

# UC Retirement Plan Summary Plan Description

FOR 2013 TIER MEMBERS

UNIVERSITY  
OF  
CALIFORNIA

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

### UC EMPLOYEE WEBSITE

ucnet.universityofcalifornia.edu

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

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

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

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

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

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

**UCLA:** 310-794-0830

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

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

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

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

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

**UCSF:** 415-476-1400

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

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

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

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

**ASUCLA:** 310-825-7055

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

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

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

### UC RETIREMENT AT YOUR SERVICE (UCRAYS)

retirementatyourservice.ucop.edu

Sign in to your account to send a secure message

### UC RETIREMENT CHOICE AND RETIREMENT SAVINGS PROGRAM

myUCretirement.com

866-682-7787 (Fidelity Retirement Services)

### INVESTMENT OVERSIGHT

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

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

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

### BENEFITS FROM OTHER SOURCES

For information on plans and services that may affect 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](http://socialsecurity.gov)

CalPERS: 888-225-7377

CalPERS website: [calpers.ca.gov](http://calpers.ca.gov)

CalSTRS: 800-228-5453

CalSTRS website: [calstrs.com](http://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.

If you are an active UC employee or retiree, you can change your address by signing in to your UCRAYS account at [retirementatyourservice.ucop.edu](http://retirementatyourservice.ucop.edu)

If you're no longer working for UC or do not have internet access, 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 "HR Forms & Publications" on UCnet and print and complete form UBEN 131 (*UC Human Resources Address Change Notice*) and mail it to UC Human Resources.

# Retirement Plan: Summary Plan Description

## For 2013 Tier Members

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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 income and death benefits.

UCRP is a tax-qualified governmental defined benefit plan. Eligible employees automatically become members of UCRP as a condition of employment. Benefits are determined by 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 member class. The Plan is funded by employer and employee contributions.

The provisions of the 2013 Tier described here are subject to collective bargaining for represented employees.

**Are you in a domestic partnership?**

Eligibility rules for domestic partners are different for health and welfare benefits and for UCRP benefits. See page 22, or check out "Establishing a domestic partnership" on UCnet ([ucal.us/domesticpartnership](http://ucal.us/domesticpartnership)), to make sure you've established your partner's eligibility for UCRP survivor and death benefits.

# Membership

The Plan includes four member classes:

- 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 classes accrue benefits in one of four tiers—the 1976 Tier, the 2013 Tier, the Modified 2013 Tier and/or the 2016 Tier. A member who first becomes eligible to participate in UCRP on or after July 1, 2016, will accrue benefits in the 2016 Tier. A member who began accruing UCRP benefits before July 1, 2016, will continue accruing UCRP benefits under his/her current tier until he or she has a tier break in service (see definition on page 22). If the member returns to eligible UC employment on or after July 1, 2016, following a tier break in service and again becomes a UCRP member, the member will accrue additional service under the 2016 Tier.

This summary plan description is directed to members currently accruing benefits under the 2013 Tier. The provisions starting on page 25 provide additional information for members who also accrued benefits under the 1976 Tier. The provisions of the 2013 Tier described here are subject to collective bargaining for represented employees.

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

## SOCIAL SECURITY

Most UCRP members in the 2013 Tier pay Social Security taxes.<sup>1</sup> The Social Security tax rate is currently 7.65 percent. Of this, the member pays 6.2 percent on earnings up to the Social Security wage base (\$147,000 in 2022) for Old Age, Survivors and Disability Insurance (OASDI) and 1.45 percent on all earnings for Medicare hospital insurance (Part A). These taxes are calculated based on the member's wages each pay period, after any pretax deductions for medical plan premiums, flexible spending accounts and the Pretax Transportation Program.

**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).**

<sup>1</sup> Members who opted out of Social Security in 1976 and return to UC employment on or after July 1, 2013 will not pay Social Security taxes.

