UC Retirement Plan 1976 Tier Summary Plan Description

FOR MEMBERS WITH SOCIAL SECURITY

UNIVERSITY
OF
CALIFORNIA

UC Retirement Plan 1976 Tier Summary Plan Description for Members with Social Security

Listed below is contact information for some of the resources UC employees routinely use.

UC EMPLOYEE WEBSITE

atyourservice.ucop.edu

UC HUMAN RESOURCES

UC Retirement Administration Service Center:
800-888-8267
Hours: 8:30 a.m.–4:30 p.m., Monday–Friday

Written correspondence should be sent to:
UC Human Resources
P.O. Box 24570
Oakland, CA 94623-1570

LOCAL BENEFITS OFFICES

Your local Benefits Office is often the best and most convenient 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: 510-642-7053

UC Davis: 530-752-1774

UC Davis Medical Center: 916-734-8099

UC Irvine: 949-824-5210

UC Irvine Medical Center: 714-456-5736

UCLA: 310-794-0830

UCLA Medical Center: 310-794-0500

UC Merced: 209-228-2363

UC Riverside: 951-827-4766

UC San Diego: 858-534-2816

UC San Diego Medical Center: 619-543-7585

UC San Francisco: 415-476-1400

UC San Francisco Medical Center: 415-353-4545

UC Santa Barbara: 805-893-2489

UC Santa Cruz: 831-459-2013

ASUCLA: 310-825-7055

Hastings College of the Law: 415-565-4703

UC Office of the President: 510-987-0900

Lawrence Berkeley National Lab: 510-486-6403

INVESTMENT OVERSIGHT

University of California Treasurer's Office
Treasurer's Office website: ucop.edu/treasurer
Written correspondence should be sent to:
Office of the Treasurer of the Regents
1111 Broadway, Suite 1400
Oakland, CA 94607-4026

BENEFITS FROM OTHER SOURCES

For information on plans and services that may have an impact on your retirement benefits, such as Social Security, CalPERS or other retirement plans and agencies, contact the appropriate agency.

Social Security Administration: 800-772-1213
Social Security website: socialsecurity.gov

CalPERS: 888-225-7377
CalPERS website: calpers.ca.gov

CalSTRS: 800-228-5453
CalSTRS website: calstrs.com

IF YOU MOVE

It is your responsibility to notify the Plan Administrator of your new mailing address. UC uses the address on file as the address of record for you and your beneficiaries.

You can change your address online at At Your Service, a secure website where you can update personal information maintained in UC's payroll and benefits databases. To record an address change, go to At Your Service and select "Sign in to My Accounts." Enter your username or Social Security number and your UC password; then select "My Contact Information."

If you're no longer working for UC, do not have Internet access or are retired, you can also notify UC Human Resources by calling the UC Retirement Administration Service Center at 800-888-8267. Or, if you have Internet access, select "Forms and Publications" on At Your Service and print and complete form UBEN 131 (*UC Human Resources Address Change Notice*) and mail it to UC Human Resources at the address at left.

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Introduction

The University of California Retirement Plan (UCRP or the Plan) provides retirement benefits for eligible employees (and their eligible survivors and beneficiaries) of the University of California and its affiliate, Hastings College of the Law. UCRP also provides disability and death benefits and, for certain members, a Capital Accumulation Payment (CAP).

UCRP is a tax-qualified governmental defined benefit pension plan. Eligible employees automatically become members of UCRP as a condition of employment. Benefits are determined by defined formulas that vary according to the type of benefits payable (for example, retirement, disability or survivor benefits). The formulas are based on such factors as a member's salary, age, years of service credit and membership classification. The Plan is funded by employer and employee contributions.

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

Membership

The Plan includes four membership classifications:

- Members who pay into Social Security
- Members who opted out of Social Security coverage, other than Safety members,
- Members with Tier Two benefits and
- Safety members

Active members in each of the first two member classifications accrue benefits in one of two tiers — the 1976 Tier or the 2013 Tier. A member who first becomes eligible to participate in UCRP on or after July 1, 2013, will accrue benefits in the 2013 Tier. A member who began accruing benefits before July 1, 2013, will continue accruing benefits under the 1976 Tier until he or she has a break in service. If the member returns to eligible UC employment on or after July 1, 2013, following a break in service, the member will accrue additional service under the 2013 Tier.

This summary plan description is directed to members currently accruing benefits under the 1976 Tier. The provisions starting at page 24 provide additional information for members who also accrued benefits under the 2013 Tier. The provisions described here are subject to collective bargaining for represented employees.

All other members and those who have University service in more than one membership classification should refer to the appropriate summary plan description(s) because benefits and other provisions vary.

SOCIAL SECURITY

UCRP members with Social Security pay Social Security taxes. For 2013, the tax rate is 7.65 percent. Of this, the member pays 6.2 percent on earnings up to the Social Security wage base ($113,700 in 2013) for Old Age, Survivors and Disability Insurance (OASDI) and 1.45 percent on all earnings for Medicare hospital insurance (Part A). These taxes are deducted from the member's gross wages each pay period. Income taxes are assessed against a member's net income after certain pretax deductions, including those for employee contributions to:

- UCRP
- Dependent Care Flexible Spending Account (DepCare FSA)
- Health Flexible Spending Account (Health FSA)
- Pretax Transportation Program
- Retirement savings program (403(b), 457(b) and/or DC Plans)
- Medical plan premiums

Contact the Social Security Administration for more information about Social Security eligibility and benefits, including an estimate of future retirement benefits (see inside front cover).

ELIGIBILITY AND MEMBERSHIP

Retirement plan membership is automatic and mandatory for eligible employees and begins the first day of an eligible appointment. An eligible appointment is 50 percent time or more on a fixed or variable basis for one year or longer.

Employees with limited appointments, employees in contract positions, employees in "noncareer" positions at the Lawrence Berkeley National Laboratory and certain academic employees may become eligible for membership after working 1,000 hours in a rolling, continuous 12-month period. (Employees in a Non-Senate Instructional Unit qualify for UCRP membership after working 750 hours in an eligible position.) Membership is effective no later than the first of the month following the month in which 1,000 hours (or 750 hours) is reached.

EXCEPTIONS:

A University employee is not eligible for Plan membership if he or she:

- Is a contributing member of another retirement plan to which the University contributes on the employee's behalf (e.g., CalPERS);
- Is at the University primarily to obtain education or training;
- Receives pay under a special compensation plan but receives no covered compensation (see "Plan Definitions" on page 24);
- Is in a per diem, floater or casual restricted appointment;
- Is appointed as a Regents' Professor or Regents' Lecturer; or
- Is an employee hired as a visiting appointee on or after Aug. 1, 1989.

Once you become a UCRP member, active membership continues until you have a break in service (see "Plan Definitions" on page 24). Membership is not affected by a reduction in appointment without a break in service. Benefits change if you transfer to a position eligible for Safety benefits.

VESTING

To vest means to acquire certain rights. Once vested, you generally have a non-forfeitable right to receive UCRP retirement benefits upon leaving the University and reaching retirement age. You must earn five or more years of service credit to be vested.

You become vested in your Plan benefits whether you earn all service credit as a member in one UCRP membership classification or tier or in multiple UCRP membership classifications and tiers.

For the Capital Accumulation Payment (CAP) benefit, vesting is immediate — regardless of the member's eligibility for other Plan benefits (see "Capital Accumulation Payment" on page 9).

INACTIVE MEMBERSHIP

You become an inactive member upon leaving University employment and retain the right to future retirement benefits by leaving your accumulations (employee contributions plus interest) in the Plan, provided you satisfy one of the following criteria:

- Have at least five years of service credit;
- Are eligible for reciprocity (see "Reciprocity" at right);
- Were medically separated from University employment and are eligible to apply for UCRP disability income (see "Disability Income" on page 18);
- Are a faculty member of a University medical school who has been appointed by the Veterans Administration to a University-affiliated hospital and, as a result, receives no further covered compensation; or
- Became a Plan member on July 1, 1989, or earlier and reached age 62 while still an eligible employee.

After leaving the University, an inactive member may, at any time before (and in lieu of) retiring, request a refund of accumulations. If you elect a refund of accumulations, you waive the right to any future Plan benefits, except that you are entitled to a CAP benefit, which will be paid at the same time (see "Refund of Accumulations" on page 10).

If you leave before becoming an inactive member (that is, a member with five years of service credit), you may also request a distribution of your accumulations at any time. You will lose any service credit you have accrued unless you later return to UC employment and reestablish it (see "Buyback" on page 8).

RECIPROCITY

UCRP and CalPERS have a reciprocal agreement to ensure continuity of benefits for members who change employers and transfer between the two retirement systems under certain circumstances. If you qualify for reciprocity with CalPERS, service credit accrued under both systems can be used to determine whether you are vested in your benefits under both retirement systems. Also, covered compensation earned under both systems can be used to determine your highest average plan compensation under both systems. The reciprocal agreement does not apply to eligibility for retiree health benefits.

To establish reciprocity, you must:

- Be employed under the new retirement system within 180 days of leaving employment under the former system;
- Leave your accumulations (if any) in the former system; and
- Elect reciprocity by completing the proper forms (see below).

When you elect UCRP/CalPERS reciprocity, funds are not transferred from one retirement system to the other. You are a member of both systems. You are subject to membership and benefit obligations and rights of each system. You must retire under both systems on the same date for the benefits of reciprocity to apply.

To establish reciprocity at UC, you must complete form UBEN 157 (*Election of Reciprocity*) and send it to UC Human Resources. The form is part of the *UCRP/CalPERS Reciprocity Factsheet*, available on At Your Service or from your local Benefits Office. To find out how to establish reciprocity at CalPERS, call CalPERS directly (see inside front cover). As long as you remain eligible under the guidelines listed above, you may establish UCRP/CalPERS reciprocity at any time.

A provision for concurrent retirement is available for UCRP members who are also members of the California State Teachers' Retirement Defined Benefit Program (CalSTRS). You are eligible for concurrent retirement if you:

- Become an active UCRP member on or after July 1, 2002;
- Are a member of CalSTRS; and
- Elect UCRP retirement income or a lump sum cashout after July 1, 2002;
- Have satisfied the applicable age and service requirements for early retirement

Members eligible for concurrent retirement receive benefits similar to those for reciprocity. CalSTRS has similar concurrent retirement provisions that apply to UCRP members; for more information about CalSTRS concurrent retirement, contact CalSTRS directly.

Contributions

FUNDING THE PLAN

Plan benefits are funded by contributions from both the University and active members and by the investment earnings thereon. These contributions and earnings are held in a trust fund and constitute a single pool of assets. Annual actuarial valuations determine the Plan's liabilities (that is, projected benefits to be paid) and the funding status.

The UC Board of Regents periodically adjusts University and member contributions to maintain adequate funding levels.

UNIVERSITY CONTRIBUTIONS

University contributions are used to pay Plan benefits for all members, and are not allocated to individual member accounts. Effective July 1, 2014, the University contributes 14 percent of members' covered compensation.

MEMBER CONTRIBUTIONS

Effective July 1, 2014, active members make contributions to UCRP equal to 8 percent of covered compensation less $19 per month. Adjustments to member contributions are subject to collective bargaining.

UCRP contributions are deducted automatically from your gross wages each pay period and allocated to your account. Wages on which contributions are assessed are called covered compensation. Your contributions to the Plan are deducted on a pretax basis and, therefore, reduce your taxable income (see "Taxes on Distributions" on page 22).

The Plan Administrator maintains a record of each member's UCRP contributions and credits the amount with interest at a stated rate (currently 6 percent).

Service Credit

Service credit is the measure of time you have participated in the Plan in one or more membership classes or tiers. Service credit is used to determine eligibility for most benefits and to calculate benefits such as monthly retirement.

Service credit is earned whenever you receive covered compensation for an eligible appointment. The maximum that you can earn for a year of full-time work is one year of service credit. Part-time or variable-time work results in a proportionate amount of service credit. For example, if you work 50 percent time for one year, you receive one-half year of service credit.

SICK LEAVE

If you retire within four months after leaving the University, any unused sick leave is converted to service credit. Eight hours of unused sick leave converts to approximately one day of service credit. Sick leave converted to service credit cannot be used to reach the five years of service credit needed to be eligible for retirement benefits. But, because service credit is part of the benefit formula, this additional service credit may increase your monthly retirement income.

