

Your Guide to Survivor and Beneficiary Benefits

For Family Members and Beneficiaries of
Former UC Employees

UNIVERSITY
OF
CALIFORNIA



Losing a loved one is never easy, and it can be difficult to settle your loved one's estate while you are still grieving. Please be assured that UC staff will work with you to explain any benefits available to you and to other survivors or beneficiaries.

The UC Retirement Administration Service Center will be your primary point of contact. Representatives can answer questions and guide you through the process of claiming benefits. The best way to contact the UC Retirement Administration Service Center is by phone, at 800-888-8267. For outside the U.S., call 510-987-0200, 7:00 a.m. to 4:30 p.m. (PST). You may send mail to P.O. Box 24570, Oakland, CA 94623-1570.

This guide summarizes the benefits and claims process for survivors of former UC employees. If you are the survivor of someone who was still working at UC at the time of his or her death, please see *Your Guide to Survivor and Beneficiary Benefits for Family Members and Beneficiaries of Active UC Employees*, available online at ucal.us/survivorhandbook. If you are the survivor of a UC retiree, please see *Your Guide to Survivor and Beneficiary Benefits for Family Members and Beneficiaries of UC Retirees* at ucal.us/retireesurvivor.

The UC Retirement Plan (UCRP) benefits described in this handbook may be available if the former UC employee was an inactive member of UCRP. An employee is eligible for inactive membership upon leaving UC if the employee satisfied one of the following criteria:

- had at least five years of service credit in one or more UCRP membership classifications
- became a UCRP Member July 1, 1989, or earlier, and reached age 62 before leaving the University, regardless of service credit
- was eligible for reciprocity or another Plan-provided vesting agreement, or
- was a faculty member with a University/Veterans Administration joint appointment who received no covered compensation

Please note that some benefits may be different for survivors of Safety members of UCRP. Please see the *Summary Plan Description for Safety Members* for details, available online at ucal.us/UCRPsafety.

If the member elected either a refund of UCRP accumulations or a lump sum cashout after leaving the University, no UCRP benefits are payable upon the member's death. If the deceased member was not eligible for inactive membership but did not take a refund of Plan accumulations when leaving the University, any remaining accumulations in UCRP and/or CAP are payable to the member's beneficiary. No basic death payment is payable.

The summaries in this booklet explain the respective plans' provisions and the policies and rules that govern them. If a conflict exists between these summaries and the plan documents, the plan documents govern. The Plan Administrator has the authority to interpret disputed provisions.

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When a Former Employee Dies: What You Need to Do

As you read through this handbook, you may notice certain terms that are defined a little differently than usual. Please see the Glossary on page 10 for definitions of the terms used in this handbook.

Before benefits can be paid, you'll need to complete the steps outlined below. It's understandable that you may have questions you'd like answered right away. However, for confidentiality reasons UC can't provide initial benefits information over the phone. Staff members will help you get through the process as quickly as possible.

STEP 1:

Notify UC of the death as soon as possible, by calling the UC Retirement Administration Service Center at 800-888-8267. When you call, you'll need to provide the following information about the deceased:

- Name
- Social Security number
- Date of birth
- Date of death
- Date of marriage or state recognition of domestic partnership, if applicable

Please note: In order for the former employee's domestic partner to be eligible for benefits, the employee must have established the domestic partnership with UC. Please see *Benefits for Domestic Partners* on UCnet for details about requirements for establishing a domestic partnership with UC.

Be prepared to provide the following information about any surviving family members:

- Names
- Addresses
- Social Security numbers
- Dates of birth
- Date of marriage or domestic partnership

STEP 2:

Notify Fidelity Retirement Services of the former employee's death and ask about any plan balances that may exist in the UC Retirement Savings Plans. (For details about the program, see page 8.)

STEP 3:

Wait to receive a letter from UC (typically mailed within six weeks after you notify UC of the death). Each person who may be eligible for a benefit will receive a letter explaining benefits that may be payable and outlining the requirements for any forms or documents UC needs.

If you believe you're eligible for a benefit and you don't receive a letter from UC within six weeks, please send a written inquiry to the UC Retirement Administration Service Center at P.O. Box 24570, Oakland, CA 94623-1570.

STEP 4:

Send UC the forms and documents requested in the letter you received. These may include copies of the death certificate, birth certificates for the spouse and/or children, and marriage or partnership evidence. (It's a good idea to gather these documents ahead of time, but please don't send them until you receive the letter from UC outlining the specifics of what you need to provide.)

STEP 5:

If you are eligible, expect to receive UCRP benefits within two months after the UC Retirement Administration Service Center receives the requested documents.