## ELIGIBILITY AND MEMBERSHIP

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

Employees with limited appointments, in contract positions, 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 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 22)
- Is in a per diem, floater or casual restricted appointment
- Is appointed as a Regents’ Professor or Regents’ Lecturer
- Is an employee hired as a visiting appointee

Once you become a UCRP member, active membership continues until you have a break in service (see “Plan Definitions” on page 22). Membership is not affected by a reduction in appointment without a break in service. Benefits based on future service may 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 member class or tier or in multiple UCRP member classes and tiers.

## **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” below)
- Were medically separated from University employment and are eligible to apply for UCRP disability income (see “Disability Income” on page 16)
- 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, receive no further covered compensation or
- Became a Plan member 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 (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.

## **RECIPROCITY**

UCRP and the California Public Employees Retirement System (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 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. If you retire for disability under CalPERS, you will be subject to the limitation on the maximum total benefits that can be provided under both systems. The reciprocal agreement does not apply to eligibility for retiree health benefits.

To establish reciprocity, you must:

- Be employed under the other 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 become 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 Fact Sheet*, available at [ucal.us/reciprocity](http://ucal.us/reciprocity). 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 prior to retiring.

A provision for concurrent retirement is also 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 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 on Plan assets. These contributions and earnings are placed 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 contribution rates 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.

### **MEMBER CONTRIBUTIONS**

Most active 2013 Tier members make contributions to UCRP equal to 7 percent of covered compensation. Adjustments to member contributions are subject to collective bargaining. Members of CNA, UPTe and AFSCME: see "Special Provisions" on page 21 for information about member contributions.

UCRP contributions are deducted automatically from your gross wages each pay period and credited to your individual member 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.

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 per year).

## Service Credit

Service credit is the measure of time you have participated in the Plan in one or more member classes. 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 may 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 24 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 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 purchase service credit (see the *UCRP Service Credit Purchase Guide*, available online at [ucal.us/purchase](http://ucal.us/purchase)).

**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 purchase service credit for the unpaid portion of your leave (see the *UCRP Service Credit Purchase Guide*, available online at [ucal.us/purchase](http://ucal.us/purchase)).

**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 purchase service credit for any remaining percentage (see the *UCRP Service Credit Purchase Guide*, available online at [ucal.us/purchase](http://ucal.us/purchase)).

**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 purchase service credit for the earlier period, subject to the rules described in the *UCRP Service Credit Purchase Guide*, available online at [ucal.us/purchase](http://ucal.us/purchase). If you previously retired and received a lump sum cashout, you may not purchase service credit for any period before the cashout date.

## Service Credit Purchase

“Service Credit Purchase” (formerly known as “buyback”) is payment to establish service credit for eligible leaves or to reestablish service credit purchase for previous UCRP membership. The service credit purchase option is available only to active UCRP members.

### **THE SERVICE CREDIT PURCHASE 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); or

#### **PREVIOUS UCRP MEMBERSHIP**

UCRP service for which a refund of accumulations was received.

### **THE SERVICE CREDIT PURCHASE 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 reduction in appointment
- 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.)
- Time worked as a participant in Savings Choice

**You can find complete information as well as instructions in the *UCRP Service Credit Purchase Guide*, available on UCnet at [ucal.us/purchase](http://ucal.us/purchase).**

## 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).

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 Service Credit Purchase Guide*, available online at [ucal.us/purchase](http://ucal.us/purchase)).

A refund of any remaining accumulations after your death is considered a death benefit (see “Death Benefits” on page 14).

# Retirement Benefits

You can elect to retire and receive benefits at any time after you become eligible—that is, when you reach age 55 and leave University employment with at least five years of service credit.<sup>2,3</sup>

## If You Leave UC and Don't Retire

In most cases, vested members who leave University employment and do not, or are not eligible to, retire at the time they separate should not delay electing retirement benefits past age 65. Generally, at age 65, 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 12). Also, your benefit must be adjusted if the monthly benefit exceeds maximum benefit levels. See “Plan Maximum Benefit” on page 13 and “Internal Revenue Code Provisions” on page 17 for more information.