DISABILITY STATUS

If you become disabled and receive UCRP disability income, you continue to earn service credit at the same rate earned during the 12 months of continuous service just before your disability date.

You continue to earn service credit until or unless increased service credit would cause your retirement benefit, if you were to retire, to exceed your disability benefit.

PARTIAL-YEAR CAREER APPOINTMENTS

If you work full time during a 9-, 10-, or 11-month partial-year appointment, you earn one year of service credit for each Plan year. If you work part time during a partial-year appointment, you earn proportionate service credit. For example, if you work 50 percent time during a partial-year appointment, you earn one-half year of service credit. See page 26 for an explanation of the potential effect of a partial-year career appointment on your highest average plan compensation (HAPC).

MILITARY LEAVE

If you return to University service in accordance with your reemployment rights following a military leave, you receive service credit for the time spent in uniformed service and for a period following uniformed service, provided you return to work when the leave ends, pay any required employee contributions and satisfy other applicable requirements.

You earn service credit for military leave at the same rate earned during the 12 months of continuous service just before the leave. For example, if you earned three-fourths of a year of service credit in the 12 months just before military leave, you will earn three-fourths of a year of service credit for a year of military leave.

The Retirement Administration Service Center or your local Benefits Offices can provide more information about establishing service credit for military leaves.

LEAVE WITHOUT PAY

You do not earn service credit during a leave without pay, but you may be able to establish service credit through a buyback, if the leave was approved (see the *UCRP Buyback Booklet*, available on At Your Service: atyourservice.ucop.edu).

SABBATICAL OR PAID LEAVE

During a sabbatical or paid leave, you earn service credit in proportion to the percentage of full-time pay you receive. For example, if you are on sabbatical leave at two-thirds pay for one year, you receive two-thirds of a year of service credit, but you may be able to establish service credit for the unpaid portion of your leave through a buyback (see the *UCRP Buyback Booklet*, available on At Your Service: atyourservice.ucop.edu).

EXTENDED SICK LEAVE

You earn up to 80 percent of service credit for periods of extended sick leave during which you receive Workers' Compensation, but you may be able to establish service credit for any remaining percentage through a buyback (see the *UCRP Buyback Booklet*, available on At Your Service: atyourservice.ucop.edu).

TIME REDUCTION INCENTIVE PLAN (TRIP)

TRIP, a temporary workforce reduction program, was in effect from Aug. 1, 1992, through June 30, 1995. TRIP participants were eligible to accrue one full month of service credit for each month during the period of their TRIP agreement if they worked at least 75 percent time each month during the entire period and fulfilled all other terms of the agreement. If these conditions were not met, see the *UCRP Buyback Booklet*, available on At Your Service.

STAFF AND ACADEMIC REDUCTION IN TIME (START) PROGRAM

START was a temporary workforce reduction program in effect from June 1, 2003, through June 30, 2006, and from July 1, 2008, through Dec. 31, 2010. START participants accrued UCRP service credit for each month during the START period at the same rate as was accrued before the START period if they remained on pay status at least 50 percent of full-time each month and fulfilled all other terms of the START agreement. UCRP service credit during the START period is reduced for periods of leave without pay or other periods of time off pay status not reflected in the START agreement.

FURLOUGH

Employees on furlough from Sept. 1, 2009, through Aug. 31, 2010[1], accrued UCRP service credit for each month during the furlough period at the same rate they accrued prior to the furlough period.

[1] Furlough periods for some union employees may differ.

Service Credit

PAST SERVICE

If you have previous Plan membership, you retain service credit for the earlier period if you leave your accumulations in the Plan upon leaving the University. If you previously received a refund of accumulations for the earlier period, you may buy back service credit for the earlier period, subject to the "Buyback" rules described in the *UCRP Buyback Booklet*, available on At Your Service: atyourservice.ucop.edu. If you previously retired and received a lump sum cashout, you may not buy back service credit for any period before the cashout date.

NONCONTRIBUTORY SERVICE

Those who were Plan members during the period July 1, 1966, through June 30, 1971, earned service credit as usual, although they were not required to contribute until the July 1 after they reached age 30, or, for those who were already age 30, until the July 1 after one full year of service. At retirement, the member's benefit is reduced because there were no member contributions during this period.

For approved leaves (including military leaves) during the noncontributory period (July 1, 1966, through June 30, 1971), members earned service credit, although neither the member nor the University contributed to the Plan. At retirement, the member's benefit is reduced because there were no member or University contributions during this period.

For more details, see the *UCRP Buyback Booklet*, available on At Your Service: atyourservice.ucop.edu.

Buyback

"Buyback" is payment to establish service credit for eligible leaves, to reestablish service credit for previous UCRP membership, or to eliminate a noncontributory offset. The buyback option is available only to active UCRP members.

THE BUYBACK OPTION IS AVAILABLE FOR:

APPROVED LEAVES

Approved leave without pay; partially paid sabbatical leave; extended sick leave; temporary layoff or furlough (except during a partial-year career appointment); incomplete TRIP agreement or completed TRIP agreement of less than 75 percent time; and reduction in appointment under Temporary Reduction In Time (TRIT) from July 1, 1993, to Oct. 28, 1993; or

PREVIOUS UCRP MEMBERSHIP

UCRP service for which a refund of accumulations was received; or

ELIMINATING NONCONTRIBUTORY OFFSETS

The noncontributory offset, which affects many who were members during the period July 1, 1966, through June 30, 1971; and the leave offset, which affects all who took an approved leave during the period July 1, 1966, through June 30, 1971.

THE BUYBACK OPTION IS NOT AVAILABLE FOR:

- Any break-in-service period;
- Any period of ineligible service, such as temporary employment or indefinite layoff;
- Any furlough during a partial-year career appointment;
- A completed TRIP agreement of 75 percent time or more (the member accrued 100 percent of service credit for the period);
- A reduction in appointment (except under a TRIT agreement);
- Any period of CalPERS membership;
- Any period of service that preceded a lump-sum cashout;
- Any period of less than four weeks, unless necessary for vesting purposes;
- Any period of military leave July 1, 1966, or later (the member receives full service credit without making contributions; for military leaves from July 1, 1966, through June 30, 1971, however, the leave offset applies); or
- A CAP distribution.

You can find complete buyback information as well as instructions in the *UCRP Buyback Booklet*, available on At Your Service.

Capital Accumulation Payment

For certain UCRP members, the CAP provides a supplement to other UCRP benefits. The CAP benefit is based on allocations made to UCRP accounts on certain dates. Each allocation was calculated as a percentage of covered compensation actually paid during a specified period.

CAP allocations made in 1992, 1993 and 1994 earn interest equal to an annual percentage yield of 8.5 percent.

Allocations made in 2002–2003 earn interest equal to the UCRP assumed earnings rate, currently an annual percentage yield of 7.5 percent.

Interest is credited monthly.

CAP benefits are fully vested. They are payable in a lump sum when you leave University employment[2] and:

- Elect to receive a refund of Plan accumulations (or have no Plan accumulations to be refunded);
- Elect a lump sum cashout;
- Elect retirement income; or
- Begin receiving UCRP disability income.

You can also take a distribution of your CAP balance, if any, when you leave University employment and become an inactive Plan member as long as any other UCRP benefits and accumulations remain in the Plan.

Payment of the CAP balance after a member's death is considered a death benefit (see "Death Benefits" on page 16).

See the "Special Tax Notice for Plan Distributions" on page 30 for information about rolling over your CAP balance.

CAPITAL ACCUMULATION PAYMENTS

Allocation Date	Percentage of Covered Compensation	Eligibility Requirements
April 1, 1992	5% of covered compensation paid during calendar year 1991	Active UCRP member continuously from 12/31/1991–4/1/1992
July 1, 1992	2.5% of covered compensation paid 7/1/1991–6/30/1992	Active UCRP member on 6/1/1992
July 1, 1993	2.5% of covered compensation paid 7/1/1992–6/30/1993	Active UCRP member on 7/1/1993
Nov. 1, 1993	5.26% of covered compensation paid 7/1/1993–10/31/1993	• Active UCRP member on 10/1/1993, and • Salary reduced by 5% as of 10/1/1993. under the '93–94 Salary Plan; or participating in TRIP as of 10/1/1993
July 1, 1994	2.67% of covered compensation paid 11/1/1993–6/30/1994	• Active UCRP member on 6/1/1994, and • Salary reduced by 2.6% as of 6/1/1994, under the '93–94 Salary Plan; or participating in TRIP as of 6/1/1994; or AFSCME member with salary reduced by 4.16% as of 6/1/1994
April 1, 2002	3% of covered compensation paid 4/1/2001–3/31/2002	Active UCRP member on 4/1/2002
April 1, 2003	5% of covered compensation paid 4/1/2002–3/31/2003	Active UCRP member on 4/1/2003

[2] For UCRP members employed at Los Alamos National Laboratory as of May 31, 2006, who opted to transfer their UCRP accrued benefits to the Los Alamos National Security, LLC, Defined Benefit Pension Plan, CAP benefits are not payable until they leave LANS employment. For UCRP members employed at Lawrence Livermore National Laboratory as of Sept. 30, 2007, who opted to transfer their UCRP accrued benefits to the Lawrence Livermore National Security, LLC, Defined Benefit Pension Plan, CAP benefits are not payable until they leave LLNS employment and must be paid at retirement.

Refund of Accumulations

Upon leaving University employment, you may receive a distribution of your Plan accumulations or leave them in the Plan (University contributions must remain in the Plan). You also may take your CAP balance, if any.

If you are eligible for inactive membership, however, a refund of accumulations cancels your right to any future Plan benefits based on that period of service unless you return to University employment and reestablish the service credit (see the *UCRP Buyback Booklet*, available on At Your Service: atyourservice.ucop.edu).

If you request a distribution of your money in the Plan, you must also request a distribution of your CAP balance, if any. To request a distribution of Plan accumulations and CAP, you must complete form UBEN 142 (*Distribution Request — Refund of Accumulations*) and UBEN 142CAP (*Distribution Request — CAP Balance*), and send both forms to UC Human Resources. Distribution forms are available from your local Benefits Office or from the UC Retirement Administration Service Center.

A refund of any remaining accumulations after your death is considered a death benefit (see "Death Benefits" on page 16).

See the "Special Tax Notice for Plan Distributions" on page 30 for information about rolling over your accumulations.

Lump Sum Cashout

The lump sum cashout is a present value projection of your lifetime basic retirement income as of the cashout date and includes assumed cost-of-living increases. It is an option available when you leave University employment and are eligible to retire (see "Retirement Benefits" on page 11 for eligibility requirements).

You may choose the lump sum cashout in lieu of monthly retirement income. However, if you have drawn UCRP retirement income and later return to University employment and to active UCRP membership, you may not elect the lump sum cashout upon subsequent separation.

If you elect the cashout, you forfeit all other retirement benefits (such as the temporary Social Security supplement and credit for converted sick leave) and death benefits (such as the basic death payment, the postretirement survivor continuance and contingent annuitant benefits). If you are eligible for the guarantees (see "Minimum Benefit Guarantees" on page 17), these are also forfeited. You also forfeit eligibility for retiree medical, dental, vision and legal benefits, if any.

If you elect the lump sum cashout and die before payment is made, the cashout will be paid to your beneficiary.

ELECTING A LUMP SUM CASHOUT

To receive a lump sum cashout, you must obtain an election form from the UC Retirement Administration Service Center or your local Benefits Office and submit it to UC Human Resources along with any other required forms or documents. (If you're an inactive member, call the UC Retirement Administration Service Center to request a lump sum cashout.) Your cashout date cannot be earlier than the first of the month in which the request is received by UC Human Resources or the day following your separation from University service, whichever is later.

UC Human Resources must receive your election form no more than 90 days before or 90 days after the cashout date you are requesting. After receiving your election form, UC Human Resources will send you a confirmation letter. After you receive the confirmation letter, you do not have to take any further action to receive your lump sum cashout. If you do not receive a confirmation letter within a reasonable time, contact the UC Retirement Administration Service Center or your Benefits Office. You may cancel or change your election at any time up to your cashout date (or 15 days after your confirmation letter is sent, if later). After that time, your lump sum cashout election becomes irrevocable.