In most instances, UCRP benefits payable to survivors or beneficiaries can't be attached by creditors. If you're receiving these benefits, you can't assign them to others, including mortuaries and funeral homes.

UCRP Death and Income Benefits for Survivors of Inactive Members

The information below summarizes the range of death and income benefits that may be available to you as a survivor of an inactive member of UCRP (see page 11 for a definition). If you have questions about any of the terms, please see the Glossary on page 10. You may also be eligible to receive funds from the UC Retirement Savings Program, if your loved one participated; see page 8.

2016 TIER MEMBERS

(see “UCRP Tiers” in the Glossary, page 11)

Pension Choice participants are UCRP members, and are therefore eligible for applicable UCRP benefits.

Savings Choice participants are not members of UCRP. Therefore, unless a Savings Choice participant was vested with prior service in UCRP which remained on account, the UCRP death and income benefits for survivors described in this handbook **do not apply**. Savings Choice participants contribute to a separate tax deferred savings plan which may be left to a designated beneficiary. For more information, refer to page 8 and/or contact Fidelity at 866-682-7787.

BASIC DEATH BENEFIT

Who is eligible: The member’s beneficiary

The benefit: For all vested UCRP members whose contributions remain on deposit, a one-time death benefit of \$7,500 is payable.

Distribution options: If you are the member’s spouse, the distribution can be paid to you directly or rolled over into a traditional or Roth IRA or other qualified employer retirement plan. If you are the member’s domestic partner or other non-spouse beneficiary, the distribution can be paid to you directly or rolled over to an inherited IRA.

CAPITAL ACCUMULATION PAYMENT (CAP)

Who is eligible: The member’s beneficiary

The benefit: A onetime payment of the balance (if any) in the member’s CAP account at the time of the member’s death. The CAP benefit supplements other UCRP benefits for eligible members. It is based on allocations credited to the member by UCRP, with each allocation calculated as a percentage of covered compensation paid during a specific time period.

Distribution options: If you are the member’s spouse, the distribution can be paid to you directly or rolled over into a traditional or Roth IRA or other qualified employer retirement plan. If you are the member’s domestic partner or other non-spouse beneficiary, the distribution can be paid to you directly or rolled over to an inherited IRA or an inherited Roth IRA.

SURVIVOR INCOME FOLLOWING DEATH WHILE ELIGIBLE TO RETIRE

Who is eligible: The eligible surviving spouse or surviving domestic partner of an inactive member who dies while eligible to retire. (Members in the 1976 Tier are eligible to retire at age 50 with five years of service credit; 2013 and 2016 Tier members are eligible to retire at age 55 with five years of service credit.) See the terms beginning with “surviving” in the Glossary, page 11, for details on the eligibility requirements.

The benefit: Lifetime monthly income, calculated as though the member had elected to retire on the day after the date of death and chosen the full-continuance option with the spouse or domestic partner as contingent annuitant. (To learn more about the full continuance option, called Option A, please see the UCRP plan summary appropriate to the member’s class, available at UCnet.)

The benefit is payable from the day after the member’s death and continues until the death of the surviving spouse or domestic partner.

For members with benefits in multiple tiers, the spouse or domestic partner will receive benefits based on service in the 1976 Tier beginning the day after the date of death. If the member dies before age 55, the remaining benefit, attributable to 2013 or 2016 Tier service, will be paid to the spouse/domestic partner at the time the member would have reached age 55.

Monthly UCRP benefits—including survivor benefits—include an annual cost-of-living adjustment (COLA) based on changes in the Consumer Price Index. The COLA typically increases every July 1.

Distribution options: Cannot be rolled over

UCRP Death and Income Benefits for Survivors of Inactive Members

Income Benefits: UC Retirement Savings Program

PLAN ACCUMULATIONS

As an active UCRP member, your loved one may have been required to make retirement contributions to the Plan. UC keeps a record of these contributions, along with the interest on them.

Who is eligible: The member's beneficiary

The benefit: The balance (if any) of the UCRP accumulations of a member who was not eligible to retire at the time of death and/or who had no survivors eligible for monthly benefits.

Distribution options: If you are the member's spouse, the distribution can be paid to you directly or rolled over into a traditional or Roth IRA or other qualified employer retirement plan. If you are the member's domestic partner or other non-spouse beneficiary, the distribution can be paid to you directly or rolled over to an inherited IRA. Plan accumulations may include a member's after-tax contributions, if any. Accumulations of after-tax contributions are not taxable, so you may prefer to take a distribution of these funds separately.

Your loved one may have contributed to one or more of the UC-sponsored savings and investment plans, which include:

- Defined Contribution (DC) Plan
- Tax-Deferred 403(b) Plan and/or
- 457(b) Deferred Compensation Plan

The benefits from these plans are based on the amount of money contributed, plus any earnings on the contributions, and minus any losses.

