY

Married participants and registered domestic partners who designate someone other than their legal spouse or partner as a beneficiary may need to consider the spouse's or partner's community property rights. For residents of a community property state such as California, a designation of beneficiary may be subject to challenge if the spouse or partner would consequently receive less than the share of the benefit attributable to community property.

Procedures established for the University of California Retirement Plan (UCRP) are used to determine whether a domestic partner is included in the order of succession above. Generally, procedures require that an individual must be designated as a participant's domestic partner by one of four possible methods:

- Registration of the domestic partnership with California's Secretary of State
- Registration of a union, other than marriage, validly formed in another jurisdiction, that is substantially equivalent to a California domestic partnership or
- Enrollment of the domestic partner in UC-sponsored health benefits and successful completion of the eligibility verification process (note that enrolling your partner in benefits that do not require eligibility verification, including the Postdoctoral Scholars Benefit Program and the Graduate Student Health Insurance Plan, will not establish your partner as your survivor for UCRP benefits)
- Filing of a UC *Declaration of Domestic Partnership* form (UBEN 250) and two pieces of evidence of financial interdependence with the UC Retirement Administration Service Center.

If a member dies before filing a UC *Declaration of Domestic Partnership*, only documents from the first three methods may be used to establish a domestic partnership under the Plan.

## TAXES ON DISTRIBUTIONS

A distribution of pretax accumulations and investment earnings on a Roth account that does not qualify for a non-taxable distribution is generally taxed as ordinary income in the year it is issued. Note, however, that there are specific federal tax withholding rules that apply to all distributions from retirement savings and investment plans. For more information about the tax treatment of Plan distributions, read the special tax notice

## Additional 457(b) Plan Information

provided by Fidelity Retirement Services before requesting a distribution. The tax rules are quite complex; for these reasons, participants considering a distribution from the Plan are strongly encouraged to consult a tax advisor.

Participants who choose to take a distribution are responsible for satisfying the distribution rules and for any tax consequences.

Distributions to participants are reported annually on IRS Form 1099-R, which are sent in January following the calendar year in which the distribution was issued.

### **EARLY DISTRIBUTION PENALTIES**

Distributions from 457(b) plans are generally not subject to the early distribution penalties that may apply to distributions from other types of retirement plans. If, however, an amount is rolled over from another type of retirement plan, such as a 403(b) plan or a tax-qualified 401(a) plan, to the 457(b) Plan, any distributions attributable to the rolled over amount that are made before a participant attains age 59½ may be subject to federal and state penalty taxes unless an exception applies.

Early distribution penalties are not assessed when a distribution is paid. Participants who are subject to the penalties are responsible for reporting them to the IRS when they file their income tax returns.

### **MINIMUM REQUIRED DISTRIBUTIONS**

Participants must begin receiving minimum distributions from the Plan by April 1 of the calendar year following the later of:

- The year in which they leave University employment
- The year in which they reach age 73 (for individuals who turn 72 on or after January 1, 2023)

Participants who do not receive minimum distributions by the required dates, or who receive less than the minimum amount the law requires, must pay a nondeductible 25 percent excise tax on the difference between the amount that should have been received and the amount received.

Minimum required distributions are not eligible for rollover.

Minimum required distributions are calculated in accordance with U.S. Treasury regulations.

Effective January 1, 2024, a participant's Roth account balance is excluded from the minimum required distribution calculation.

### **INVESTMENT OPTIONS**

Plan participants can choose from a broad range of professionally managed investment options that are monitored by the Office of the Chief Investment Officer of the Regents (OCIO) based on criteria established by the Regents. The UC Retirement Savings Program (UC RSP) fund menu includes the UC Pathway Funds, each of which adjusts its asset mix as the fund approaches its target date, plus additional investment funds that represent a comprehensive range of asset classes with different objectives and risk and return characteristics. Most funds offered on the UC RSP fund menu are designed to have lower expenses than many similar publicly traded mutual funds. A complete description of each of these options is available on [netbenefits.com](https://netbenefits.com).

Participants may also invest in mutual funds that are not included in the UC RSP fund menu by opening a self-directed brokerage window account. Participants must agree to the terms and conditions that govern the account, including an acknowledgement of the risks involved and the special fees that may apply.

Information about investment objectives, risks, changes and expenses of all options is available, free of charge, from Fidelity Retirement Services ([netbenefits.com](https://netbenefits.com) or 866-682-7787).

### **PLAN ADMINISTRATION AND FEES**

The Vice President of Human Resources is the Plan Administrator with responsibility for the day-to-day management and operation of the Plan. The Office of the Chief Investment Officer (OCIO) selects and monitors the investment options available under the Plan.

### **INVESTMENT MANAGEMENT FEES**

Funds that are included in the UC RSP fund menu charge an investment management fee (i.e., expense ratio), which is netted from the investment experience of the funds. There are no front-end or deferred sales loads or other marketing expenses charged by funds that are included in the UC RSP fund menu.

### **ADMINISTRATIVE FEES**

A quarterly fee will be deducted from your account balance for administrative services. The administrative services fee covers expenses for recordkeeping services for your account(s), communications, financial education, internal UC staff support for the Plan, and other non-investment services. If you have more than one Retirement Savings Program account (for example, a 457(b) Plan account and a DC Plan account), you will be charged only one administrative services fee per quarter.

