New Dimensions

Benefits Newsletter for UC Annuitants *Volume 15 Number 2, Summer 2000*

Senior Vice President Kennedy Retires

Wayne Kennedy, whose service to UC spans 27 years, retired as Senior Vice President for Business and Finance on September 1, 2000.

Since his appointment in 1993, Kennedy focused on assessing and strengthening all business operations at the University, which has an overall budget of $12 billion. Two of his many business initiatives include new standards for financial accountability and the redesign of the business systems to better serve the University's faculty, staff, students, and retirees.

As part of that redesign, Kennedy oversaw the merger of the Human Resources and Benefits functions in the Office of the President. He also approved the overall scope and purpose of the long-term UCBenS project, which is intended to streamline benefits operations and permit the reallocation of resources within the department.

"The range of business and financial responsibilities Wayne has dealt with during his six years as Senior Vice President can only be described as monumental, and he has left an indelible imprint on the way the University of California conducts its business," said UC President Richard C. Atkinson. "He has been absolutely outstanding as UC's chief administrative officer, a wonderful colleague, deeply respected by the faculty and the Regents alike, who has served the University with remarkable judgement and effectiveness."

Kennedy is a nationally recognized expert in issues related to the financing of research universities and medical education. He spent 20 years in administrative positions at UC San Diego, including Vice Chancellor for Administration, before moving to the Office of the President. He plans to return to the San Diego area and will explore new ways of contributing to the UCSD community and the University system as a whole.

At its April 28, 2000, meeting, the Faculty Welfare Committee surprised Senior Vice President Wayne Kennedy with a special farewell. Committee chairs from the past ten years gathered, along with current Committee members, to express their "great appreciation for the close cooperation, hard work, and collegiality extended to the Committee over the years by Senior Vice President Kennedy." Pictured above: Wayne Kennedy, left, with Robert May, Chair of the Faculty Welfare Committee.

"It has been an honor and a pleasure to serve one of the world's great research universities," Kennedy said. "I feel secure knowing that we have a superb group of people in place who will continue pursuing the goals of improved service and accountability in the business operations that support the University's core academic mission."

President Atkinson has appointed Joseph P. Mullinix as the new Senior Vice President for Business and Finance beginning this fall. Mullinix comes to UC from Yale University, where he has served as Vice President for Finance and Administration since 1993.

All of us throughout UC share in offering our continued best wishes to Wayne Kennedy and extend our personal thanks for his many contributions to maintaining UC's standing as an internationally recognized university.

UCRP COLA—2% FOR 2000

The University of California Retirement Plan (UCRP) provides a cost-of-living adjustment (COLA) each July 1. Monthly benefit checks issued at the end of July reflected this year's COLA.

UCRP provisions—The UCRP COLA is based on Consumer Price Index (CPI) movement for the preceding year, averaged for the Los Angeles and San Francisco metropolitan areas and measured from February to February. In the simplest terms, the COLA generally matches any CPI increase up to 2% and then adds 75% of any CPI increase over 4%. The maximum COLA is 6%. If the CPI decreases, benefits stay the same. (See sidebar for more details.)

Who's eligible—UCRP members who retired on or before July 1, 1999, were eligible to receive a COLA this year. Members who retired July 2, 1999, or later were not yet eligible. UCRP requires retirees to receive benefits for one full year before a COLA is payable.

How much—For 2000, **everyone who was eligible for a COLA received 2%.** The CPI increased by 3.50% over the measurement period—February 1999 to February 2000. Although the increase was more than 2%, there was no balance in the COLA bank to provide more than 2%. (See sidebar for an explanation of the "COLA bank.")

Changes in the CPI formula—In 1999, the Bureau of Labor Statistics began using a new formula to measure consumer spending. In very general terms, the old formula assumed that price changes do not affect what or how much people buy from year to year. Many believe that this caused the rate of price increases of consumer products to be overstated. The new formula assumes that, for about 61% of goods in the market basket, people will adjust the amount of each product they buy as prices change. The result is an overall CPI that should better reflect the impact of changing prices on the average consumer.