To find out about plan balances that may be available to you, and the distribution options for them, contact Fidelity Retirement Services (866-682-7787).

SYSTEMATIC WITHDRAWALS

If systematic withdrawals had been set up from any of the three plans above, they will stop when Fidelity is notified of the participant's death. If there is any money remaining in the plan(s), it is payable to the beneficiary.

REQUIRED MINIMUM DISTRIBUTIONS

Federal tax law requires that after a certain time—usually when the participant reaches age 70½ (if born before July 1, 1949) or age 72 (if born on or after July 1, 1949)—a minimum amount of money must be distributed from the DC Plan, 403(b) Plan and the 457(b) Plan. If you're the beneficiary of these plans, Fidelity will notify you when these required distributions become necessary.

Other Sources of Income

In addition to the UC income benefits outlined above, you and other survivors or beneficiaries may also be eligible for benefits through Social Security or other public retirement systems. To learn more, see the list below.

SOCIAL SECURITY

The most common source of additional survivor benefits is the Social Security Administration. To learn more, go to ssa.gov, visit your local Social Security office, or call 800-772-1213.

OTHER RETIREMENT SYSTEMS

If your loved one also belonged to another public retirement system, such as CalPERS or CalSTRS, additional benefits may be available to you. To learn more, contact the other retirement system:

California Public Employees' Retirement System (CalPERS)
800-225-7377
www.calpers.ca.gov

California State Teachers' Retirement System (CalSTRS)
800-228-5453
www.calstrs.com

Civil Service Retirement System (CSRS)
888-767-6738
www.opm.gov/retirement-services/csrs-information

Federal Employees Retirement System (FERS)
888-767-6738
www.opm.gov/retirement-services/fers-information

Sacramento County Employees' Retirement System (SCERS)
800-336-1711
www.retirement.saccounty.net

Orange County Employee Retirement System (OCERS)
714-558-6200
www.ocers.org

UC Survivor Benefits and Your Taxes

If you're eligible to receive benefits from the UC Retirement Plan, the UC Retirement Administration Service Center will send you information about how the money may be taxed. If the distribution is eligible to be rolled over to an IRA or other employer plan, you'll also receive the *Special Tax Notice for UC Retirement Plan Distributions*, which explains your options. Fidelity will send you information about distribution options for Retirement Savings Program accounts.

Before you make any decisions about what to do with money left to you as a beneficiary, UC strongly recommends that you consult a qualified tax advisor.

UCRP BASIC DEATH PAYMENT, 403(B) PLAN, 457(B) PLAN AND DC PLAN DISTRIBUTIONS

The death payment and distributions from the plans above (with the exception of any non-taxable portion from the DC Plan) are eligible to be rolled over, as indicated on the previous pages under "Distribution options." Any distributions that you roll over do not require tax withholding unless/until the distribution is paid to you. For distributions paid to you, tax rules require that 20 percent be withheld for federal taxes, and you may elect a 2 percent state withholding if you reside in California. Distributions paid to someone considered by the IRS to be a "nonresident alien" are subject to the U.S. tax treaty and the foreign country of residence (see IRS.gov for more information).

Distributions that are paid to a trust, estate, charity or corporation named as a beneficiary are not eligible for rollover. On these distributions, tax rules require that 10 percent be withheld for federal taxes, unless the beneficiary specifies a larger amount or checks "do not withhold taxes" for federal and state taxes. In January, you should receive a Form 1099R reporting any distributions paid to you during the previous year, and the amount that is taxable.

UC Survivor Benefits and Your Taxes

UCRP MONTHLY INCOME

Monthly income paid by UCRP is subject to federal and state taxes in the year that it is paid. Federal and California state taxes will be withheld automatically from your monthly benefit unless you elect otherwise. (State taxes are not withheld automatically if you live outside California.) The automatic default withholding, for both federal and California state taxes, is based on the status of married with three allowances.

These automatic withholding amounts may not be enough to cover your tax liability; it's a good idea to consult your tax advisor to clarify the amount you need to have withheld. You may ask UC to withhold more from your monthly payments at any time. If you have questions, the UC Retirement Administration Service Center can explain your withholding options and how to make adjustments.

Each January, you'll receive a Form 1099R (or Form 1042 for non-U.S. residents) reporting any distributions you received during the previous year and showing the amount that is taxable.

Glossary

BENEFICIARY

The person(s) designated by a member to receive a benefit when the member dies. A beneficiary can be any person, persons or entity capable of taking and holding property.