Basic retirement income is a percentage of your average salary, or HAPC (highest average plan compensation; see definition on page 24). 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 online at [ucal.us/retirementhandbook](http://ucal.us/retirementhandbook) or from your local Benefits Office or the UC Retirement Administration Service Center. Once you have read this booklet, contact your local Benefits Office or the UC Retirement Administration Service Center to confirm the retirement process as it varies 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:

A member retires at age 65 (age factor .0250), with 20 years of service credit.

$$20 \text{ years} \times .0250 = 50.0\% \text{ (benefit percentage)}$$

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

HAPC is the member's 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. Also see the definition on page 24.

#### Example:

Your benefit percentage is 50.0%. The HAPC is \$4,000.

$$50.0\% \text{ of } \$4,000 = \$2,000$$

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

**If you had a partial-year career appointment, contact the UC Retirement Administration Service Center (800-888-8267) for information about your basic retirement income.**

<sup>2</sup> 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.

<sup>3</sup> Members of CNA, UPTe and AFSCME: see Special Provisions section on page 21 for more information.

# Retirement Benefits

## 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 and financial considerations when designating a contingent annuitant (see “Designation of Beneficiary or Contingent Annuitant” on page 20).

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 20 for more information.

To provide this 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.

Please note that an Internal Revenue Code regulation places a limitation on the extent your monthly benefits can be reduced to provide for a non-spouse contingent annuitant who is more than 10 years younger than you. As a result, some or all of the alternate payment options may not be available for you to elect if the contingent annuitant is more than ten years younger than you. (See “Minimum Distribution Incidental Benefit” on page 17 for more information.)

## RETIREMENT AGE FACTORS

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

**Example:** For a member born on March 8, 1959, and retired on July 1, 2019, the age factor is .0184 (60 years plus three months).

\* Applies only to certain eligible employees in AFSCME, CNA and UPTE bargaining units. See also special provisions on page 21.

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 your monthly benefit.

##### **Example<sup>4</sup>**

Basic retirement income is \$2,000. The reduction factor is applied:

$$0.902577 \times \$2,000 = \$1,805 \text{ monthly retirement benefit}$$

You receive \$1,805 each month for life. Thereafter, the contingent annuitant receives \$1,805 each month for life.

#### **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 your monthly benefit.

##### **Example<sup>4</sup>**

Basic retirement income is \$2,000. The reduction factor, in this case 0.932871, is applied:

$$0.932871 \times \$2,000 = \$1,866 \text{ monthly retirement benefit}$$

You receive \$1,866 each month for life. Thereafter, your contingent annuitant receives \$1,244 each month for life.

#### **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 your monthly benefit.

##### **Example<sup>4</sup>**

Basic retirement income is \$2,000. The reduction factor, in this case 0.948794, is applied:

$$0.948794 \times \$2,000 = \$1,898 \text{ monthly retirement benefit}$$

You receive \$1,898 each month for life. Thereafter, your contingent annuitant receives \$949 each month for life.

#### **PLAN MAXIMUM BENEFIT**

The maximum UCRP basic retirement income is 100 percent of your HAPC or the maximum annual benefit that can be paid under the Internal Revenue Code (IRC), whichever is less. This limit applies to your retirement income based on all University employment, including any eligible CalPERS service. This limit affects only a few UCRP members, most of whom have 40 years or more of service credit. For those affected, this limit applies for as long as the benefit is paid.

If part of your UCRP benefit has been awarded to an alternate payee (see page 20), the maximum benefits will be determined by taking into account any benefit payable to the alternate payee.

See also “Internal Revenue Code Provisions—Maximum Benefit Limitations” on page 17.

<sup>4</sup> The example assumes that both you and your contingent annuitant are age 65. 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 you die, UCRP pays a basic death payment of \$7,500 to your beneficiary, in addition to any monthly UCRP income that may be payable to the contingent annuitant.<sup>5</sup>

After your death and, if applicable, the death of your contingent annuitant, any remaining accumulations are paid to your beneficiary.

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 online at [ucal.us/survivorhandbook](http://ucal.us/survivorhandbook) or from the UC Retirement Administration Service Center.

## PRERETIREMENT SURVIVOR INCOME

If you die while employed or while receiving UCRP disability 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 23). The amount paid to the eligible survivor(s) is 15 percent of your final salary.

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.

