APPENDIX F

Academic Student Employees Participation in the UC Defined Contribution Plan

The University of California’s Retirement Savings Program provides employees with a way to save for their future. In most cases, Academic Student Employees are Safe Harbor Employees of the University. Safe Harbor Employees are not eligible for primary retirement benefits and do not contribute to Social Security. 1

Instead, Safe Harbor Employees make mandatory pretax contributions of 7.5% of their gross earnings (up to the Social Security wage base) to the UC Defined Contribution Plan (the DC Plan), unless they qualify for exemption. 2 They also contribute 1.45% of total gross earnings to Medicare.

Participants can manage their DC Plan account to maximize earnings according to their tolerance for risk and investment horizon. The DC Plan fund menu includes the UC Pathway Funds, each of which adjusts its asset mix as the fund approaches its target retirement date, plus additional investment funds that represent a comprehensive range of asset classes with different objectives and risk and return characteristics. Most funds offered on the DC Plan fund menu are designed to have lower expenses than many similar publicly traded funds. A complete description of each of these options is available on netbenefits.com. Participants may also invest in mutual funds that are not included in the DC Plan fund menu by opening a self-directed brokerage window account.

Contributions to their DC Plan account are automatically invested in the UC Pathway Fund based on the year they turn 65. Investment elections can be changed at any time.

A quarterly fee (currently $8.75) is deducted from account balances for administrative services. The administrative services fee covers expenses for recordkeeping services for your account(s), communications, financial education, internal UC staff support for the Plan, and other non-investment services. For those with more than one Retirement Savings Program account (for example, a 403(b) Plan account and a DC Plan account), there is only one administrative services fee charged per quarter.

The myUCretirement.com website provides information and tools to help participants make decisions about their investments. Participants may also view their account balances, change their fund selection, designate or change beneficiaries, or request a distribution or rollover. Participants receive quarterly statements that are sent to

1 “Academic Student Employees, who were working in a prior University appointment that qualified for primary retirement benefits, will continue as a UCRP Member or Savings Choice Participant as an Academic Student Employee if there is no break in service.”

2 To qualify for exemption from mandatory participation in the DC Plan, Academic Student Employees must meet the following criteria:
   • Be enrolled in the applicable minimum number of units
   • Undergraduates — a minimum of six units
   • Graduate students — the half-time enrollment requirement established at each campus.
   • Graduate students enrolled and approved for advancement to doctoral candidacy (i.e., Doctoral II students) are not subject to a units requirement during the academic year, as the preparation of a
dissertation satisfies the half-time enrollment requirement.

- Have a total active appointment percentage, including both fixed and variable appointments, of less than 80% time for the month or any partial period within the month.
the participant’s e-mail address of record, unless mail delivery has been requested or the participant has no e-mail address on record.

Participants may designate a beneficiary or beneficiaries to receive their DC Plan account. If no beneficiary is named, the account is paid to the surviving spouse or domestic partner, children, parents, siblings, or estate.

Because these accounts are meant to be retirement savings, they are not available to participants while they are employed at UC and there are penalties for withdrawing the funds before age 59 ½. If you leave UC employment, you may keep your funds in the DC Plan provided your balance is $2,000 or more. Or, you may roll over your DC Plan balance to another eligible plan or to an IRA. Distributions not rolled over are taxable and, if the recipient is less than 59½, early distribution penalties may apply.

To ensure you receive plan statements and other important plan information, all participants (including both active employees and those who have left UC employment) should keep their e-mail address and mailing address up-to-date by contacting Fidelity at 866-682-7787 or online at netbenefits.com.

For more information about the DC Plan, see:

- The myUCretirement.com website: [https://myucretirement.com/](https://myucretirement.com/)
- The DC Plan Summary Plan Description: [https://ucnet.universityofcalifornia.edu/forms/pdf/defined-contribution-plan-summary-description.pdf](https://ucnet.universityofcalifornia.edu/forms/pdf/defined-contribution-plan-summary-description.pdf)