See the "Special Tax Notice for Plan Distributions" on page 30 for information about rolling over your lump sum cashout.

Retirement Benefits

You can elect to retire and receive benefits at any time after you become eligible — that is, when you reach age 50 and leave University employment with at least five years of service credit.[3]

If You Leave UC and Don't Retire
In most cases, vested members who leave University employment at or before age 60 and do not, or are not eligible to, retire at the time they separate should not delay electing retirement benefits past age 60. Generally, at age 60, an inactive member will have attained the maximum UCRP benefit payable under the Plan.

BASIC RETIREMENT INCOME

Basic retirement income is your normal monthly lifetime benefit. This basic amount is adjusted if you want to provide monthly survivor income for a spouse, domestic partner or another person (see "Alternate Monthly Payment Options" on page 13). An additional adjustment is required if the monthly benefit exceeds maximum benefit levels. See "Limitations" on page 15 and "Internal Revenue Code Provisions" on page 21.

Basic retirement income is a percentage of your average salary, or HAPC (highest average plan compensation; see definition on page 26), minus a reduction for Social Security taxes the University has paid on the member's behalf and/or for any noncontributory/leave offset (see "Noncontributory Service" on page 8). The percentage is based on your service credit and age at retirement.

ELECTING RETIREMENT INCOME

To elect retirement income, first read the *Retirement Handbook*, available on At Your Service or from the local Benefits Offices or the UC Retirement Administration Service Center. Once you have read this booklet, contact your local Benefits Office or UC Retirement Administration Service Center to confirm retirement procedures; they vary by UC location.

Your retirement date cannot be earlier than the first of the month the request is submitted.

HOW RETIREMENT INCOME IS CALCULATED

The calculation of basic retirement income is a two-step process:

1. **Calculate the benefit percentage (not to exceed 100%):**

   Service credit x age factor

   The age factor is based on your age in complete years and months on the date of your retirement as shown in the chart on page 12.

   Example:
   You retire at age 60 (age factor .0250), with 20 years of service credit.

   20 years x .0250 = 50.0% (benefit percentage)

2. **Multiply the benefit percentage by your highest average plan compensation or HAPC**

   HAPC is your average monthly salary (full-time equivalent compensation — 100 percent of covered compensation that would be paid for a normal, regular full-time position) calculated over the highest 36 continuous months preceding retirement. This is usually, although not necessarily, the period just before employment ends. For members with Social Security, HAPC is reduced by $133 to account for the University's contributions to Social Security. Also see the definition on page 26.

   Example:
   Your benefit percentage is 50.0 percent. The HAPC is $4,133.

   50.0% of ($4,133 – $133 = $4,000) = $2,000

   Your basic retirement income is $2,000 per month.

For adjustments to HAPC for disabled or inactive members who retire, see "Cost-of-Living Adjustments" on page 18.

If you have noncontributory service, an offset is applied to your basic retirement income (see "Service Credit — Noncontributory Service" on page 8).

If you participated in the Strict Full Time Salary Plan or had a partial-year career appointment, ask your Benefits Representative for information about your basic retirement income.

[3] Employees who became UCRP members on or before July 1, 1989, are vested regardless of service credit if they leave University employment in an eligible position after reaching age 62.

Retirement Benefits

TEMPORARY SOCIAL SECURITY SUPPLEMENT

If you retire before age 65, you receive a temporary supplement from UCRP, paid through the month of your 65th birthday (or through the month of death, if earlier). In effect, the supplement temporarily restores the Social Security reduction applied to the HAPC. The supplement is calculated as follows:

Benefit percentage x $133 = monthly temporary supplement (not to exceed $133)

Example
50.0% x $133 = $66 monthly temporary supplement

$2,000	basic retirement income
+ 66	temporary supplement
$2,066	total monthly income

You will receive $2,066 to age 65.
After age 65, you will receive $2,000 for life.

NONCONTRIBUTORY/LEAVE OFFSET

If you have noncontributory service, the retirement benefit is reduced because of contributions you have not made. (See "Noncontributory Service" on page 8 for additional information.) The retirement benefit is the higher of the two following calculations:

- One that counts service credit accrued during the noncontributory period and includes an offset based on the balance at the time of retirement; and
- One that excludes service credit accrued during the noncontributory period and the offset.

If you took an approved leave (including military leave) during the noncontributory period, a further reduction is applied to account for University contributions that were not made.

RETIREMENT AGE FACTORS

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

Example: For a member born on March 8, 1958, and retired on July 1, 2013, the age factor is .0184 (55 years plus three months).

POSTRETIREMENT SURVIVOR CONTINUANCE

If you die while receiving retirement income, part of your retirement benefit is paid to your surviving spouse, or surviving domestic partner (the marriage or domestic partnership must have existed for at least one year before your retirement and continuously until your death), or if none, to the eligible children, or if none, to the eligible dependent parents (see the definition on page 25). If your survivor dies while receiving this benefit, benefits are paid to the next eligible survivor for as long as someone is eligible.

Note: State and/or UC documentation of a domestic partnership is required; see the definition on page 25 and the *Benefits for Domestic Partners* booklet, available on At Your Service, for more information.

Postretirement survivor continuance:

- Is not optional;
- Is built into the retirement benefit (basic retirement income is not reduced to pay for it); and
- May be paid only to those eligible as described above.

HOW POSTRETIREMENT SURVIVOR CONTINUANCE IS CALCULATED

25% of your basic retirement income = postretirement survivor continuance

(plus, if you were not yet age 65 at the time of death: 25% of temporary Social Security supplement, which is called the temporary continuance)

Example
Using the example from page 11 of a member who retired at age 60 with 20 years of service credit, the postretirement survivor's continuance is:

25% of $2,000	= $500	basic retirement continuance
+ 25% of $66	= $16	temporary continuance
	$516	total monthly income

When you die, your surviving spouse or domestic partner or other eligible survivor receives $516 each month until you would have reached age 65; the benefit is then reduced to $500 per month. If your eligible survivors die first, your benefit is not affected.

For members who elected Social Security coverage in 1976 or 1977, the Plan guarantees a minimum survivor benefit (see "Minimum Benefit Guarantees" on page 17).

ALTERNATE MONTHLY PAYMENT OPTIONS

If you want to provide a monthly lifetime benefit for another person — called a contingent annuitant — several options are available.

The contingent annuitant is a person you choose, and you may choose only one. The selection of the option and contingent annuitant becomes irrevocable on the retirement date on the election form (or 15 days after the date of the letter confirming that your election has been received, if later). See "Electing Retirement Income" on page 11. Also, there are legal considerations when designating a contingent annuitant (see "Designation of Beneficiary or Contingent Annuitant" on page 23).

If you are married or have a registered domestic partner and designate someone other than your legal spouse or partner as a beneficiary or contingent annuitant, you need to consider the spouse's/partner's community property rights. See "Community Property" on page 23 for more information.

To provide a contingent annuitant benefit, you receive a reduced retirement benefit for life. The amount of the reduction varies according to the option you choose as well as the average life expectancy of you and the contingent annuitant. If the person you name as contingent annuitant dies before you, you cannot name another contingent annuitant and your benefit will not be adjusted.

Before the reduction in your benefit is calculated, the 25 percent postretirement survivor continuance is set aside. The remaining 75 percent of your basic retirement income is adjusted for the payment option selected. This adjusted portion is referred to as the option portion. If no one is eligible for the postretirement survivor continuance at the time of retirement, the entire basic retirement income is adjusted for the payment option.

Your benefit consists of both parts — the 25 percent survivor continuance portion and the option portion — for as long as you live. The benefit paid to your contingent annuitant when you die is based only on the option portion. The contingent annuitant, if eligible, will also receive the survivor continuance when you die.

Alternate monthly payment options are:

OPTION A

Full Continuance to Contingent Annuitant

You receive a reduced monthly benefit for life. When you die, the contingent annuitant receives a lifetime monthly benefit equal to the option portion.

Retirement Benefits

Example[4]
Spouse or domestic partner is contingent annuitant

Basic retirement income is $2,000. Your spouse or domestic partner is eligible for the 25 percent ($500) postretirement survivor continuance; you also want to provide your spouse or domestic partner with an additional monthly lifetime benefit. You name your spouse or domestic partner as contingent annuitant and choose Option A.

Step 1
The 25% ($500) survivor continuance is set aside.

$2,000 – $500 = $1,500 (the remaining 75 percent)

Step 2
The reduction factor, in this case 0.898, is applied to the remaining 75 percent.

0.898 x $1,500 = $1,347 (option portion)

Step 3
The 25 percent survivor continuance is added back.

$1,347 + $500 = $1,847 (your monthly benefit)

Your monthly retirement benefit is $1,847, to be paid every month for life. Thereafter, your spouse or domestic partner will receive both the $500 survivor continuance and the option portion of $1,347, for a total monthly benefit of $1,847 (the same amount you received).

Example[4]
Spouse or domestic partner is not contingent annuitant

In this example, your spouse or domestic partner is eligible for survivor continuance, but you name someone else — for example, a cousin — as contingent annuitant.

The calculation and your benefit are the same as in the example above. When you die, your surviving spouse or domestic partner receives the $500 survivor continuance and the contingent annuitant receives the $1,347 option portion. Each benefit is paid for the recipient's lifetime. Options B and C are calculated and paid in the same way as Option A; only the reduction factors differ.

Example[4]
Postretirement survivor continuance is not payable

In this example, you have no eligible survivors but want to provide for a friend. You choose Option A with the friend as contingent annuitant. Because no one is eligible for the survivor continuance, the option payment is based on the entire basic retirement income of $2,000.

0.898 x $2,000 = $1,796 monthly retirement benefit

You receive $1,796 each month for life. Thereafter, the friend — as contingent annuitant — receives $1,796 each month for life. Options B and C are calculated and paid in the same way as Option A; only the reduction factors differ.

OPTION B
Two-Thirds Continuance to Contingent Annuitant

You receive a reduced monthly benefit for life. When you die, the contingent annuitant receives a lifetime monthly benefit equal to two-thirds of the option portion.

You name your spouse or domestic partner as contingent annuitant and choose Option B.

Example[4]

Step 1
The 25 percent ($500) survivor continuance is set aside.

$2,000 – $500 = $1,500 (the remaining 75 percent)

Step 2
The reduction factor, in this case 0.930, is applied to the remaining 75 percent.

0.930 x $1,500 = $1,395 (option portion)

Step 3
The 25 percent survivor continuance is added back.

$1,395 + $500 = $1,895 (your monthly benefit)

Your monthly retirement benefit is $1,895, to be paid every month for life. Thereafter, your spouse or domestic partner will receive both the $500 survivor continuance and two-thirds of the option portion (in this case 2/3 x $1,395 = $930), for a total monthly benefit of $1,430

[4] The example assumes that both you and your contingent annuitant are age 60. If your ages are different, the dollar amounts will vary somewhat because different reduction factors will be used. Amounts are rounded down to the nearest dollar.

OPTION C

One-Half Continuance to Contingent Annuitant

You receive a reduced monthly benefit for life. When you die, the contingent annuitant receives a lifetime monthly benefit equal to one-half of the option portion.

You name your spouse or domestic partner as contingent annuitant and choose Option C.

Example[4]

Step 1
The 25 percent ($500) survivor continuance is set aside.

$2,000 – $500 = $1,500 (the remaining 75 percent)

Step 2
The reduction factor, in this case 0.946, is applied to the remaining 75 percent.

0.946 x $1,500 = $1,419 (option portion)

Step 3
The 25 percent survivor continuance is added back.

$1,419 + $500 = $1,919 (your monthly benefit)

Your monthly retirement benefit is $1,919, to be paid every month for life. Thereafter, your spouse or domestic partner will receive both the $500 survivor continuance and one half of the option portion (in this case 1/2 x $1,419 = $710), for a total monthly benefit of $1,210

OPTION D

One-Half Continuance to Surviving Spouse or Domestic Partner

This option is available only if the surviving spouse or domestic partner is eligible for the postretirement survivor continuance and is named as contingent annuitant. In this option, the 25 percent survivor continuance is included in the calculation.