## DEATH WHILE ELIGIBLE TO RETIRE

If you die while eligible to retire (that is, age 55 with at least five years of service credit) but have not yet elected to retire, a lifetime retirement benefit may be payable to your surviving spouse or 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. The benefit is payable beginning the day after your death.

If you die after electing retirement income, the benefit payable to a survivor will depend upon the monthly retirement benefit option you choose at the time you retire. If you choose basic retirement income, your survivor will receive no monthly income. See “Alternate Monthly Payment Options” on page 12 for information on benefits payable to your contingent annuitant.

<sup>5</sup> Beneficiaries of active members who became Plan members before October 1, 1990, receive \$1,500 plus one month's final salary, if this amount is greater than \$7,500.

## 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
- A maximum of 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.

## Disability Benefits

The UC Retirement Plan provides disability income benefits if you are an active member with five or more years of service credit<sup>6</sup> and submit a timely application (see “Apply for Disability Benefits” on page 16). The UCRP disability benefits coordinate with UC’s short-term and supplemental disability plans. See *A Complete Guide to Your UC Health and Welfare Benefits* for more information.

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 established, the Plan Administrator periodically reevaluates your eligibility.

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**

“Disabled” means being unable to engage in substantial gainful activity 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.

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” at left). 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 2022, this amount is \$1,350 per month.

<sup>6</sup> Any service credit that was established for a leave period is not included in determining eligibility for disability benefits.

# Disability Benefits

## **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. The percentage is based on years of service credit as of the disability date, as shown below.

<b>Years of UCRP Service Credit</b>	<b>Monthly Benefit (percentage of final salary)</b>
5 (less than 6)	13.1%
6 (less than 7)	14.8%
7 (less than 8)	16.5%
8 (less than 9)	18.2%
9 (less than 10)	19.9%
10 (less than 11)	21.6%
11 (less than 12)	23.3%
12 or more	25.0%

## **BENEFIT ELECTION**

If you are approved for disability income while receiving monthly retirement income, you will need to decide whether to continue receiving retirement income or begin receiving 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.

## **Applying 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.

## **LENGTH OF THE DISABILITY INCOME PERIOD**

If you 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 aged 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.

Special provisions apply to Safety members.

## **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.

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 14).

## 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 the equivalent of no more than 43 percent time in a 12-month period; for faculty the appointment cannot be more than 43 percent time per month
- Employment of a staff retiree must not exceed a total of 12 months; if reemployment is necessary after 12 months, the request for continued employment must follow the same approval process as the original appointment
- Reemployment must be in response to a University need; for example: the retired employee possesses skills and institutional knowledge that the hiring department cannot otherwise obtain with equal cost effectiveness; the hiring department anticipates a prolonged process for hiring a replacement; or the need for the retired employee to assist the replacement in acquiring necessary skills and knowledge

Rehired employees in staff positions who receive a monthly retirement benefit must submit a completed *UCRP Reemployed Retiree Notification* form (UBEN 1039), available from the Benefits Office.

A retired employee who is receiving UCRP monthly retirement income may suspend retirement income payments and be reemployed in a career or long-term appointment after an appropriate break in service.

If you suspend retirement income because you've been rehired into a UCRP-eligible position, you must re-retire the day after you again leave UC employment.

For more information, see the *Returning to UC Employment After Retirement Fact Sheet* available online at [ucal.us/returntowork](http://ucal.us/returntowork).

## Internal Revenue Code Provisions

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

### **MAXIMUM 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 and older in 2022 is \$245,000.

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, 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 beginning July 1, 2022, is \$305,000 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 \$450,000.

### **MINIMUM DISTRIBUTION INCIDENTAL BENEFIT**

The Minimum Distribution Incidental Benefit (MDIB) is a federal tax regulation in Internal Revenue Code section 401(a)(9) that applies to benefits payable to non-spouse contingent annuitants, including domestic partners. The MDIB restricts the percentage of the member's monthly income that may be paid to a non-spouse contingent annuitant who is more than 10 years younger than the retiring member. As a result, some or all of the alternate payment options may not be available if the contingent annuitant is more than ten years younger than the member. If you believe this regulation may apply to your situation, please contact the Retirement Administration Service Center or your local benefits office to make sure you have accurate information about your payment options.

