

Regents approve changes to the UC-managed funds

At their November meeting, the Regents approved significant changes in the UC-managed investment options available to participants in the UCRS Defined Contribution Plan and Tax-Deferred 403(b) Plan. These changes, to be effective April 2004, are intended to assure that an appropriate mix of investment options continues to be available both to employees saving toward retirement and to annuitants managing their accounts in retirement.

Changes to be made April 2004

There will be three major changes to the UC-managed funds:

- The fund mix of the Multi-Asset Fund will be substantially changed, and the fund will be renamed the Balanced Growth Fund.
- A new fund option, called the Treasury Inflation-Protected Securities Fund (or TIPS Fund) will be offered both as a component of the new Balanced Growth Fund and as a stand-alone investment option.
- The Money Market Fund will be closed and merged into the Savings Fund.

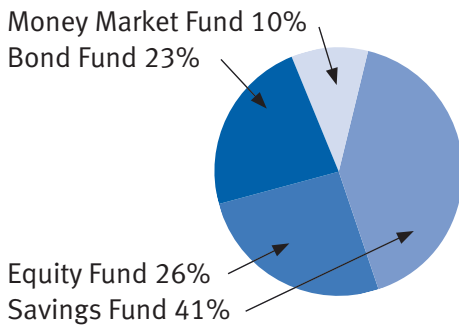
Current UC-Managed Funds	UC-Managed Funds as of April 2004
Multi-Asset Fund	Balanced Growth Fund
Money Market Fund	TIPS Fund
Equity Fund	Equity Fund
Bond Fund	Bond Fund
Savings Fund	Savings Fund
Insurance Company Contract Fund	Insurance Company Contract Fund

Balanced Growth Fund to replace Multi-Asset Fund

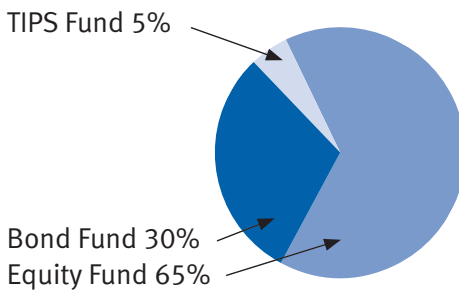
The Multi-Asset Fund is a blended fund currently composed of the four UC funds shown in the pie chart on page 2. The Fund is heavily weighted in conservative fixed-income funds and may not be appropriate for those participants with a longer time horizon who seek more growth potential to fund their retirement.

Beginning April 2004, the Treasurer's Office will replace the Multi-Asset Fund with a new option called the Balanced Growth Fund. The Balanced Growth Fund will mirror more closely the mix of UC-managed funds currently used in the University of California Retirement Plan (UCRP). The new fund mix substantially increases the Fund's Equity Fund allocation and introduces the new TIPS Fund as a component. The Savings Fund and the Money Market Fund will not be part of the new mix.

Multi-Asset Fund Fund Mix (as of 6/30/03)



Balanced Growth Fund Fund Mix



The Balanced Growth Fund will be rebalanced monthly. What this means is that whenever any of the three funds of which it is composed grows outside its allocation percentage, the Treasurer's Office will change the allocation to bring it back to its original percentage. For instance, if the Equity Fund, allocated at 65 percent of the total, were to grow to 70 percent, the Treasurer would sell some Equity and buy TIPS or Bond to reestablish the correct balance.

TIPS Fund to be offered

The new Treasury Inflation-Protected Securities Fund (TIPS Fund) will be a stand-alone investment option as well as a component of the Balanced Growth Fund.

The TIPS Fund is primarily composed of United States Treasury Bonds whose principal is adjusted for changes in the Consumer Price Index. The use of Treasury Inflation-Protected Securities within an investment allocation is designed to serve as a hedge against inflation. UC's new TIPS Fund may be an attractive investment choice for participants with a long-term investment horizon who want protection from the effects of inflation. Note, however, that fluctuations in the market can cause the Fund's unit value to increase or decrease, and a period of sustained deflation could cause the Fund's value to fall.