For UCRP, UC-sponsored life insurance, business travel and AD&D plans, beneficiaries are designated by the member online or on a *Designation of Beneficiary—Retirees, Former Employees and Others* form (UBEN 117). The beneficiary designation remains valid unless the member changes it online or submits a new form. UC will modify a beneficiary designation if required by law (for example, to allow for community property rights in the case of divorce).

For the DC Plan, 457(b) Plan and 403(b) Plan, beneficiary designations are held by Fidelity Retirement Services. See "Resources" on page 12 for contact information. Each of these plans can have different beneficiaries, or the same beneficiaries can be named for all.

If more than one person is named as beneficiary of a plan, the member can designate the share (percentage) each person should receive. If the member does not specify the share, the benefit will be paid to the beneficiaries in equal shares.

For all plans, if beneficiaries are not named, if the beneficiary designation is not valid, or if the named beneficiary is no longer living, benefits are paid according to the order of succession as listed below:

- Spouse or domestic partner
- Biological or adopted children, in equal shares (if a child is deceased, the applicable benefit would be paid to the child or children of the deceased child, if any)
- Parents, in equal shares or
- Siblings, in equal shares (half siblings are not eligible under UC's order of succession)

If none of the above people are living, benefits are paid to the member's estate.

INACTIVE MEMBERSHIP

UCRP members leaving the University can become inactive members and retain the right to future benefits, including death benefits for their beneficiaries or family members, by leaving Plan accumulations, if any, on deposit with UCRP. A member is eligible for inactive membership upon leaving UC if he or she:

- Has at least five years of service credit in one or more UCRP membership classifications
- Became a UCRP Member July 1, 1989, or earlier, and reached age 62 before leaving the University, regardless of service credit
- Is eligible for reciprocity or another Plan-provided vesting agreement, or
- Is a faculty member with a University/Veterans Administration joint appointment who is receiving no covered compensation

If the member elected either a refund of UCRP accumulations or a lump sum cashout after leaving the University, no UCRP benefits are payable upon the member's death. If the deceased member was not eligible for inactive membership but did not take a refund of Plan accumulations when leaving the University, the remaining accumulations and the CAP balance, if any, are paid to the member's beneficiary. No basic death payment is paid.

SURVIVING DOMESTIC PARTNER

The partner of a deceased inactive member who was eligible to retire (see "Survivor Income Following Death While Eligible to Retire" on page 7). The partnership must have been established before the member's death through any one of the following methods (see *Benefits for Domestic Partners* for details):

- Registration with the state of California
- Registration with another valid jurisdiction (for same-gender partners only)
- Submission of a *Declaration of Domestic Partnership for Purposes of UC Retirement Plan Benefits* (UBEN 250), signed by both partners, with appropriate supporting documentation
- Enrollment of the partner in health benefits for UC employees as a family member, and successful completion of the verification process

SURVIVING SPOUSE

The widow or widower of a deceased inactive member who was eligible to retire and married to the surviving spouse at the time of death (see "Survivor Income Following Death While Eligible to Retire" on page 7).

UCRP TIERS

UCRP members accrue benefits under the following tiers:

- UCRP members who first became eligible to participate in UCRP (under Pension Choice) on or after July 1, 2016 have accrued benefits under the 2016 Tier.
- UCRP members who first became eligible to participate in UCRP on or after July 1, 2013 have accrued benefits under the 2013 Tier.
- UCRP members who first became eligible to participate in UCRP before July 1, 2013 have accrued benefits under the 1976 Tier.

Under some circumstances (such as when an employee is rehired after a tier break in service), members may have accrued benefits under more than one tier.

Please note that some benefits may be different for survivors of Safety members of UCRP. Please see the *Summary Plan Description for Safety Members* for details, available online at ucal.us/UCRPsafety.

Resources

UCNET

ucnet.universityofcalifornia.edu

UCnet is the university's website for employees, retirees and their family members and includes detailed information about UC benefits.

RETIREMENT ADMINISTRATION SERVICE CENTER (RASC)

rasc.universityofcalifornia.edu

Secure message (email): Sign in to your UCRAYS account at retirementatyoursevice.ucop.edu and select "Messages"

Survivor and beneficiary support: 1-888-825-6833
(includes after-hours voicemail option)

RASC main line: 1-800-888-8267, Monday–Friday,
7 a.m. to 4:30 p.m. (PT)

International callers: 1-510-987-0200

Mail: UC Retirement Administration Service Center,
P.O. Box 24570, Oakland, CA 94623-1570

Fax: 1-800-792-5178

FIDELITY RETIREMENT SERVICES

(for information about the UC Retirement Savings Program and Savings Choice)

866-682-7787

Hours: 5:30 a.m.–9:00 p.m., Pacific Time, Monday–Friday

myUCretirement.com

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

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