Impact on the UCRP COLA—Towers Perrin, the UCRP consulting actuary, advises that the change in the CPI formula did not affect the July 2000 COLA. Under the new formula, the CPI increase for UCRP measured 3.50%. If the formula had not changed, it is estimated that the CPI increase would have been slightly higher—about 3.86%. However, the UCRP COLA would still have been 2% this year.

If you have questions about your UCRP benefits, please call HR/Benefits Customer Service at 1-800-888-8267. Representatives are available to answer your calls from 9:00 a.m. to 4:00 p.m. (Pacific Time), Monday through Friday.

Determining the exact increase each retiree will receive each year is very complicated. UCRP was designed to provide a COLA of at least 2% per year on a cumulative basis. For this reason, the annual adjustment depends not only on CPI movement for the preceding year, but also on the overall CPI increase since the individual retired.

UCRP maintains two "banks"—an inflation bank and a COLA bank—that are used to determine each retiree's annual increase. In years when the CPI increases more than 2%, the COLA will be at least 2% but less than the full amount of inflation. The difference between the CPI increase and the COLA is stored in an inflation bank that may be tapped in future years of low inflation—that is, the inflation bank is used to increase the COLA to 2% when CPI movement is less than 2%.

The COLA bank stores any part of a potential COLA that is not paid because of low inflation. In years in which inflation is less than 2%, the difference between 2% and the CPI increase goes in the COLA bank. These amounts are used to increase the COLA in years in which inflation is more than 2%.

Both banks accumulate based on each retiree's initial COLA eligibility date. For example, UCRP members who retired from July 2, 1993, through July 1, 1994, were initially eligible for a COLA on July 1, 1995. Based on initial eligibility dates, different groups of retirees have different amounts in their inflation and COLA banks. Therefore, when either bank is used, it is possible that different groups will receive different COLAs.

Some Happenings in Today's Health Care Field

Recently, some 5,000 UC employees, annuitants, and their family members in northern California endured an unfortunate three weeks. They were notified that contract negotiations between their medical plan (UC Care) and their physicians' medical group (Sutter Health Systems) had not been successful, and unless a last-minute settlement was reached, the members would need to change their physician to one in another medical group. Fortunately, the two sides reached agreement and members did not need to select new physicians.

A month or so earlier, a few hundred members of the UC community in southern California experienced a similar situation. In this case, the threatened disruption involved the UC Irvine Medical Group (UCIMG, at UC Irvine Medical Center) and the PacifiCare medical plan. Shortly before the contract termination date, a temporary settlement was made for the remainder of the year.

The University and its HR/Benefits staff would like to prevent situations like those described above from happening at all. In many cases, we are able to prevent such occurrences, but unfortunately this is not always possible. (In fact, in the UCIMG/PacifiCare negotiations, the contract for Medicare enrollees did not fare as well; it terminated June 30, 2000. Fortunately, this only affected three UC plan members.)

UC's position was aptly stated by Judith W. Boyette, Associate Vice President of Human Resources and Benefits. "It is truly unfortunate that agreement could not have been found sooner, and our members spared this trying experience," she says. "Now, of course, we are deeply relieved that the negotiations ended successfully."

Boyette continued, "These are tumultuous times in the health care world. We are making greater efforts to minimize, for our members, the impact of that turmoil in the future."

UC employees and annuitants have asked why these occurrences should happen; why they should be involved in plan/physician struggles; what could be done to prevent these disruptions in the future. The following is intended to answer some questions and address some concerns.

- As an employer and plan sponsor, UC negotiates with the plans for benefits; however, UC has no direct role in the contract arrangements between physicians, hospitals, and medical plans.

Lily Pang and Michele French of Health and Welfare Benefits Planning and Analysis are discussing strategies with plans that would minimize disruption for UC members

- An employer such as UC cannot force plans and physicians to reach agreement, nor can we mandate particular terms in the contract between two other parties (such as permitting termination of the physician's contract with the plan only on specific dates).
- Currently, California has the lowest premiums for HMOs and other managed care plans in the U.S. In the early '90s, UC, along with other California employers, succeeded in negotiating comparatively low premiums (i.e., compared to other states). Since then, we have negotiated for minimal premium increases without reducing benefits. UC's status as a very large employer has helped in these negotiations. However, as plan mergers and mergers of physician groups occur, cost containment becomes more difficult.
- Many physician groups and hospitals in California are now pushing for substantial increases in their payments from plans. Most medical groups believe they are underpaid for the care they deliver.
- As a way of pressuring the plans to meet their demands, many medical groups and physician groups are vying for public opinion.
- The timing of contracts between plans and medical groups does not usually coincide with the calendar year. Many contracts continue indefinitely until one side or the other wants to

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Some Happenings—*continued from page 3*

change the terms of the agreement (and therefore, UC's annual Open Enrollment materials cannot forecast them).