You receive a reduced monthly benefit for life. When you die, one-half of this amount is paid to the surviving spouse or domestic partner for life.

The yield of this option is close to the amount paid under Option C. However, Option D differs in that it

- Must be payable to the surviving spouse or domestic partner as contingent annuitant;
- Is exactly one-half of your total monthly benefit; and
- Includes the postretirement survivor continuance.

Example[4]

Basic retirement income is $2,000. The reduction factor, in this case 0.973, is applied.

0.973 x $2,000 = $1,946 monthly retirement benefit

You receive $1,946 each month for life. Thereafter, your surviving spouse or domestic partner receives $973 each month for life.

LIMITATIONS

Your maximum UCRP basic retirement income is limited to 100 percent of your HAPC minus $133. This limit applies to your basic retirement income, taking into account all University employment, including any eligible CalPERS service. However, the limit on basic retirement income affects only a few UCRP members, who have 40 years or more of service credit. If part of your UCRP benefit has been awarded to an alternate payee (see page 13), the maximum benefits will be determined by taking into account any benefit attributable to the alternate payee.

Your retirement benefit, which may include additional elements, such as a CAP or Social Security supplement, may be limited by the IRC (see “Internal Revenue Code Provisions—Maximum Annual Benefit Limitations” on page 21).

[4] The example assumes that both you and your contingent annuitant are age 60. If your ages are different, the dollar amounts will vary somewhat because different reduction factors will be used. Amounts are rounded down to the nearest dollar.

Death Benefits

PAYMENTS TO BENEFICIARIES

When an active, inactive, disabled or retired member dies, UCRP pays a basic death payment of $7,500 to your beneficiary, in addition to any monthly UCRP income that may be payable to eligible survivors or to the contingent annuitant.[5] Beneficiaries of active, inactive or disabled members also receive your CAP benefit, if any.

After the deaths of you, your eligible survivors and contingent annuitant, any remaining member accumulations are paid to your beneficiary.

If you die after the Plan Administrator has received your election and approved it, but before you receive a lump sum cashout, the cashout amount and CAP balance, if any, will be paid to your beneficiary. No additional death benefits are payable.

UCRP death benefits are not the same as University life insurance benefits or departmental death benefits. For information about these benefits, see the appropriate *Survivor and Beneficiary Handbook*, available on At Your Service or from the UC Retirement Administration Service Center.

PRERETIREMENT SURVIVOR INCOME

If you die while employed or while receiving UCRP disability income benefits and you have at least two years of service credit, monthly income is paid to your eligible survivors — that is, eligible spouse or domestic partner, or if none, eligible child(ren), or if none, eligible dependent parent(s) (see the definitions on page 25).

The amount paid to the eligible survivor(s) is 25 percent of your final salary, minus a $106.40 Social Security reduction. For the first three months, however, the Social Security reduction does not apply; the eligible survivor receives the full 25 percent.

If you die while an inactive member, monthly income is paid to your surviving spouse or surviving domestic partner only if you are eligible to retire at the time of death.

For members who elected Social Security coverage in 1976 or 1977 and who meet certain criteria, the University guarantees a minimum survivor benefit (see “Minimum Benefit Guarantees” on page 17).

DEATH WHILE ELIGIBLE TO RETIRE

If you die while eligible to retire (that is, age 50 with at least five years of service credit, or, for those who became Plan members July 1, 1989, or earlier, age 62 regardless of service credit), a lifetime retirement benefit may be payable to your surviving spouse or surviving domestic partner.

If there is a surviving spouse or domestic partner, the benefit is calculated as though you had elected to retire on the day after the date of death and had chosen Option A (full continuance) with your spouse or domestic partner named as contingent annuitant. If you are an active or disabled member and your spouse or domestic partner also qualifies as an eligible survivor, both the preretirement survivor income and the Option A benefit are calculated and the higher benefit is paid. The benefit is payable beginning the day after your death.

A temporary Social Security supplement is also payable to your surviving spouse or surviving domestic partner until you would have reached age 65.

For benefits payable when you die after electing retirement income, see “Postretirement Survivor Continuance” on page 13.

[5] Beneficiaries of active members who became Plan members before Oct. 1, 1990, receive $1,500 plus one month’s final salary, if this amount is greater than $7,500.

Minimum Benefit Guarantees

If you were an active Plan member on April 1, 1976, and elected Social Security coverage, UCRP guarantees a minimum benefit for disability income, preretirement survivor income and the postretirement survivor continuance. The guarantee does not apply to your retirement income.

The guarantee is this: The combined benefits payable from UCRP and from Social Security (including family benefits) will be at least as much as UCRP benefits alone would have been if you had not elected Social Security coverage. When necessary, UCRP will pay a supplemental amount to bring benefits up to this minimum.

In determining the amount of the guarantees, only those individuals who were the active member's spouse, child or parent on April 1, 1976, are taken into account.

FOR DISABILITY INCOME

The minimum guaranteed disability income is a percentage of your final salary, based on service credit as of the disability date and the number of eligible children.

	Number of Eligible Children				
	0	1	2	3	4+
Years of Service Credit	**Monthly Benefit (percent of final salary)**				
2 (less than 3)	25%	30%	35%	40%	45%
3 (less than 4)	30%	35%	40%	45%	50%
4 (less than 5)	35%	40%	45%	50%	55%
5+	40%	45%	50%	55%	60%

FOR PRERETIREMENT SURVIVOR INCOME

The minimum guaranteed preretirement survivor income applies only to the benefit payable to an eligible spouse. If you were both a Plan member and married to the eligible spouse before Oct. 19, 1973, the qualifying age for an eligible spouse is 50 rather than 60. The minimum guarantee for preretirement survivor income is shown in the table below:

Number of Eligible Survivors	Percent of Final Salary	Minimum Monthly Benefit
1	25%	$200
2	35%	$300
3	40%	$300 + 5% of final salary
4	45%	$300 + 10% of final salary
5 or more	50%	$30 + 15% of final salary

FOR POSTRETIREMENT SURVIVOR CONTINUANCE

The formula for the minimum guarantee for postretirement survivor continuance is:

50% x retirement benefit for members without Social Security

(The retirement benefit for members without Social Security is calculated the same way as for those members with Social Security, except that the Social Security reduction to HAPC does not apply.)

Cost-of-Living Adjustments

After receiving benefits for one year, UCRP members are eligible to receive an annual cost-of-living adjustment (COLA), starting on the following July 1. The COLA is based on the Consumer Price Index (CPI) increase for the preceding year. Generally, the COLA for any Plan year equals:

- 100 percent of the CPI increase up to 2 percent
- 75 percent of the CPI increase over 4 percent

The maximum COLA is 6 percent. If the CPI decreases, UCRP benefits are not reduced.

The CPI used to determine the annual COLA is an average of the CPIs for the Los Angeles and San Francisco metropolitan areas and is measured from February to February.

For preretirement survivor income, the COLA is calculated from the July 1 date after one full year following the member's death. This applies even if benefits are not payable until a later time, as in the case of a surviving spouse or surviving domestic partner who reaches the qualifying age at a later date.

For members who began receiving UCRP disability income before Nov. 5, 1990, a COLA is applied to HAPC when they retire. The total adjustment is equal to the percentages of COLA that accrued to Plan benefits during the period of the member's disability. For those who began receiving UCRP disability income Nov. 5, 1990, or later, the HAPC is not increased by COLAs.

When an inactive member retires or elects a lump sum cashout, the HAPC is increased to include a COLA of 2 percent (or the actual CPI increase over that same period, if lower) compounded annually from the separation date to the retirement date.

Disability Income

Disability income is available if you satisfy certain minimum requirements and submit a timely application (see "Apply for Disability Benefits" on page 19). The service requirements, definitions and reevaluation standards vary depending on your UCRP membership date. The length of the disability income period varies depending on the UCRP disability date.

If you are eligible to retire, elections for disability and retirement should be made simultaneously so retirement benefits will continue in the event disability benefits are not approved.

GENERAL REQUIREMENTS

The Plan Administrator determines your eligibility to receive UCRP disability income based on qualified medical evidence and according to written procedures governing the consideration and disposition of disability issues. These procedures include your right to review decisions concerning your status. Once your eligibility is established, the Plan Administrator will periodically review it.

When applying for disability income, you are required to submit medical evidence, which is considered in determining eligibility for the benefit. To receive disability income initially and at any time while receiving it, you also may be required to undergo medical examination(s) by physician(s) chosen by the Plan Administrator, or to participate in vocational assessment or rehabilitation programs. If you do not comply, you are not eligible to receive UCRP disability income.

DISABILITY DEFINITIONS

If you became a Plan member on April 1, 1980, or later, you must have five years of service credit to qualify for disability income.[6]

If you are in this group, "disabled" means being unable to engage in substantial gainful activity (see next paragraph) because of a medically determinable physical or mental impairment that is permanent or expected to last 12 continuous months or longer from the UCRP disability date.

[6] Any service credit that was established for a leave period is not included in determining eligibility for disability benefits.

Initially, "substantial gainful activity" means physical or mental activities that pay 50 percent or more of your final salary (adjusted for cost-of-living increases; see "Cost-of-Living Adjustments" on page 18). After the first year of disability income, your impairment is reevaluated. Disability income continues if you are unable to earn the amount defined annually by the Social Security Administration in determining substantial gainful activity. In 2013, this amount is $1,040 per month.

If you became a Plan member before April 1, 1980, you must have two years of service credit to qualify for disability income.[6]

If you are in this group, "disabled" means being unable to perform the duties of your current University position or a comparable position (see below) because of a medically determinable physical or mental impairment that is permanent or expected to last for 12 continuous months or longer from the UCRP disability date.

"Comparable position" means a University position for which you are qualified and medically able to perform—whether or not such a position is available—and that pays at least 80 percent of your final salary, adjusted for cost-of-living increases (see"Cost-of-Living Adjustments" on page 18).

Within two years, your situation is reevaluated. Disability income continues if the impairment prevents you from holding a position (at the University or elsewhere) that could reasonably be expected to pay 70 percent or more of your final salary, adjusted for cost-of-living increases (see "Cost-of-Living Adjustments" on page 18). This includes employment, self-employment and the rendering of any type of service.

Apply for Disability Benefits
To apply for UCRP disability income, you should contact your local Benefits Office to explore your various disability income options. Be prepared to provide medical information to substantiate your application. You should make an appointment to apply for disability benefits as soon as it appears that you won't be able to return to work because of your disability. (If you become an inactive member, you are eligible to apply for disability income within 12 months of leaving University employment if medical evidence shows that you would have been entitled to disability income as of the separation date and your accumulations have remained on deposit with the Plan.) But, to preserve your right to continue UC-sponsored health coverage, you must apply within 120 days of your separation.

DISABILITY DATE

If you are eligible as defined by the Plan, disability income is payable. The first day of eligibility, or the disability date, is the later of:

- The first of the month in which the Plan Administrator receives the application, or
- The day after your last day on pay status.

DISABILITY INCOME

Disability income is a percentage of your monthly final salary minus a reduction for Social Security benefits. The Social Security reduction is $106.40.[7] The percentage is based on years of service credit as of the disability date, as shown below.

Years of UCRP Service Credit	**Monthly Benefit** (percentage of final salary before Social Security reduction)
2 (less than 3)	15.0%
3 (less than 4)	17.5%
4 (less than 5)	20.0%
5 (less than 6)	22.5%
6 (less than 7)	25.0%
7 (less than 8)	27.5%
8 (less than 9)	30.0%
9 (less than 10)	32.5%
10 (less than 11)	35.0%
11 (less than 12)	37.5%
12 or more	40.0%

[7] For employees who became Plan members before July 1, 1988, the Social Security reduction is the lesser of 106.40 or 33 percent of the disabled member's Social Security Primary Insurance Amount, if any, determined as of the date the Social Security disability benefit is first payable.

Disability Income

MAXIMUM DISABILITY INCOME

The maximum disability income that may be payable, when combined with income from other sources, depends on your UCRP membership date. You will receive further details when you become eligible for disability income.