# Internal Revenue Code Provisions

## **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 leave University employment
- The year in which you reach age 70½ (if born before July 1, 1949) or age 72 (if born on or after July 1, 1949)

Generally, the UCRP formulas for retirement income satisfy the minimum distribution requirements. If you do not apply for retirement benefits by the above date, basic retirement income will begin automatically. 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 service credit purchases.

### **FROM THE PLAN**

See the *Special Tax Notice for UC Retirement Plan Distributions* available on UCnet ([ucal.us/specialtaxnotice](http://ucal.us/specialtaxnotice)) for information about the following UCRP distributions, which are eligible for direct rollover:

- A refund of accumulations
- Lump sum death payment to a surviving spouse
- Lump sum distributions to a spouse 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 or disability 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 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," below. For more detailed information, see the *Special Tax Notice for UC Retirement Plan Distributions* available on UCnet ([ucal.us/specialtaxnotice](http://ucal.us/specialtaxnotice)).

## **INTERNAL ROLLOVERS**

If you 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.

## **TAXES ON DISTRIBUTIONS**

### **INCOME TAX**

Except as described below, all distributions from UCRP are subject to federal and state ordinary income taxes. The benefit attributable to any service credit purchases made on an after-tax basis is 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 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 UC Retirement Plan Distributions* available on UCnet ([ucal.us/specialtaxnotice](http://ucal.us/specialtaxnotice)).

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. You should consult a tax adviser about tax liability.

### **DISTRIBUTIONS ELIGIBLE FOR ROLLOVER**

Distributions that are eligible for rollover (see “Rollovers” at left) 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 for UC Retirement Plan Distributions* available on UCnet ([ucal.us/specialtaxnotice](http://ucal.us/specialtaxnotice)).

### **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 are sent a separate Form 1099-R for each type of distribution.

### **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. No Plan distribution will be made until the claimant has provided all pertinent information requested by the UC Retirement Administration Service Center.

Generally, claims are processed within 90 days after the UC Retirement Administration Service Center receives the request and any other required information. If a claim is denied, UC Retirement Administration Service Center 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 front of booklet 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 UC Legal – 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 UC Retirement Administration Service Center provides the necessary record keeping, accounting, reporting, receipt and disbursement of Plan assets to eligible Plan members.

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

## Additional Information

### PLAN CHANGES

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

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 by signing in to UCRAYS on the right side of the UCnet home page. You may name or change your beneficiary online 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 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 (DC Plan, 403(b) Plan, and 457(b) Plan), contact Fidelity Retirement Services directly at 866-682-7782 or [netbenefits.com](http://netbenefits.com).**

#### **CONTINGENT ANNUITANT**

You can designate a contingent annuitant at retirement if you want to provide a monthly lifetime benefit for that person. Please note that an Internal Revenue Code regulation places a limitation on the extent your monthly benefits can be reduced to provide for a non-spouse contingent annuitant who is more than 10 years younger than you. As a result, some or all of the alternate payment options may not be available for you to elect if the contingent annuitant is more than ten years younger than you. (See “Minimum Distribution Incidental Benefit” on page 17 for more information.)

As of your retirement date, the designation is irrevocable—you cannot name a new contingent annuitant (see “Alternate Monthly Payment Options” on page 12).

#### **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 benefit 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.

## **SPECIAL PROVISIONS FOR AFSCME, CNA AND UPTE**

As a result of collective bargaining, UCRP 2013 Tier members who are also members of American Federation of State, County and Municipal Employees (AFSCME), California Nurses Association (CNA) and University Professional and Technical Employees (UPTE) have the following special provisions:

### **RETIREMENT AGE**

If you are a member of one of these unions, you are eligible to retire at age 50 and the highest age factor is used to calculate your retirement benefits at age 60.

### **LUMP SUM CASHOUT**

You may choose to receive your benefit as a lump sum rather than as a monthly benefit.

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.

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 and contingent annuitant benefits). 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.