## Additional 457(b) Plan Information

### **ROLLOVERS: INTO THE PLAN**

Participants may move eligible retirement funds from a previous employer plan or an IRA to the 457(b) Plan via a rollover. The 457(b) Plan accepts rollovers of distributions from:

- Other employer-sponsored plans, including 401(a), 401(k), 403(b) and governmental 457(b) Plans and/or
- Lump sum cashouts and Capital Accumulation Payment (CAP) distributions from the UC Retirement Plan
- Traditional IRAs
- Roth IRAs

To roll over money directly from another employer-sponsored plan to UC's 457(b) Plan, the participant must arrange to have the plan's custodian or plan administrator write a check for the distribution, payable to "Fidelity Investments Institutional Operations Company, Inc. (FIIOC)." As long as the check is payable directly to FIIOC (not to the participant), no taxes should be withheld from the distribution, and the pretax funds will retain their tax-deferred status. For direct rollovers into the plan from a designated Roth plan (which does not include Roth IRA rollovers), the period of participation from the other plan can count toward the five-year qualification period when distributed.

Employees who are eligible to participate in the 457(b) Plan may execute a rollover (and become Plan participants) even if they have not yet begun contributing to the Plan through payroll deductions.

Former employees who did not participate in the 457(b) Plan are not eligible to roll over funds into the Plan, except for eligible distributions from UCRP of \$2,000 or more.

If a participant takes a distribution from a former employer plan, including UCRP, and the check is payable to the participant, the participant can also roll over the taxable portion of the money into the 457(b) Plan, as long as the rollover is made within 60 days after receiving the distribution. To roll over 100 percent of the taxable portion of the distribution, the participant must replace from personal savings or other sources an amount equal to the taxes that were withheld when the distribution was issued.

### **ROLLOVERS: FROM THE PLAN**

All 457(b) Plan distributions except those listed below are eligible for direct rollover (distribution made payable to a traditional IRA, a Roth IRA or another employer plan). As long as the check for the distribution is payable directly to the plan, no taxes should be withheld and the funds will retain tax-deferred status. If a direct rollover is to a Roth IRA, the pretax portion of the rollover will be reported as taxable income in the year of distribution.<sup>4</sup> If made payable to the participant, taxable distributions are subject to mandatory 20 percent federal tax withholding. If a direct rollover is to a Roth IRA, the period of participation in the UC 457(b) Roth will not carry over. However, the period of participation may carry over if rolled from the UC 457(b) into another designated Roth plan.

Participants may also roll over an eligible 457(b) Plan distribution consisting of pretax funds that has been paid to them, as long as the rollover to the IRA or new plan occurs within 60 days of receipt of the distribution. A participant who wants to roll over 100 percent of the distribution must replace from personal savings or other sources an amount equal to the taxes that were withheld when the distribution was issued. Any amount not rolled over will be taxed as ordinary income for the year in which the distribution was issued. It may also be subject to the early distribution penalties if the distribution is attributable to a rollover from a plan subject to the early distribution penalties.

457(b) Plan distributions that are not eligible for rollover include:

- Minimum required distributions
- Refunds of excess contributions (plus earnings)
- Systematic withdrawals and
- Unforeseen emergency withdrawals

Distributions made to non-spouse beneficiaries are eligible only for direct rollover and only to an inherited IRA.

For more information about the tax treatment of rollovers, read the special tax notice available from Fidelity Retirement Services on [netbenefits.com](http://netbenefits.com).

<sup>4</sup> It is recommended that participants considering a rollover to a Roth IRA consult with a financial or tax advisor.

## ACCOUNT ACTIVITY

To help participants better understand the Plan's benefits and effectively manage their accounts, Fidelity Retirement Services, on behalf of UC Human Resources, provides personalized account information via two electronic sources.

- Participants who have Internet access can find current, comprehensive information about their accounts and make certain online Plan transactions by visiting the Fidelity Retirement Services website (netbenefits.com).
- Participants can retrieve personal financial information about their accounts and make transactions on the Fidelity Retirement Services toll-free telephone line (866-682-7787).

Annual reports containing audited financial statements are available on the UC Office of the President website (ucal.us/ucrsreports) or from the UC Retirement Administration Service Center.

Plan summaries are available on UCnet, the Fidelity Retirement Services website or from your local Benefits Office or the UC Retirement Administration Service Center.

Participants may view the UC 457(b) Plan document online (ucal.us/UCRSdocuments).

Participants should read the complete descriptions of the investment funds and accompanying Plan materials before making any investment decisions.

All notices or communications to a participant or a beneficiary will be effective when sent by first-class mail or conveyed electronically to the participant's address of record. The University and the Regents are entitled to rely exclusively upon any notices, communications or instructions issued in writing or electronically conveyed by UC Human Resources that are believed to be genuine and to have been properly executed.