LENGTH OF THE DISABILITY INCOME PERIOD

If you have a UCRP disability date of Nov. 5, 1990, or later and continue to be disabled as defined by the Plan, you can receive UCRP disability income as follows:

- If you are under age 65 on the UCRP disability date, you may receive disability income for up to five years or until age 65, whichever comes later;
- If you are age 65 or older on the UCRP disability date, you may receive disability income for up to 12 months or until age 70, whichever comes later.

If you have a UCRP disability date before Nov. 5, 1990, and continue to be disabled as defined by the Plan, disability income stops when you become eligible to retire and potential retirement income equals or exceeds disability income, or at the latest, when you reach age 67. If you are or become eligible to retire, you can elect to retire at any time.

WHEN DISABILITY INCOME STOPS (REGARDLESS OF UCRP DISABILITY DATE)

In all cases, if you are eligible to retire when disability income stops, you can elect UCRP retirement income or the lump sum cashout.

The Plan Administrator will notify you in advance as to when and how your benefits will be affected so that you can decide about retirement before your disability income stops. See "Retirement Benefits" on page 11, for eligibility requirements, calculations and other provisions.

If a disabled member dies, survivor benefits may be payable either immediately or at a future date (see "Death Benefits" on page 16).

Reappointment After Retirement

In certain instances where there are compelling circumstances, UC retirees are rehired to help fill a particular staffing need. Under UC policy, those retired employees who later return to UC in staff or Senior Management Group positions must follow these provisions:

- Reemployment must not occur until there has been a break in service of at least 30 days, and preferably 90 days;
- The appointment must be limited to no more than 43 percent time in a 12-month period;
- Employment must not exceed a total of 12 months (if reemployment is necessary after 12 months, the request for continued employment must follow the same approval process as the original appointment); and
- Reemployment must result from University need (for example: the retired employee possesses skills and institutional knowledge that the hiring department cannot otherwise obtain with equal cost effectiveness; the hiring department anticipates a prolonged process for hiring a replacement or the need for the retired employee to assist the replacement in acquiring necessary skills and knowledge).

These provisions apply to former employees who elect either a lump sum cashout or a UCRP monthly retirement income.

Rehired employees who receive a monthly retirement benefit must submit a completed *UCRP Retired Employee Election* form, available from the Benefits Office. Employees who received a lump sum cashout do not need to complete the form.

A retired employee who is receiving UCRP monthly retirement income may be hired into a career position after the required break in service, provided there has been an appropriate recruitment process and that the employee agrees to suspend the retirement income payments. A retired employee who takes a lump sum cashout may not be reemployed into a career appointment.

For more information, see the *Returning to Work After Retirement Factsheet*, available on At Your Service.

Internal Revenue Code Provisions

The Internal Revenue Code (IRC) limits the maximum benefits payable from retirement plans and specifies the date by which distributions (in defined minimum amounts) must begin.

MAXIMUM ANNUAL BENEFIT LIMITATIONS

IRC §415(b) places a limit on the maximum total benefits payable in any calendar year from a defined-benefit plan such as UCRP. The limit is based, in part, on the member's age. For example, the limit for age 62 in 2013 is $205,000. The limit applies not only to retirement income but to lump-sum distributions, such as the lump sum cashout and any CAP payment on a prorated basis. The limit does not apply to any portion of a benefit attributable to after-tax employee contributions.

The University of California 415(m) Restoration Plan — a nonqualified pension plan — became effective Jan. 1, 2000, to pay benefits that would not otherwise be payable because of the §415(b) limit. If your UCRP benefits are affected by the §415(b) limit when you elect retirement income or a lump sum cashout, you will receive additional information about the 415(m) Restoration Plan from the UC Retirement Administration Service Center.

IRC §401(a)(17) sets a dollar limit for annual earnings upon which retirement benefits (and contributions, if any) may be based. The earnings limit for the Plan's fiscal year beginning July 1, 2013, is $255,000 for employees who became members as of July 1, 1994, or later. For those who were active members before July 1, 1994, the earnings limit is $380,000.

MINIMUM REQUIRED DISTRIBUTIONS

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

- The year in which you reach age 70½ or
- The year in which you leave University employment.

Generally, the UCRP formulas for retirement income satisfy the minimum distribution requirements. If you do not apply for retirement benefits by the required date, basic retirement income will begin automatically and any CAP balance will be distributed. Minimum required distributions are not eligible for rollover.

Each year, UC Human Resources notifies members who are subject to the minimum distribution requirements and provides information and individual calculations to help them comply. Minimum required distributions are calculated in accordance with U.S. Treasury regulations.

ROLLOVERS

Into the Plan

UCRP does not accept rollovers except for buybacks.

From the Plan

See the "Special Tax Notice for Plan Distributions" (page 30) for information about the following UCRP distributions, which are eligible for direct rollover:

- A refund of accumulations;
- CAP payment;
- Lump sum cashout;
- Lump-sum death payment to a surviving spouse;
- Lump-sum distributions to a spouse (as defined under federal law) or former spouse under a qualified domestic relations order (QDRO); and
- Lump-sum death payment to a non-spouse beneficiary (to an inherited IRA and not to another plan).

A distribution that is eligible for direct rollover is subject to mandatory 20 percent federal tax withholding unless it is directly rolled over from the Plan to a traditional IRA or a Roth IRA, to another employer plan that accepts rollovers, or to the University's Defined Contribution, Tax-Deferred 403(b) or 457(b) Deferred Compensation Plans (see "Internal Rollovers," below).

UCRP distributions that are not eligible for rollover include:

- Monthly retirement, disability or survivor income;
- QDRO monthly income; or
- Lump-sum QDRO distributions to a non-spouse (as defined by federal tax law).

You (or your spouse or former spouse) may also roll over an eligible Plan distribution that has been paid to you or them, as long as the rollover to the IRA or new plan occurs within 60 days of receipt of the distribution. If you want to roll over 100 percent of the distribution, you 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 early distribution penalties. See "Taxes on Distributions — Tax Withholding" on page 22. For more detailed information, see the "Special Tax Notice for Plan Distributions" that begins on page 30.

Internal Rollovers

If you who have an account in UC's Defined Contribution Plan, Tax-Deferred 403(b) Plan or 457(b) Deferred Compensation Plan, you may roll over eligible UCRP distributions to these plans.

Internal Revenue Code Provisions

TAXES ON DISTRIBUTIONS

Income Tax
Except as described below, all distributions from UCRP are subject to federal and state ordinary income taxes.

Until July 1, 1983, member contributions to UCRP were made on an after-tax basis. These contributions and any buybacks made on an after-tax basis are not taxable when distributed. Any pretax portion of a distribution is taxable income in the year the distribution is issued.

Early Distribution Penalties
In addition to being taxed as ordinary income, the taxable portion of a refund of accumulations, lump sum cashout or CAP payment taken before age 59½ (early distributions) may also be subject to nondeductible federal and state penalty taxes — currently a 10 percent federal tax and a 2½ percent California state tax. There are, however, a number of circumstances in which early distributions may be exempt from the penalty taxes. The exceptions are described in the "Special Tax Notice for Plan Distributions" (see page 30).

UC Human Resources does not assess early distribution penalties when a distribution is paid. If you are subject to the penalties, you are responsible for reporting them to the IRS when you file your income tax returns.

Tax Withholding
The Plan Administrator withholds federal and California state income taxes (for California residents) in accordance with federal and state law. Income tax for states other than California is not withheld. Members should consult a tax adviser about tax liability.

Distributions Eligible for Rollover
Distributions that are eligible for rollover (see "Rollovers" on page 21) are subject to 20 percent federal tax withholding if they are paid to you, your spouse, former spouse or non-spouse beneficiary. No taxes are withheld if the distributions are directly rolled over to a traditional IRA, a Roth IRA, or another employer plan. For more information, see the "Special Tax Notice" that begins on page 30.

Tax Statement
Each January, the Plan Administrator files a Form 1099-R with federal and state tax authorities, with a copy to the individual, for each distribution paid during the previous year. The form shows the total and taxable amounts of the individual's distribution(s).

Those who receive more than one type of distribution (for example, monthly retirement income and a CAP payment) are sent a separate Form 1099-R for each type of distribution.

Additional Information

CLAIMS PROCEDURES

A member, survivor, contingent annuitant or beneficiary must submit a request to receive benefits or a distribution from the Plan. Claims for benefits must be made in accordance with procedures established by the UC Retirement Administration Service Center (RASC). No Plan distribution will be made until the claimant has provided all pertinent information requested by the RASC.

Generally, claims are processed within 90 days after the RASC receives the request and any other required information. If a claim is denied, RASC will notify the claimant in writing, explaining the reason for denial and notifying the claimant that he or she, or his or her authorized representative, may appeal the denial by requesting an independent review by the Plan Administrator. The appeal must be made within 60 days of the notification of the denial. The appeal must be in writing, accompanied by documentation supporting the claim, and sent to Plan Administrator, UC Human Resources (see inside front cover for address). The claimant will receive a written notice and explanation of the Plan Administrator's decision on the appeal within 90 days of the Plan Administrator's receipt of the appeal, unless circumstances require a longer period. In general, such period will not exceed 120 days.

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.

Send service of process to the Regents of the University of California, Trustee of the University of California Retirement Plan, c/o Office of the General Counsel, 1111 Franklin Street, 8th Floor, Oakland, CA 94706.

PLAN ADMINISTRATION

The Vice President of Human Resources is the Plan Administrator with responsibilities for the day-to-day management and operation of the Plan. The RASC provides the necessary record keeping, accounting, reporting, receipt and disbursement of Plan assets to eligible Plan members.

The Office of the Treasurer has primary authority for investing the assets of the Plan trust consistent with the investment policies established by the Regents. The Office of the Treasurer also serves as custodian of the Plan trust.

PLAN CHANGES

The Plan is subject to change and to independent audit to comply with applicable federal and state statutes, Treasury regulations and industry standards. Members are notified in writing 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.

The University will take appropriate action concerning proposed changes that may trigger notice, consultation, and meeting and conferring obligations under the Higher Education Employer-Employee Relations Act.

DESIGNATION OF BENEFICIARY OR CONTINGENT ANNUITANT

Beneficiary
You should designate a beneficiary immediately upon becoming a Plan member. When you die, the beneficiary receives the basic death payment and any accumulations remaining after all benefits have been paid. You may name more than one beneficiary and specify the percentage that each beneficiary is to receive. A beneficiary may be a person, trust or organization.

If you do not name a beneficiary or if the beneficiary designation is no longer effective, UCRP default beneficiary designation rules require that any benefits be paid to your survivors in the following order of succession:

- Surviving legal spouse or surviving domestic partner; or, if none,
- Surviving children, natural 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,
- Your estate.

Beneficiary designations should be made online on At Your Service. Select "Sign on to My Accounts" on the right side of the home page. Once you've logged on, select "Your Beneficiaries" and follow the instructions on the screen. You may name or change your beneficiary on At Your Service at any time.

If you do not have Internet access or are unable to use the online application, complete form UBEN 116 (*Designation of Beneficiary — Employees*). Retirees, former employees and others must use form UBEN 117 (*Designation of Beneficiary — Retirees, Former Employees, and Others*) to name UCRP beneficiaries. These forms are available from departments, local Benefits Offices or the UC Retirement Administration Service Center.

You should periodically review your beneficiary designation(s) to reflect any changes in your family situation — for example, marriage, the birth of a child, divorce or death.

Note: To designate a beneficiary for the Retirement Savings Program (Defined Contribution Plan, Tax-Deferred 403(b) Plan and 457(b) Deferred Compensation Plan), contact Fidelity Retirement Services directly.

Contingent Annuitant
You can designate a contingent annuitant at retirement when you want to provide a monthly lifetime benefit for that person. As of your retirement date, the designation is irrevocable — you cannot name a new contingent annuitant (see "Alternate Monthly Payment Options" on page 13).

Community Property
If you are married or have a registered domestic partner and designate someone other than your legal spouse or partner as a beneficiary or contingent annuitant, you may need to consider the spouse's/partner's community property rights. For residents of a community property state such as California, a designation of beneficiary or contingent annuitant may be subject to challenge if the spouse/partner would consequently receive less than the share of the benefit attributable to community property.