Money Market Fund to close

The Money Market Fund will be closed and its assets will be merged into the Savings Fund in April 2004. This action is being taken due to the low participation rate in the Money Market Fund outside of the Multi-Asset Fund, and in anticipation of the drop in the Fund's assets due to implementation of the new Balanced Growth Fund allocation adjustment.

For participants seeking a very safe fixed-income option, the UC-managed Savings Fund is an alternative investment option with a comparable historical rate of return.

More information

Implementation procedures and information about the funds are currently being finalized by Human Resources/Benefits and the Treasurer's Office. Over the next several months you will hear more about these changes. If you currently have a balance in the Multi-Asset Fund or the Money Market Fund, you will receive a letter explaining the new fund choices in more detail and outlining your options. More detailed information will also be appearing on our At Your Service website (<http://atyourservice.ucop.edu>) and in forthcoming editions of this newsletter. 📧

Announcing a new web application

Review and change your beneficiaries

UC is pleased to announce that in early 2004, a new online feature to name your beneficiaries for your UC retirement plans will be available on the At Your Service website. Once

this new feature is available, it will be announced on the At Your Service website, in this newsletter, and in local media.

Designate beneficiaries online

The online beneficiary feature will allow you to designate/change beneficiaries for the following plans:

- University of California Retirement Plan (UCRP)
- Defined Contribution Plan Pretax and After-Tax Accounts (including Fidelity Investments mutual funds)

Upcoming in 2004

Annuitant benefit payment processing changes

Effective March 1, 2004, the University will be implementing important changes in the processing of annuitant benefit payments. Watch for additional information that will be mailed to you in January.

Payment posting and mailing date

These changes will affect all annuitants receiving monthly benefit payments.

Monthly annuitant benefit payments are made in arrears, just like monthly salary payments to active UC employees. This means that benefit payments are actually due on the first of the month following the month for which they are made.

Currently, benefit payments made

through electronic direct deposit and paper checks are prepared three business days before the end of the month; electronic direct deposits are posted and paper checks are dated and mailed on that day.

Beginning with benefit payments for February 2004, electronic direct deposits will be posted to member accounts on the first of the month (as of March 1) rather than three business days before the first of the month. Paper checks will be dated the first of the month. The direct deposit statements and paper checks will be mailed to members' home addresses two business days in advance of the payment date.

When the first of the month falls on a weekend or holiday, payments will be dated the last business day of the previous month (except for December payments, which will always be on the first of January). In this case, electronic direct deposits will be posted on that day, and paper checks will be mailed two business days in advance of that day.

This change will align the scheduling of annuitant payments with the date they are actually due and

- Tax-Deferred 403(b) Plan (not including Fidelity Investments or Calvert Group mutual funds)

New paper forms

If you do not have Internet access, you may complete paper forms to update your records. New beneficiary forms will be available from the UC Customer Service Center in early 2004. ➤

with UC's active payroll processing schedule.

Changes in payments made by paper check

These changes will affect only those annuitants who receive benefit payments by check rather than electronic direct deposit, and whose check address differs from the home address.



Effective March 1, 2004, the University will discontinue sending paper checks to addresses other than the home address.

For those check payees whose checks currently are mailed to the bank, the University will send benefit payments to the banks automatically by electronic direct deposit instead of by paper check—unless the payee directs the University to send paper checks to the home address. If the University is unable to establish electronic direct deposit for an account, a paper check will be sent to the payee's home address.

If this change affects you, you'll receive complete details in the January mailing. ➤

Printed UC semi-annual statements discontinued

Information now available online and on bencom.fone

As announced in the July 2003 edition of News for your Benefit, the University will no longer send semi-annual retirement account statements to employees, retirees and inactive members.



The decision to discontinue these mailings was based on the increased popularity and utilization of UC's Internet applications and to curb the significant costs of programming, printing, and mailing statements.

During the past few years, UC HR/Benefits has dedicated increasing resources to supporting and enhancing retirement plan account information online.