## CLAIMS PROCEDURES

If Fidelity Retirement Services is unable to verify a claimant's right to a benefit within a short period of time, the claimant will be notified of the need to forward a written request to the attention of the UC Contract Administrator, UC Human Resources, P.O. Box 24570, Oakland, CA 94623-1570, who will review the claim on behalf of the Plan Administrator. The request should include all relevant information. Within 90 days of receipt of the request, the contract administrator will approve or disapprove the claim. If the claim is denied, the contract administrator will notify the claimant in writing, setting forth the specific reasons for the denial and providing specific references to the plan provisions on which the denial is based. The contract administrator also will describe any additional material or information needed to perfect the claim and provide an explanation of the 457(b) Plan's review procedures.

If the claimant's request is denied by the contract administrator, the claimant may submit a written request for an independent review by the Plan Administrator within 60 days of receiving the denial. The request for an independent review should be forwarded to the Plan Administrator, P.O. Box 24570, Oakland, CA 94623-1570. The request should be accompanied by all supporting documentation. The Plan Administrator may require the claimant to submit additional documentation within 30 days of a written request. The Plan Administrator will make a full review of the request within 120 days of the date the appeal was filed, unless the circumstances require a longer period. If the Plan Administrator upholds the contract administrator's denial, the Plan Administrator will notify the claimant. The decision of the Plan Administrator will be final and conclusive on all persons.

If, after exhausting administrative appeal procedures, the claimant still believes that a benefit has been improperly paid or denied, the claimant has the right to initiate legal proceedings.

### **For service of process, send to:**

The Regents of the University of California,  
Trustee of the 457(b) Plan, c/o UC Legal—Office of the General Counsel, 1111 Franklin Street, Oakland, CA 94706.

## PLAN CHANGES

The Plan is subject to change and to independent audit to comply with applicable federal and state statutes, IRC regulations and industry standards. Participants are notified whenever substantive changes to the Plan occur. Although the Plan is expected to continue indefinitely, the Regents reserve the right to amend or terminate the Plan at any time.

## Additional 457(b) Plan Information

### **ASSIGNMENT OF BENEFITS**

Generally, 457(b) Plan benefits payable to participants, beneficiaries or survivors cannot be attached by creditors, nor can anyone receiving benefits assign payments to others. Plan benefits are intended solely for the security and welfare of participants and their beneficiaries and survivors.

There are some exceptions. For example, the IRS may attach retirement benefits to collect unpaid taxes, or a court may order certain benefits to be paid for child or spousal support.

### **QUALIFIED DOMESTIC RELATIONS ORDERS (QDROS)**

A court may award Plan assets to the participant's spouse or former spouse or the participant's dependent. This usually occurs in connection with a divorce or legal separation. In such cases, the domestic relations order must be approved, or qualified, as being in compliance with state law and with the Plan terms.

Both spouses and the court have the right to request information about the benefits earned by the participant during the marital period and how those benefits are derived, as well as information about the options available to non-participants. To obtain a copy of the QDRO procedures, contact Fidelity Retirement Services ([netbenefits.com](http://netbenefits.com) or 866-682-7787).

California law has established procedures for dividing property in connection with the termination of a state-registered domestic partnership. For more information, call Fidelity Retirement Services.

## Employee Information Statement

Participants in defined contribution plans are responsible for determining which, if any, investment vehicles best serve their retirement objectives. The 457(b) Plan assets are invested in accordance with the participant's instructions; if no instructions are given, assets are invested in the UC Pathway Fund with a target date near the participant's expected retirement date. Participants should periodically review whether their objectives are being met, and if the objectives have changed, the participant should make the appropriate changes. Careful planning with a tax advisor or financial planner may help to achieve better supplemental retirement savings.

Neither the Regents, the Chief Investment Officer, the Plan Administrator nor any officer or affiliated officer of the University makes any recommendation to participants for building supplemental retirement savings, and the various options available for the investment of contributions should not be construed in any respect as a judgment regarding the prudence or advisability of such investments or as tax advice. Neither the Regents, the Chief Investment Officer, the Plan Administrator nor Fidelity Retirement Services bear any fiduciary liability for any losses resulting from a participant's investment instructions. The Plan Administrator reserves the right to refuse to implement any investment instruction from a participant that violates Plan rules or IRC provisions.

All elections concerning contributions to the 457(b) Plan are subject to payroll transaction and fund valuation deadlines.

Neither the University, the Chief Investment Officer, the Plan Administrator nor any officer or affiliated officer shall be responsible in any way for the purpose, propriety or tax treatment of any contribution or distribution (or any other action or nonaction) taken pursuant to the direction of a Plan participant, beneficiary, executor or administrator, or a court of competent jurisdiction. Although the Regents, the Chief Investment Officer, the Plan Administrator, and officers and affiliated officers shall have no responsibility to give effect to a decision from anyone other than the Plan participant, beneficiary, executor or administrator, they reserve the right to take appropriate action, including termination and/or disbursement of a participant's account, to protect the Plan from losing its tax-advantaged status for any event that violates Plan rules or applicable IRC provisions.

By authority of the Regents, University of California Human Resources, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations for Faculty and Staff, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. For more information, employees should contact their Human Resources Office and retirees should call the UC Retirement Administration Service Center (800-888-8267).

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