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

ASSIGNMENT OF BENEFITS

Generally, UCRP benefits payable to members, survivors or beneficiaries cannot be attached by creditors, nor can anyone receiving benefits assign payments to others. UCRP benefits are intended solely for the security and welfare of members and their beneficiaries and survivors.

There are some exceptions, however, in which the University complies with the legal requirements. 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 (QDRO)

If you are divorced, the court may include Plan assets as community property to be divided between you and your former spouse, registered domestic partner or other dependent. In such cases, the domestic relations order must be approved, or qualified, by

Additional Information

the Special Claims Unit of the Retirement Administration Service Center as being in compliance with California community property law and with the Plan.

The University cooperates fully with you and your spouse or dependent, as well as your attorneys and the court in divorce cases. Both spouses and the court have the right to request information about the benefits you earned while you were married and how those benefits are derived, as well as information about the options available to your spouse or dependent. To release this information, UCRS must be joined as a party to the domestic relations proceeding if the proceeding will be heard in a California court. Otherwise, the request for information must be accompanied by a signed release from you or a valid subpoena. All requests should include your name, Social Security number, address (or name and address of your attorney), date of marriage and marital separation date.

An alternate payee must choose monthly retirement income for the allocated portion of your benefit attributable to the 2013 Tier.

The alternate payee may begin receiving monthly payments at your minimum retirement age of 55 or when you actually retire.

FURTHER INFORMATION

To help you better understand the Plan's benefits, UC Human Resources provides personalized account information. If you have access to the Internet, you can find current, comprehensive information about your UCRP account as well as any other UC accounts you may have and make certain online Plan transactions by visiting At Your Service. At Your Service also contains a link to the Fidelity Retirement Services website so you may access your Defined Contribution Plan, Tax-Deferred 403(b) Plan and 457(b) Deferred Compensation Plan balances.

Annual reports containing audited financial statements are available on At Your Service or from the UC Retirement Administration Service Center.

Summary plan descriptions are provided at hire and are also available on At Your Service or from your local Benefits Office or the UC Retirement Administration Service Center.

You may obtain a copy of the University of California Retirement Plan document online at ucal.us/UCRPdocument or by writing to the UC Retirement Administration Service Center (see inside front cover).

All notices or communications to you will be effective when sent by first-class mail or conveyed electronically to the member'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.

Plan Definitions

Certain key terms are used throughout this summary plan description that are specific to UCRP and its benefit provisions. They are defined as follows:

BREAK IN SERVICE

Leaving University employment, including any period on pay status but without covered compensation, or any period off pay status for four or more consecutive months. The following periods do not constitute a break in service for UCRP membership as long as you return to pay status at the end of the period:

- Approved leave of absence without pay;
- Temporary layoff (fewer than four months);
- Furlough;
- Period of right to recall and preference for reemployment;
- Return to pay status the next working day after leaving University employment;
- Return to pay status after a military leave in accordance with employees' reemployment rights; or
- Return to pay status from a medical separation within the time allowed under University policy.

Effective July 1, 2013, active UCRP members in the 1976 Tier who leave UC employment and then return to a UCRP-eligible position before the first day of the second month following the month the member left employment will remain in the 1976 Tier and continue to accrue benefits under the terms of that tier. For example, if a member leaves UC employment on July 5, 2013 and returns to a UCRP-eligible appointment before Sept. 1, 2013, for tier membership purposes only, the member will be treated as if they have not incurred a break in service that otherwise would put them in the 2013 Tier.

COVERED COMPENSATION

The gross monthly pay that an active employee receives for a regular and normal appointment, including pay while on sabbatical or other approved leave of absence with pay. Not included are:

- Pay for overtime, unless in the form of compensatory time off;
- Pay for correspondence courses, summer session, intersession and for interquarter or vacation periods or University extension courses, unless such employment constitutes part of an annual or indefinite appointment;
- Pay for a position that is not normally full time, except if paid on a salary or hourly rate basis;

- Pay that exceeds the full-time rate for the regular, normal position to which the member is appointed;
- Pay that exceeds the base salary as negotiated under the General Health Sciences Compensation Plan or Medical School Clinical Compensation Plan;
- Pay that exceeds the established base pay rates, including nonelective deferred compensation, honoraria and consulting fees;
- Payments received as uniform allowance, unless included as part of compensation for a regular and normal appointment;
- Pay that exceeds the IRC §401(a)(17) dollar limit. For Plan year 2013–2014, the earnings limit is $255,000 (for those who were active members before July 1, 1994, the earnings limit for Plan year 2013–2014 is $380,000);
- Payments received as housing allowance; and
- Pay from sources other than the University of California.

DOMESTIC PARTNER

An individual of the same or opposite sex as the member who has been designated as the member's domestic partner by one of three possible methods:

- Registration of the domestic partnership with California's Secretary of State;
- Registration of a same-sex union, other than marriage, validly formed in another jurisdiction, that is substantially equivalent to a California domestic partnership; or
- Filing of a UC *Declaration of Domestic Partnership* form with the UCRP administration.

ELIGIBLE CHILD

The biological or adopted child or stepchild of a disabled or deceased member, or the biological or adopted child of the member's eligible domestic partner, who:

- Received at least 50 percent support from the member for one year before the member's death, disability date or retirement, whichever occurs first; and
- Is under age 18;
- Is under 22 and attending an educational institution full time; or
- Is disabled (the disability must have occurred while the child was eligible based on age, as above).

The one-year support requirement does not apply to a member's child as follows:

For a biological child:

- If the child is born after the member's disability date; or
- Is born within 10 months after the member's death; or
- Is born less than one year before the member's death, disability or retirement date.

For an adopted child, it does not apply if the adoption is finalized:

- After the member's disability date; or
- As of the date of the member's death or disability; or
- Less than one year before the member's death, disability or retirement date.

A stepchild or an eligible domestic partner's biological or adopted child must have been living with or in the care of the member just before the member's death, disability or retirement.

An eligible child may qualify for pre- or postretirement survivor benefits.

ELIGIBLE DEPENDENT PARENT

The biological or adoptive mother or father of an active, disabled or retired member who received at least 50 percent support from the member for the year just before the member's death, disability or retirement.

An eligible dependent parent may qualify for pre- or postretirement survivor benefits.

ELIGIBLE DOMESTIC PARTNER

The domestic partner of a deceased active member. The partnership must have been established at least one year before the member's death or disability date, and the partner must:

- Be responsible for the care of an eligible child (as defined at left);
- Be disabled (see pages 18–19); or
- Have reached age 60.

If the domestic partner is responsible for the care of an eligible child who is the member's natural child, the one-year partnership requirement is waived as long as the child is eligible.

If the deceased employee was an active UCRP member and eligible to retire, see "Surviving Domestic Partner" definition on page 26.

Plan Definitions

ELIGIBLE SPOUSE

The widow or widower of a deceased active member. The date of marriage must have been at least one year before the member's date of death, and the spouse must:

- Be responsible for the care of an eligible child (as defined on page 25);
- Be disabled (see page 18–19); or
- Have reached age 60. (The qualifying age is 50 for a spouse if (a) the spouse and member were married before Oct. 19, 1973, and (b) the member had entered UCRP by that date.)

If the spouse is responsible for the care of an eligible child who is the member's biological child, the one-year marriage requirement is waived as long as the child is eligible.

If the deceased employee was an active UCRP member and eligible to retire see "Surviving Spouse" definition, at right.

ELIGIBLE SURVIVOR

See "Eligible Child," "Eligible Dependent Parent," "Eligible Domestic Partner" or "Eligible Spouse."

FINAL SALARY

The monthly full-time equivalent compensation of an active member at the time of death or disability date (or, if higher, on the member's separation date).

If the member worked less than full time during the last 12 months of continuous employment, whether on an annual or partial-year career appointment, the monthly full-time equivalent compensation is adjusted based on the average percentage of time on pay status over the last 36 months of continuous service.

Whether the member has worked full time is determined without regard to sabbatical leave, extended sick leave, a medically determinable physical or mental condition that causes the member to apply for disability income or participation in an approved rehabilitation program. Periods of approved leave of absence without pay are excluded from the 36 months; the time before and after a leave is considered continuous.

For TRIP and START participants, final salary is based on full-time equivalent compensation without regard to any reduction in compensation resulting from the reduction in time.

HIGHEST AVERAGE PLAN COMPENSATION (HAPC)

A member's average monthly full-time equivalent compensation, including any stipends, during the 36 highest continuous months preceding retirement. Periods of approved leave of absence without pay are excluded from the 36 months; the time before and after a leave, or before and after a period of inactive membership, is considered continuous. Service credit bought back for a leave period or for past (refunded) service will be included in determining these 36 months.

For a member on a partial-year appointment, compensation earned on a 9-, 10- or 11-month appointment is spread over a year to determine the member's annual full-time equivalent compensation, and compensation for each month within the 12-month period is treated as 1/12th of the total amount. The HAPC attributable to service while on a partial-year career appointment is based on the 36 continuous months that produce the highest average compensation.

More information about partial-year career appointments is available at: atyourservice.ucop.edu/employees/retirement_savings/partial_year_appointments.html.

For TRIP and START participants and for participants in the systemwide mandatory furlough program, HAPC is calculated without regard to any reduction in covered compensation resulting from the reduction in time.

SURVIVING DOMESTIC PARTNER

The domestic partner of a deceased active UCRP member. The surviving domestic partner is eligible to receive the UCRP contingent annuitant benefit if the member was eligible to retire at the time of death.

SURVIVING SPOUSE

The widow or widower of a deceased active UCRP member. The surviving spouse is eligible to receive the UCRP contingent annuitant benefit if the member was eligible to retire at the time of death.

Information for Members with Service Credit from a Previous Period of Employment

If you worked at UC prior to July 1, 2013, earning UCRP service credit in the 1976 Tier, and resume active membership in UCRP after a break in service on or after July 1, 2013, you will earn additional service credit in the 2013 Tier. Since you will have earned retirement benefits in two different tiers of the Plan, you will be subject to the provisions of both tiers and your retirement benefits will be calculated taking the benefits accrued under both tiers into account. The information below explains how the two tiers work together.

Please note: Effective July 1, 2013, if you leave UC employment as an active member of UCRP in the 1976 Tier and return to work at UC in a UCRP-eligible position before the first day of the second month following the month you left employment, you will remain in the 1976 Tier and continue to accrue benefits under the terms of that tier. For example, if you leave UC employment on July 5, 2013, and return to a UCRP-eligible appointment before Sept. 1, 2013, for tier membership purposes only, you will be treated as if you have not incurred a break in service that otherwise would put you in the 2013 Tier.

RETIREMENT DATE

You must choose a single retirement date for both portions of your retirement benefit. If you retire before age 55 (the minimum retirement age for the 2013 Tier), you will receive only the benefit accrued under the 1976 Tier until you reach age 55. At that time, benefits accrued under the 2013 Tier will begin automatically and you will receive the combined amount (unless you chose a lump sum cashout for the 1976 Tier benefit).

RETIREMENT BENEFIT

BENEFIT CALCULATION

If you accrued benefits under the 1976 Tier and the 2013 Tier, your total benefit will be the sum of the benefits you earned under both tiers (although the commencement dates may differ, as described at left). UC will do two calculations to ensure you receive the benefits you earned.

Your benefit accrued under the 1976 Tier will be the greater of the amount determined under Calculation 1 or Calculation 2.

Example[8]
You retire at age 52 with 10 years of 1976 Tier service and two years of 2013 Tier service.

Calculation 1
Your 1976 Tier age factor at your retirement date x years of service credit accrued under the 1976 Tier x an enhanced HAPC.

The enhanced HAPC is determined as of the date of your break in service under the 1976 Tier, which is then increased by a COLA each year to your retirement date.

$5,000	average monthly pay for last 36 months of 1976 Tier service credit period
+ 300	inactive COLA from end of 1976 Tier service credit period to retirement date
$5,300	HAPC

Calculation 2
Your 1976 Tier age factor at your retirement date x your years of service credit accrued under the 1976 Tier x your final HAPC.

Your final HAPC is based on your average compensation determined over the 36 consecutive months that yield the highest average, determined over your entire career.