See the *Lump Sum Cashout Fact Sheet* available on UCnet for more information.

### **CONTRIBUTIONS**

The contribution rate for AFSCME, CNA, and UPTE members in the 1976 Tier or the 2013 Tier is 9 percent of pay.

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

If you divorce or end a registered domestic partnership, 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 the Special Claims Unit of the UC 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, domestic partner or dependent, as well as your attorneys and the court in divorce cases. Both spouses, domestic partners 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, registered domestic partner or dependent. UCRS must be joined as a party to the domestic relations proceeding if the proceeding will be heard in a California court, and once UCRS has been joined, this information can be released. Prior to the joinder, or if the proceeding is taking place in another state, 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/domestic partner registration and marital/domestic partnership separation date.

An Alternate Payee must choose monthly retirement income for the allocated portion of your benefit attributable to 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. 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 UCnet and signing in to your account on AYS Online. UCnet 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 UCnet or from the UC Retirement Administration Service Center.

Summary plan descriptions are provided at hire and are also available on UCnet ([ucnet.universityofcalifornia.edu](http://ucnet.universityofcalifornia.edu)) or from the UC Retirement Administration Service Center.

You may view the University of California Retirement Plan document online ([ucal.us/UCRSdocuments](http://ucal.us/UCRSdocuments)).

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

## 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

### **TIER BREAK IN SERVICE**

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, 2015 and returns to a UCRP-eligible appointment before Sept. 1, 2015, for purposes of determining Tier membership, the member will not have incurred a break in service.

### **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 non-elective 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; beginning Jan. 1, 2022, the earnings limit is \$305,000 (\$450,000 for certain grandfathered employees)
- Payments received as housing allowance
- Pay from sources other than the University of California

### **DOMESTIC PARTNER**

An individual of the same or opposite gender whom you have designated as your domestic partner by one of four possible methods (any single method is sufficient):

- Registration of your domestic partnership with the State of California
- Registration of your same-gender union, other than marriage, in another jurisdiction that is substantially equivalent to a California domestic partnership
- Enrollment of the domestic partner in UC-sponsored health benefits and successful completion of the eligibility verification process (note that enrolling your partner in benefits that do not require eligibility verification, including the Postdoctoral Scholars Benefit Program and the Graduate Student Health Insurance Plan, will not establish your partner as your survivor for UCRP benefits)
- Sign and file a *UC Declaration of Domestic Partnership* (UBEN 250) with UC Human Resources Records Management (P.O. Box 24570, Oakland, CA 94623-1570). Please note that both the UCRP member and the domestic partner must sign the UBEN 250 form. If both you and your domestic partner are employees eligible for UCRP, you must each submit a separate UBEN 250, signed by both partners.

Please note: While establishing your partnership for UCRP benefits can be done at any time, it is very important to know that if you pass away before doing so, your partner cannot be considered for UCRP survivor benefits. See *Benefits for Domestic Partners*, available on UCnet.

Some UCRP survivor and death benefits, including preretirement survivor benefits and post-retirement survivor benefits,

require an established domestic partnership of at least one year. However, there is no one-year partnership requirement for benefits paid to your domestic partner if you die while eligible to retire, as long as the partnership has been established through one of the above methods.

### **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 or
- 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 or 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 or 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 or disability or retirement.

An eligible child may qualify for preretirement 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 preretirement survivor benefits.

### **ELIGIBLE DOMESTIC PARTNER**

The domestic partner of a deceased or disabled 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) or
- Be disabled (see pages 15–16) or
- Have reached age 60

If the domestic partner is responsible for the care of an eligible child who is the member's biological 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 24.

### **ELIGIBLE SPOUSE**

The widow or widower of a deceased or disabled 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 at left)
- Be disabled (see pages 15–16) or
- Have reached age 60

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, on page 24.

### **ELIGIBLE SURVIVOR**

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

## Plan Definitions

### **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.

### **HIGHEST AVERAGE PLAN COMPENSATION (HAPC)**

A member's average monthly full-time equivalent compensation, including any administrative stipends, during the 36 continuous months preceding retirement in which compensation was the highest.