See your information online

You have secure access to your individual account data online. Go to the At Your Service website, select "Your Benefits Online," located on the right of the screen and use your Social Security number or Username and your Personal Identification Number (PIN). Now you have access to many self-service applications and information specific to your personal UC retirement accounts, including:

- At "View UCRS Account Balances" you can access personalized information about your account balances in the Defined Contribution Plan (DC Plan) and Tax-Deferred 403(b) Plan (403(b) Plan). Under "Details" you can see transaction details. The July–December details will be available through early February 2004.

- At "Transfer UC Fund Balances," you may move your 403(b) Plan and DC Plan balances to other UC-managed funds.
- At "Performance for UC-managed funds," you can see annualized and cumulative returns for the UC-managed funds.

If applicable, you may also access online links for Fidelity Investments and the Calvert Group mutual funds to check on your UCRS account balances invested with them.

Telephone system provides statements

To request a personalized account statement from bencom.fone, call 1-800-888-8267 and follow the prompts for the automated system. Then select the "Personal Accounts and Transactions" option and follow the prompts for Statement on Demand. You can have a statement mailed to your address of record or faxed to you within an hour of your call. [Bencom.fone](http://bencom.fone) is available 24 hours a day, seven days a week.

We hope that you'll enjoy the flexibility of automation to retrieve your secure personalized account information at any time. 📞

Extended hours for UC Customer Service Center

In response to customer requests, the UC Customer Service Center will be open an extra hour, effective January 1, 2004. New business hours will be 8:30 a.m. to 4:30 p.m., Pacific Time. 📞

New Dimensions

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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 Director Mattie Williams, University of California Office of the President, 300 Lakeside Drive, Oakland, CA 94612 and for faculty to Executive Director Sheila O'Rourke, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

Comments or Questions?

Write *New Dimensions* at:

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Email: steven.ong@ucop.edu

Annuitant Newsletter on Audio Cassette

This newsletter is available on audio cassette tape for visually impaired and disabled annuitants. If you are interested, call *New Dimensions* at 1-800-239-4002, extension 79836, and leave your name, address, and phone number. Please indicate that you want to receive *New Dimensions* on tape and future *New Dimensions* recordings will be sent to you. Please note that audio cassette tapes are generally mailed four weeks after each *New Dimensions* mailing.

Association Contacts

Use this listing if you're interested in joining an association, or to inform your association of an address change.

	Emeriti	Retirees
Berkeley	UCB Retirement Center 510-642-5461	UCB Retirement Center 510-642-5461
Davis	Edmond Constantini 530-752-0974 egconstantini@ucdavis.edu	Charles Lacy 530-756-4372, calacy@ucdavis.edu
Irvine	Lyman Porter 949-824-6204, emeriti@uci.edu	Emeriti/Retiree Office 949-824-6204
LANL	N/A	Mary Mariner 505-672-1950 Chuck Mansfield 505-662-2115
LBNL	N/A	Bud Larsh 510-724-1202, almonlarsh2@juno.com
LLNL	N/A	Lawrence Livermore Employee Services Association 925-422-9402
Los Angeles	Emeriti/Retiree Relations Center 310-825-7456 emeriti@humnet.ucla.edu	Emeriti/Retiree Relations Center 310-825-7456
OP & Regents	N/A	Karl Droese 925-376-0468, kdroese@comcast.com
Riverside	Michael D. Reagan 909-780-5993, cdmadr@pacbell.net	Betty Morton 909-689-4381, TheMortons@aol.com
San Diego	Sandi Pierz 858-534-0101	Lisa Hreha 858-534-4724, retireelink@ucsd.edu
San Francisco	William F. Ganong 510-526-5680	Frances Larragueta 415-731-3109
Santa Barbara	Emeriti/Retiree Relations Center 805-893-2168 gina.lopez@hr.ucsb.edu	Emeriti/Retiree Relations Center 805-893-2168
Santa Cruz	Stanley D. Stevens 831-475-9172	Barbara Dileanis 831-426-7653

Note to associations: To update a listing, write to Steven Ong at *New Dimensions* (Email: Steven.Ong@ucop.edu).



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Reminder: December annuitant benefit payments come in January

December 2003 annuitant benefit payments will be dated January 1, 2004. Checks will be mailed on December 30, 2003, and Surepay deposits will be posted on January 2, 2004.