$5,100	HAPC based on average pay for last 12 months of 1976 Tier service credit period and 24 months of 2013 Tier service credit period

The Calculation 1 HAPC is higher and results in a higher monthly benefit, so you receive this benefit:

.0138	1976 Tier age 52 factor
x 10	years of 1976 Tier service credit
x [$5,300 – $133]	HAPC – Social Security offset
$713*	monthly benefit

* You will receive a Temporary Social Security Supplement of $18 per month (.0138 x 10 x $133 = $18) payable until age 65

[8] Benefit amounts are in the form of basic retirement income and are rounded down to nearest dollar.

Information for Members with Service Credit from a Previous Period of Employment

When you turn 55, you will begin receiving additional income based on your 2013 Tier service, since that is the earliest age at which you can start receiving the 2013 Tier benefit.

Your benefit accrued under the 2013 Tier is determined under the following formula: 2013 Tier age factor at the date your 2013 Tier benefit begins x your years of service credit accrued under the 2013 Tier x your final HAPC.

Example[8]
Your HAPC is based on Calculation 2 above. Your 2013 Tier HAPC is $5,100.

Your 2013 Tier benefit is calculated as follows:

.0110	2013 Tier age 55 factor
x 2	years of 2013 Tier service credit
x $5,100	HAPC
$112	monthly benefit

You will receive an additional $112 per month at age 55.

If you accrued benefits under the 2013 or 1976 Tiers and as a Safety member, you will have a blended calculation at retirement.

FORM OF PAYMENT

You are required to elect the same form of monthly retirement income for both the 1976 Tier and 2013 Tier benefit. For example, if you choose Alternate Payment Option A (see page 13), it applies to both portions of your benefit.

Exceptions: You may choose to receive your benefit accrued under the 1976 Tier as a lump sum. You must elect a form of monthly retirement income for the 2013 Tier benefit. The lump sum option is not available for the 2013 Tier benefit.

If you choose Alternate Payment Option D for your 1976 Tier benefit, your 2013 Tier benefit will automatically be paid in the Option C form. These payment options have the same payment structure.

CONTINGENT ANNUITANT

If you elect to provide a portion of your retirement for a contingent annuitant, you must select the same contingent annuitant for both portions of your retirement benefit.

The contingent annuitant and the payment option you elect cannot be changed, even if the contingent annuitant dies before 2013 Tier benefits begin.

COST OF LIVING ADJUSTMENTS

If you retire prior to age 55, the effective date for the first COLA for the 2013 Tier benefit is the first July 1 that follows the 12-month anniversary of the commencement date for your 2013 Tier benefit.

Example
You retire June 28, 2015, at age 53 and begin receiving your 1976 Tier benefit. You will begin receiving a COLA on that benefit in July 2016. After your 55th birthday in April 2017, you begin receiving your 2013 Tier benefit. You will begin receiving a COLA on your 2013 Tier benefit in July 2018.

[8] Benefit amounts are in the form of basic retirement income and are rounded down to nearest dollar.

OTHER BENEFITS

Some benefits will be calculated using a weighted average of the 1976 Tier benefit and the 2013 Tier benefit. The weighted average is the ratio of tier service credit over total service credit. For example, if you have 10 years of service under the 1976 Tier and five years under the 2013 Tier, the benefit would be calculated using two-thirds of the 1976 Tier benefit and one-third of the 2013 Tier benefit.

Benefits calculated using the weighted average include:

DISABILITY INCOME BENEFIT

Disability income is calculated using the formula for each tier in which you have earned service credit, with all of your service credit from all tiers used in each calculation. The weighted average of the results determines your monthly benefit. If, however, the disability income based on 1976 Tier service is greater, you will receive that amount.

Example
You become disabled at age 52 with 10 years of 1976 Tier service and two years of 2013 Tier service. Your final monthly salary as of your disability date: $5,200

Your disability income calculation is a weighted average of results based on total service credit under 1976 Tier formula (including $106.40 offset) and 2013 Tier formula, weighted by the ratio of tier service credit over total service credit:

Under the 1976 Tier formula, you are eligible for 40 percent of your income (based on 12 years of total service credit) x $5,200 – $106.40 = $1,973.60

Under the 2013 Tier formula, you are eligible for 25 percent of your income (based on 12 years of total service credit) x $5,200 = $1,300

The weighted average:

$1,644.67	$1,973.60 x 10/12 of the 1976 Tier calculation
+ 216.67	$1,300 x 2/12 of the 2013 Tier calculation
$1,861[8]	

Calculation for 1976 Tier-only benefit:

Under the 1976 Tier formula, you are eligible for 35 percent of your income (based on 10 years of 1976 Tier service credit) x $5,200 – $106.40 = $1,713.60

Since $1,861 is greater than $1,713.60, $1,861 is your UCRP disability income.

PRERETIREMENT SURVIVOR INCOME

This benefit is calculated as the weighted average of the 1976 Tier benefit (25 percent of final salary minus $106.40 Social Security offset) and the 2013 Tier benefit (15 percent of final salary).

Example
You die at age 48 with an Eligible Child.
Your final salary as of date of death: $5,200.
You have 10 years of 1976 Tier service and two years of 2013 Tier service.

Calculations
1976 Tier formula:
25% of $5,200 = $1,300
$1,300 – $106.40 = $1,193.60

2013 Tier formula:
15% of $5,200 = $780

The weighted average:

$994.67	$1,193.60 x 10/12 of the 1976 Tier calculation
+ $130	$780 x 2/12 of the 2013 Tier calculation
$1,124	Pre-retirement Survivor Income[9]

QDRO ALTERNATE PAYEE PROVISION

If you retire prior to age 55 and the 2013 Tier portion of your benefit is considered community property under a QDRO, your alternate payee must wait until you reach age 55 to begin monthly payments of his or her allocated share of the 2013 Tier portion of the benefit. The alternate payee's options for the 1976 Tier portion of their benefit are outlined in the *Qualified Domestic Relations Orders Factsheet*, available on At Your Service (atyourservice.ucop.edu).

[8] Benefit amounts are in the form of monthly income and are rounded down to nearest dollar.

[9] For the first three months the benefit will be slightly higher because the $106.40 Social Security offset is not applied.

Special Tax Notice for Plan Distributions

This notice explains how you can continue to defer federal income tax on your retirement savings in the University of California Retirement Plan (UCRP), including your Capital Accumulation Payment (CAP) balance, if any, and contains important tax information you will need before you decide how to receive your UCRP benefits.

This notice is provided to you by UC Human Resources (Plan Administrator) because all or part of the payment that you receive from UCRP may be eligible for rollover by you or your Plan Administrator to a traditional individual retirement account or annuity (IRA), a Roth IRA or an eligible employer plan (see "Direct Rollover to an IRA" and "Direct Rollover to a Plan" on pages 31 and 32). A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that (except in the case of a rollover to a Roth IRA) allows you to continue to postpone taxation of that benefit until it is paid to you.

This notice will help you to determine whether the distribution is eligible for rollover (see chart on page 33), and, if so:

- What your choices are; and
- How your taxes and tax withholding are affected by the choices you make.

HIGHLIGHTS

If a UCRP or CAP distribution is eligible for rollover, you may have payment made in either of two ways. You can have all or a portion of the distribution either (1) paid in a DIRECT ROLLOVER to a traditional IRA, a Roth IRA or an eligible employer plan that will accept your rollover; or (2) PAID TO YOU. Your choice will affect the tax withheld, if any, and the amount reported as taxable income.

IF YOU CHOOSE A DIRECT ROLLOVER:

- No federal taxes will be withheld from the taxable portion of the distribution, unless you voluntarily agree with the Plan Administrator to have an amount withheld from a distribution that is directly rolled over to a Roth IRA.
- The taxable portion of the distribution will not be taxed until you withdraw the money from the IRA or eligible employer plan, except if the distribution is rolled over to a Roth IRA. Depending on the type of IRA or employer plan, subsequent distributions from the new IRA or plan may be subject to different rules or tax treatment than those applicable to distributions paid from the UCRP.
- The distribution check will be payable to your IRA or to the recipient employer plan.
- In the case of a direct rollover to a Roth IRA, the taxable portion of the distribution will be taxed in the year of distribution (see page 31 for more details).

IF YOU CHOOSE TO HAVE YOUR DISTRIBUTION PAID TO YOU:

- Twenty percent federal tax will be withheld from the taxable portion of the distribution, as required by law — no exceptions.
- You will receive 80 percent of the amount you request as a distribution (California residents: see "California Rules and Tax Laws" on page 35).
- Any taxable portion of the distribution that you do not roll over within 60 days will be taxable income in the year it is paid (see "60-Day Rollover Option" on page 33).
- Special rules may allow you to reduce the tax you owe on a distribution from UCRP (see "Additional Tax Information" on page 34).
- You may have to pay an additional 10 percent tax if you are not yet age 59½.

Note that choosing to have an eligible rollover distribution paid to you rather than deferring receipt, for example by rolling over the eligible rollover distribution to an IRA, could have consequences to you, including the loss of the ability to defer income taxes until a later date (including the early distribution penalty, if applicable) and the reduction of your retirement savings. Therefore, you should carefully consider your decision and consult a professional tax adviser before you make any decision about how you are going to receive your UCRP benefits.

If a distribution is not eligible for rollover, it will be paid to you.

- Tax-withholding requirements vary. See "Voluntary Withholding" on page 32.

If you take a distribution (whether you roll it over or have it paid to you), you must report it on your income tax return for the year in which the money is distributed. You will have to use Form 1040A or 1040; Form 1040EZ cannot be used for distributions from retirement plans.

UCRP DISTRIBUTIONS PAID TO PLAN MEMBERS ELIGIBLE/ INELIGIBLE FOR DIRECT ROLLOVER

ELIGIBLE DISTRIBUTIONS

A UCRP distribution is eligible for direct rollover if it is one of the following:

Nonperiodic Distributions

A lump-sum cashout is generally eligible for direct rollover — with exceptions as noted below (see "Ineligible Distributions"). The UCRP Capital Accumulation Payment (CAP) is eligible for direct rollover.

INELIGIBLE DISTRIBUTIONS

A distribution is not eligible for direct rollover if it is one of the following:

Systematic Withdrawals

You cannot roll over a payment that is part of a series of substantially equal payments made at least once a year over a period of:

- Your lifetime/life expectancy;
- Your and your beneficiary's lifetimes/life expectancies; or
- 10 years or more.

Monthly Income

The following distributions from UCRP are not eligible for direct rollover:

- Monthly retirement/disability income;
- Monthly preretirement survivor income;
- Monthly postretirement survivor continuance.

Minimum Required Distributions

Beginning April 1 of the year following the year you reach age 70½ (or leave University employment, if later), you are required to receive distributions from UCRP in a certain minimum amount. These distributions may not be rolled over. Minimum required distributions are taxable income in the year you receive them. (Any taxable amount paid to you that exceeds the required minimum amount will be subject to the 20 percent federal withholding unless directly rolled over.)

Note: If you are subject to the minimum distribution requirements and request a direct rollover of your total UCRP balance, UC will issue a check for your minimum required distribution (payable to you) before processing the direct rollover of your remaining UCRP balance.

The Plan Administrator should be able to tell you if your payment includes amounts which cannot be rolled over.

MAKING A DIRECT ROLLOVER

DIRECT ROLLOVER TO AN IRA

You will need to establish an IRA, Simplified Employee Pension (SEP) IRA or a Roth IRA to receive the direct rollover. Distributions cannot be rolled over to SIMPLE IRAs or to Coverdell Education Savings Accounts (formerly known as education IRAs). Before you request payment, you must contact the IRA trustee (usually a bank, mutual fund or other financial institution) and ask how the check should be drawn to make a direct rollover to an IRA at that institution. UC will issue the check to your IRA trustee and mail it to your home address.

It is your responsibility to deposit the rollover check promptly with the IRA trustee.

A direct rollover may be made to an existing or separate IRA.

If you are unsure how to invest your money, you can temporarily establish an IRA to receive the payment until you decide. In this case, you will want to consider whether the IRA you choose will allow you to move all or part of the taxable portion of your money to another IRA or employer plan at a later date without penalties or other limitations. Also see IRS Publication 590, *Individual Retirement Arrangements*, for more information on IRAs, including limits on how often you can roll over between IRAs.