- In the case of Medicare plans, complexities are compounded because of the way Medicare's payment of benefits is structured and the way Medicare coordinates with the plans.

In both of the cases described above, UC worked closely with the plans to reach final settlement. Now, UC is actively discussing strategies with plans that would permit them to negotiate effectively while minimizing situations where members' peace of mind is threatened.

In addition, HR/Benefits continues to work with a task force formed by the Faculty Welfare Committee to explore strategies to address these and other important healthcare issues.

Social Security Earnings Limit Change

Did you know that if you are between ages 65 and 70, you can work and still receive full Social Security retirement benefits?

On April 7, 2000, President Clinton signed into law the Senior Citizens' Freedom to Work Act of 2000, which eliminates the Social Security earnings test beginning with the month a person reaches full retirement age (currently age 65). This change is effective January 1, 2000. The law already permitted people age 70 and older to receive full benefits regardless of their earned income.

For Social Security purposes, full retirement age is age 65 for those born in 1937 or earlier. For those born in 1938 or later, the full retirement age will gradually increase from age 65 to 67. For example, full retirement age for people born in 1938 will be 65 and 2 months. (See chart at right.)

Now, if you begin receiving Social Security benefits before age 65 (or your full retirement age), your earned income will reduce your benefits only until the month you reach 65. Here's how the earnings limits work under the new law:

- **If you are under full retirement age** when you begin receiving Social Security benefits, you will lose $1 in benefits for each $2 you earn above the annual limit. In 2000, the limit is $10,080.
- **In the year you reach full retirement age,** you will lose $1 in benefits for each $3 you earn above a different annual limit. (In 2000, this limit is $17,000.) However, only amounts earned before the month you reach full retirement age count toward the limit.
- **Starting with the month you reach full retirement age,** you will receive your retirement benefits regardless of the amount you earn.

For more information on Social Security benefits and other provisions, you can go to the Social Security website: www.ssa.gov.

Increase in Age for Receiving Full Social Security Benefits

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943–1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Note: Your full retirement age, as discussed on this page, is not the same as entitlement for Medicare. See "UC's Medicare Corner" on page 8.

Medicare HMO Enrollees

A recent article in the *Los Angeles Times* and *San Francisco Chronicle* gave rise to specific concerns which we would like to address here:

1. Will Aetna U.S. HealthCare Medicare plan cutbacks affect UC annuitants?

No. Aetna U.S. HealthCare (the insurance carrier for UC Care, High Option and Core, beginning January 2001) announced cutbacks that affect their Medicare+Choice plan. This is not a UC-sponsored plan. The Aetna plans offered to UC employees and annuitants are not affected by this announcement.

2. Will all of the UC-sponsored HMO plans in California continue to be available?

Yes, all of the HMOs offered by UC to California residents will continue to be offered. Those plans are PacifiCare, Health Net, Kaiser, and Western Health Advantage (WHA). However, there are changes in service areas from time to time, and UC annuitants should check their Open Enrollment materials (mailed in late October) regarding any changes that may affect them.

UC annuitants, please note:

If you come across alarming news articles that suggest possible disruption of your medical coverage, please check it out. Call your provider or medical plan directly—or contact UC HR/Benefits Customer Service.

Medical Plan Evidence of Coverage Booklets Available Online

Evidence of Coverage (EOC) booklets for the following UC-sponsored medical plans are now available on the UCbencom website under "Health and Welfare": the BluePremier plans, Health Net, Seniority Plus, Kaiser Permanente, Senior Advantage, PacifiCare, Secure Horizons, Western Health Advantage, and WHA Care+.