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 purchased for a leave period or for past (refunded) service will be included in determining these 36 months.

The annual full-time equivalent compensation for a member (such as academic or partial-year career) with a 9-, 10- or 11-month appointment is spread over a year 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.

### **SURVIVING DOMESTIC PARTNER**

The domestic partner of a deceased or disabled active UCRP member.

The surviving domestic partner is eligible to receive the UCRP contingent annuitant Option A benefit (see page 13) if the member was eligible to retire at the time of death.

### **SURVIVING SPOUSE**

The widow or widower of a deceased or disabled active UCRP member.

The surviving spouse is eligible to receive the UCRP contingent annuitant Option A benefit (see page 13) 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 tier break in service on or after July 1, 2013, you will earn additional service credit in the 2013 and/or 2016 Tier. Since you will have earned retirement benefits in more than one tier of the Plan, you will be subject to the provisions of all applicable tiers and your retirement benefits will be calculated taking the benefits accrued under all tiers into account. The information below explains how the 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, 2015 and return to a UCRP-eligible appointment before Sept. 1, 2015, you will not have incurred a break in service that otherwise would put you in the 2013 Tier.

### RETIREMENT DATE

You have only one retirement date, even if you earn benefits under than more than one tier and your benefits begin on different dates. If you retire before age 55 (the minimum age for the 2013 or 2016 Tier), you will receive only the benefit accrued under the 1976 Tier until you reach age 55. The date your 1976 Tier benefits begin will be considered your retirement date. When you reach age 55, benefits accrued under the 2013 and/or 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 above). 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<sup>7</sup>**

You retire at age 52 with 10 years of 1976 Tier service and 2 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 a time-adjusted HAPC. The 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 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
<u>5,300</u>	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 HAPC. Your HAPC is based on your average compensation determined over the 36 consecutive months of your entire career that yield the highest average.

\$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
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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 <u>[\$5,300 - \$133]</u>	HAPC - Social Security offset
\$713*	1976 Tier monthly benefit

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

<sup>7</sup> Benefit amounts are in the form of basic retirement income and are rounded down to the 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<sup>7</sup>

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
<u>x \$5,100</u>	HAPC
\$112	2013 Tier 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 Option A, 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 Option D for your 1976 Tier benefit, your 2013 Tier benefit will automatically be paid in the Option C form because Option D is not available for the 2013 Tier. 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 15, 2018, at age 53 and begin receiving your 1976 Tier benefit. You will begin receiving a COLA on that benefit in July 2019. After your 55th birthday in April 2020, you begin receiving your 2013 Tier benefit. You will begin receiving a COLA on your 2013 Tier benefit in July 2021.

### 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 only 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 2 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 Social Security 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)  
 $x \$5,200 = \$1,300$

<sup>7</sup> Benefit amounts are in the form of basic retirement income and are rounded down to the nearest dollar.

The weighted average:

$$\begin{array}{r} \$1,644.67 \quad \$1,973.60 \times \frac{1}{12} \text{ of the 1976 Tier calculation} \\ + \quad 216.67 \quad \$1,300 \times \frac{2}{12} \text{ of the 2013 Tier calculation} \\ \hline \$1,861^8 \end{array}$$

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.

### PRE-RETIREMENT 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 2 years of 2013 Tier service

#### Calculations

1976 Tier formula:  
25% x \$5,200 = \$1,300  
(\$1,300 – \$106.40) = \$1,193.60

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

The weighted average:

$$\begin{array}{r} \$994.67 \quad \$1,193.60 \times \frac{1}{12} \text{ of the 1976 Tier calculation} \\ + \quad \$130 \quad \$780 \times \frac{2}{12} \text{ of the 2013 Tier calculation} \\ \hline \$1,124^8 \quad \text{Pre-retirement Survivor Income}^* \end{array}$$

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

### 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 their 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 Order (QDRO) Fact Sheet*, available online at [ucal.us/QDROfactsheet](http://ucal.us/QDROfactsheet).

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<sup>8</sup> Benefit amounts are monthly income and, for purposes of these examples, are rounded down to the nearest dollar.