If your rollover includes any after-tax contributions, you are responsible for keeping track of these contributions and for reporting them to the IRS. (UC Human Resources can tell you the amount of any after-tax contributions included in your distribution request.) This will ensure you will not be subject to income taxes on the nontaxable amount of any future distributions you take from your IRA. Also, note that after-tax contributions cannot later be rolled over from your IRA to an employer plan.

In the case of a direct rollover to a Roth IRA, the taxable portion of the distribution will be taxed in the year of distribution. Like other direct rollovers, the mandatory 20 percent federal income tax withholding does not apply to direct rollovers of eligible rollover distributions to a Roth IRA. However, you may voluntarily agree with the Plan Administrator to have an amount withheld from an eligible rollover distribution that you elect to directly roll over to a Roth IRA.

If you roll over your distribution to a Roth IRA, later payments from the Roth IRA (including earnings after the rollover) will not be taxed if the payments are "qualified distributions."

A qualified distribution from a Roth IRA is a payment made after you reach age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least five years. In applying this five-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA.

Special Tax Notice for Plan Distributions

If you receive a payment from a Roth IRA that is not a qualified distribution, any earnings that accrued after the rollover on the amount distributed will be taxable and will be subject to the 10 percent early withdrawal tax (unless an exception applies). The minimum required distribution rules do not apply to your Roth IRA during your lifetime.

DIRECT ROLLOVER TO A PLAN

You may roll over your eligible distribution to an eligible employer plan. An "eligible employer plan" includes plans qualified under §401(a) of the Internal Revenue Code (IRC), including IRC §401(k) plans, profit-sharing plans, stock bonus plans, money purchase plans, and defined-benefit plans; IRC §403(a) annuity plans; IRC §403(b) tax-sheltered annuities; and eligible governmental IRC §457(b) deferred compensation plans. However, you cannot roll over a payment from UCRP to a designated Roth account in an employer plan.

Before you roll over your distribution to an eligible employer plan, you will have to verify that the administrator of the new plan will accept your rollover and, if so, the types of distributions it accepts (for example, distributions that include after-tax contributions). An eligible employer plan is not legally required to accept a direct rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. Note that if the new eligible employer plan accepts distributions that include after-tax contributions, it must provide separate accounting for the after-tax contributions, as well as any earnings on those contributions. After-tax contributions cannot be rolled over to IRC §403(a) annuities or eligible governmental IRC §457(b) deferred compensation plans.

You should be aware that money rolled over to the new employer-sponsored plan will generally be subject to the provisions of that plan; for example, the plan's provisions may restrict subsequent distributions or require your spouse's consent for a distribution request. Subsequent distributions may also be subject to different tax treatment. For these reasons, you may want to verify the distribution provisions with the administrator of the new plan before you roll over your money.

PART DIRECT ROLLOVER

If you choose to have part of your distribution paid as a direct rollover and part paid to you, the direct rollover amount must be at least $500.

DISTRIBUTIONS PAID TO YOU

MANDATORY WITHHOLDING

If a distribution is eligible for direct rollover and you have it paid to you, 20 percent federal income tax must be withheld from the taxable portion of the distribution. (You may also ask to have an additional flat-dollar amount withheld.) For example, if you want $10,000 paid to you, you must request a distribution of 125 percent of that amount, or $12,500. UCRP will send you and the IRS a Form 1099-R, which will report the full $12,500 as a taxable distribution from UCRP. Unless you make a rollover within 60 days (see "60-Day Rollover Option" on page 33), you must report the entire $12,500 as a taxable distribution from the UCRP on your income tax return for the year. The $2,500 will be credited against any income tax that you owe for the year. There will be no income tax withholding if your payments for the year are less than $200.

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, 30 percent (instead of 20 percent) of the payment must generally be withheld for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

VOLUNTARY WITHHOLDING

The 20 percent mandatory withholding rule does not apply to any part of a distribution that is ineligible for rollover, even though that part is taxable. Instead, federal income tax will be withheld as follows:

- Nonperiodic distributions: 10 percent, unless you elect no or different withholding (including flat-dollar amounts).
- Periodic distributions: An amount based on the tax table for a married individual claiming three allowances, unless you elect different (or no) withholding.

If you wish to have an amount other than 10 percent withheld, you must file a completed IRS Form W-4P with the Plan Administrator before the distribution. If you do not file a completed Form W-4P with the Plan Administrator prior to the distribution, the Plan Administrator will automatically withhold 10 percent. (Note: You may not elect to have no withholding if your distribution is being mailed outside the United States or if you are a nonresident alien.)

60-DAY ROLLOVER OPTION

If a distribution is eligible for direct rollover and you have it paid to you, you can still decide to roll over all or any part of the money to a traditional IRA, a Roth IRA or an eligible employer plan that accepts rollovers within 60 days after you receive payment. Note: You cannot use the 60-day rollover option to roll over after-tax contributions to an employer plan.

Except in the case of a rollover to a Roth IRA, the amount rolled over will not be taxed until you take it out of the IRA or eligible employer plan.

If you want to roll over the entire amount of the distribution you requested, you must obtain from your personal savings or other sources an amount equal to the 20 percent (30 percent if you are a nonresident alien) that was withheld and contribute that amount to the IRA or eligible employer plan within the 60-day period.

If you roll over only the 80 percent that you received, you must pay taxes on the remaining 20 percent. Note: Tax penalties or special tax rules may also apply (see "Additional Tax Information" on page 34).

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, *Individual Retirement Arrangements*.

AUTOMATIC ROLLOVER

If your distribution is a refund of accumulations that is more than $1,000 but less than $5,000, and you fail to elect either a direct rollover or payment to you, the refund will be directly rolled over to an IRA selected by the Plan Administrator and held for your benefit. The same action will be taken if your CAP balance is more than $1,000 but less than $5,000 and you fail to make a distribution election — unless you elect inactive membership in UCRP. In that event the CAP balance will remain in UCRP unless you request a distribution.

UCRP DISTRIBUTIONS ELIGIBLE/INELIGIBLE FOR ROLLOVER	Eligible	Ineligible
University of California Retirement Plan:		
Monthly retirement/disability income		●
Monthly preretirement survivor income*		●
Monthly postretirement survivor continuance*		●
Refund of accumulations	●	
CAP balance	●	
Lump-sum cashout	●	
Lump-sum death payments to surviving spouse	●	
Lump-sum death payments to non-spouse beneficiary**	●	
QDRO distribution—monthly income		●
QDRO distribution—cashout/refund/CAP to spouse/former spouse (as defined under federal law)	●	
QDRO distribution—cashout/refund/CAP to non-spouse		●

* Distributions to eligible child(ren) or eligible dependent parents for fewer than 10 years may be eligible for rollover.
** Distributions to non-spouse beneficiaries paid on or after January 1, 2007, are eligible for a direct rollover to an inherited IRA only.

Special Tax Notice for Plan Distributions

DISTRIBUTIONS PAID TO SURVIVING SPOUSES, OTHER BENEFICIARIES AND ALTERNATE PAYEES

In general, the rules summarized above that apply to distributions to UCRP members also apply to distributions to members' surviving spouses and to spouses or former spouses who are alternate payees. You are an alternate payee if your interest in UCRP results from a qualified domestic relations order (QDRO), which is an order issued by a court, usually in connection with a divorce or legal separation. (Under these rules, the federal definition of "spouse" applies.)

DISTRIBUTION TO A SURVIVING SPOUSE OR ALTERNATE PAYEE

If you are a surviving spouse or an alternate payee who is the spouse or former spouse of a UCRP member, you may choose to have an eligible rollover distribution either:

- Paid in a direct rollover to a traditional IRA, Roth IRA or eligible employer plan that will accept your rollover; or
- Paid to you.

If paid to you, the taxable portion of the distribution is subject to 20 percent withholding. You can roll over the money yourself (within 60 days) to an IRA or to an employer plan that will accept your rollover.

The 10 percent penalty tax on early distributions does not apply to distributions attributable to the death of the member or distributions to an alternate payee pursuant to a QDRO.

You may be able to use the special tax treatment for lump-sum distributions if the UCRP member met the appropriate age requirements (see "If You Were Born on or Before Jan. 1, 1936" on page 35).

DISTRIBUTION TO A NONSPOUSE BENEFICIARY

If you are a beneficiary of a UCRP member, other than a surviving spouse, you may choose to have an eligible rollover distribution either:

- Paid in a direct rollover to a traditional or Roth IRA; or
- Paid to you.

You may NOT roll over the distribution to an eligible employer plan and you may NOT use the 60-day rollover option to roll over the distribution to an IRA. The IRA that receives the distribution will be treated as an "inherited IRA." The 10 percent penalty tax on early distributions does not apply to the distribution because the distribution is being made to you after the death of the member. However, for distributions made after Dec. 31, 2009, the 20 percent withholding rule described above will apply if you choose to have the distribution paid to you.

You may be able to use the special tax treatment for lump-sum distributions if the UCRP member met the appropriate age requirements (see "If You Were Born on or Before Jan. 1, 1936" on page 35).

SERVICE IN THE ARMED FORCES

You may have special rollover rights if you recently served in the U.S. armed forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

ADDITIONAL TAX INFORMATION

PENALTY TAX ON EARLY DISTRIBUTIONS

If you receive a taxable distribution before you reach age 59½ and you do not roll it over, you must pay a 10 percent federal penalty tax (plus a 2½ percent California state penalty tax, if applicable), in addition to regular income tax, unless you qualify for an exception. These exceptions include:

- You leave UC employment during or after the year you reach 55;
- You are a UC public safety employee and you leave UC employment during or after the year you reach age 50 (a public safety employee is an employee who provides police, firefighting or emergency medical services for UC; this exception applies because UCRP is a governmental defined-benefit plan;
- You are permanently disabled, based on IRS rules;
- You are the beneficiary of a deceased UCRP member;
- You receive a series of substantially equal distributions over your life/life expectancy (or your and your beneficiary's lives/life expectancies);
- The distribution does not exceed deductible medical expenses;
- The distribution is paid to an alternate payee under a QDRO; or
- The distribution is paid directly to the government to satisfy a federal tax levy.

See IRS Form 5329 for more information on the 10 percent penalty tax.

If you roll over your distribution to an IRA and then receive a payment from an IRA when you are under age 59½, you must pay the 10 percent early distribution penalty on the IRA distribution, unless an exception applies. In general, the exceptions to the penalty for early distributions from an IRA are the same as the exceptions listed above for early distributions from the UCRP. However, there are a few differences for payments from an IRA:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for QDROs does not apply, although a special rule may apply under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse.
- The exception for payments made at least annually in substantially equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for: payments for qualified higher education expenses; payments up to $10,000 used in a qualified first-time home purchase; and payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

IF YOU WERE BORN ON OR BEFORE JAN. 1, 1936

If you were born on or before Jan. 1, 1936, and receive a lump-sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

CALIFORNIA RULES AND TAX LAWS

In this notice, only federal rollover rules and tax considerations are described in detail (not state or local). Generally, California state tax is withheld at 10 percent of the federal rate (i.e., if 20 percent federal tax is withheld, 2 percent California state tax is withheld; if 10 percent federal tax, then 1 percent California tax). However, even when federal withholding is mandatory, you may elect to have no withholding for California tax.

If your distribution is mailed to an address outside California, you will generally still owe California taxes if you are a resident of California. See your tax adviser or contact your local state tax agency about your state tax liability.

ADDITIONAL RESOURCES AND INFORMATION

Because the rules described in this notice are complex and conditions and exceptions may apply that are not included in this notice, we recommend that you consult a professional tax adviser before you request a distribution from the UCRP. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590, *Individual Retirement Arrangements (IRAs)*; and Form 4972, *Tax on Lump Sum Distributions*. These publications are available from a local IRS office, online at irs.gov or by calling 800-TAX-FORM.

UC Retirement Administration Service Center

If you have additional questions after reading this notice or want specific information about your account in the UC plans, call:

800-888-8267
Hours: 8:30 a.m.–4:30 p.m., Monday–Friday

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

You can also obtain helpful information about UC's retirement savings and investment plans by visiting UC's benefits website: atyourservice.ucop.edu.

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, 5th Floor, CA 94607, and for faculty to the Office of Academic Personnel, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

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