In the future, EOCs for the rest of our medical plans will also be available. We hope having this information available online will be helpful to you.

You may also call your medical plan carrier to request a copy of an EOC. Carrier telephone and website information is available on UC bencom (www.ucop.edu/bencom) under General Information—Health and Welfare.

UC Annuitants—Be Cautious

Recently, a UC annuitant called our Customer Service Center to say that he had received a phone solicitation that was troubling him. He had been asked to pay an immediate fee in exchange for a promise to recover his "lost" UC retirement benefits. Fortunately, the UC annuitant refused the offer and reported the call to us.

Please beware of calls from anyone who promises you money—especially if they want a fee in advance. If you do receive a suspicious phone call of this sort, you can file a complaint with the Federal Trade Commission—call toll-free at 1-877-382-4357. Also, if you receive a suspicious phone call targeted at UC annuitants, please report it to UC HR/Benefits Customer Service immediately (1-800-888-8267).

Minimum Required Distributions—New Process For 2000

Since mid-1997, UC HR/Benefits has been engaged in an ongoing, major project to improve internal business processes and to upgrade the University of California Retirement System (UCRS). This project is called UCBenS. It involves detailed reviews of the ways in which we do work today and ways in which we might work differently—including the use of new technologies—both to increase productivity and to improve the end result for UCRS participants.

The annual minimum required distribution process is one of the operational areas that has received UCBenS scrutiny. The review began in the late spring of 1999 and resulted in the new process discussed in the following article.

What are minimum required distributions (MRDs)? Under federal tax law, participants must begin receiving distributions from their UC retirement plan(s) in certain minimum amounts by specified dates. In general, MRDs must begin by April 1 of the calendar year following the year in which the participant reaches age 70½ or the year in which the participant retires or leaves paid UC employment, if later.

The law applies to members of the University of California Retirement Plan (UCRP) and to participants in UC's Tax-Deferred 403(b) Plan (403(b) Plan) and Defined Contribution Plan (DC Plan). Generally, monthly retirement income satisfies the requirements for UCRP, as do lump sum cashouts and refunds of accumulations that are paid by the required beginning date. Minimum distributions from the 403(b) and DC plans, however, must be calculated in accordance with the Internal Revenue Code.

A brief history—To comply with federal tax legislation, UCRS began issuing MRDs in 1987. Through 1994, UCRS simply provided worksheets each year. Participants calculated their own MRDS and sent in forms to request distributions and to specify how the distributions were to be paid.

In 1995, UCRS assumed the task of calculating MRDs. Participants received a notice explaining the rules and the changes that they were permitted to make. They had to submit forms to make any changes. If UCRS didn't receive a form, the distribution was automatic.

Despite partial automation—including the calculation itself—the UCBenS review found that the MRD process was basically paper-driven. Further, it required manual data entry in three different systems—a calculation database, a tracking database, and the mainframe payment system. These features increased processing time and the potential for errors. In addition, personalized information was not routinely available—even MRD amounts were not available to participants who called in until late summer or fall.

The new process—The new MRD process is substantially different. Participants who are subject to MRDs now receive personalized statements showing the amount of their MRD, the data used in the calculation, and the changes they can make. Statements are mailed in February to those who received MRDs previously and in April to first year recipients. Participants who don't want to make any changes receive their checks automatically. Those who do want to make changes are instructed to call HR/Benefits Customer Service. A representative inputs their changes online, and the system generates a confirmation to mail to the participant.

UCRS staff reports that the new process went well—and much as expected—this first year. Overall, it is much more efficient and less prone to error. No paper forms are used except to name a beneficiary or to change a previous designation. Data is entered once into a single database that communicates directly with the mainframe payment system. Personalized information is now available relatively early in the year.

As with most new processes, refinements can be expected as staff gains more experience with the process. One change has been made already—in the life expectancy calculation method for first year MRD recipients. The change—from the "subtract one" to the "recalculate" method—was in response to a request from the Council of University of California Retiree Associations (CUCRA) and the Council of University of California Emeriti Associations (CUCEA). While either method satisfies IRC requirements, the "recalculate" method generally permits distributions over a longer period of time and may be preferable to many MRD recipients. The change necessitated mailing a revised statement in mid-July to the first year group and delaying to September MRD checks originally scheduled for June.

A booklet explaining MRDs (*Minimum Required Distributions from the University of California Retirement Savings and Investment Plans*) is available online (www.ucop.edu/bencom) or from HR/Benefits Customer Service (1-800-888-8267).

Message from the UC Treasurer's Office

Following a comprehensive review of UC's investment policies and procedures, in March of this year, the UC Board of Regents approved a new asset allocation strategy for the UC-managed Equity and Bond funds. The review was conducted with input from the Regents Investment Committee, an outside investment consulting firm, Wilshire Associates, and the UC Treasurer's Office. In a statement recently issued by the Board of Regents, Plan participants are assured that "safety of the pension funds is the uppermost concern of the Regents, and it will continue to be."*

Asset allocation changes for the UC-managed Equity and Bond funds will be implemented throughout the rest of this year, as highlighted below. You may want to consider how these changes may affect your individual investment decisions for your assets in the UC retirement savings and investment plans.

Equity Fund

- The benchmark (the financial index against which fund performance is measured) for the Equity Fund will be changed from the S&P 500 Index to the Russell 3000.
- 24% of the Equity Fund will be invested in an index fund replicating the Russell 3000.
- 13% of the Equity Fund will be invested in an index fund replicating the Morgan Stanley EAFE (Europe/Australasia/Far East) Index.
- Investments in private equities (venture capital and buyout funds) will have a 5% allocation target, within a range of 3%–7%.
- Up to 10% of the U.S. equity portfolio actively managed by the Treasurer's Office may be invested in non-U.S. equities.

Bond Fund

- The Bond Fund benchmark will change from the Lehman Long-Term Gov't./Credit Index to the Lehman Aggregate Index. The main difference between these indices is that the Lehman Aggregate Index has a significantly shorter duration (4.9 years, or an average maturity of 8.8 years) than the Long-Term Gov't./Credit Index (10.0 years, or an average maturity of 22.6 years). Over the long term, shorter-term maturity bonds generally have less volatility and lower returns than longer-term maturity bonds.
- The Treasurer's Office will continue to manage 100% of the Bond Fund's assets.

The performance of the Multi-Asset Fund, with 30% of its assets invested in the Equity Fund and 20% invested in the Bond Fund, will reflect the new asset allocation strategies for those two funds.

UC HR/Benefits and the Treasurer's Office will keep you informed about investment management changes in the UC funds and ongoing fund performance results.

* You can read the Regents' statement in its entirety on our website, UCbencom (www.ucop.edu/bencom).

UC's Medicare Corner

Useful websites: Medicare—www.medicare.gov   Social Security—www.ssa.gov

University of California Medicare Enrollment Information

Since July 1, 1991, UC has required annuitants and their eligible family members* who are enrolled in a UC-sponsored medical plan to enroll in Medicare Part B when they become eligible for premium free Medicare Part A.

Generally, people become eligible for Medicare:

- At age 65, or
- Before age 65, after receiving Social Security disability benefits for 24 months.

If eligibility is based on a spouse's work record, initial Medicare entitlement may occur later than age 65.

Annuitants who do not comply with UC's Medicare requirements are charged an additional fee for the UC-sponsored medical coverage. The fee is currently $110 per person per month, deducted from the annuitant's monthly check.

Here are some questions and answers about Medicare.

1. How do I know if I or one of my family members is eligible for Medicare and how do we enroll?

In general, if you are eligible and apply for Social Security retirement or spouse benefits, Medicare Part A is an automatic entitlement at no additional cost, starting the first day of the month that you become age 65. Similarly, if you receive Social Security disability benefits for a period of at least 24 months, you qualify for Medicare Part A. Medicare Part B is available at the same time, with a $45.50 monthly premium (2000 rate), usually deducted from your Social Security check.

If you haven't applied for Social Security or Medicare and don't know if you're eligible, you should call the Social Security Administration (SSA). If you are not eligible based on your own record, be sure to ask about possible entitlement on your spouse's record, or through a former or deceased spouse. Under certain conditions you may qualify after age 65 or without receiving a Social Security cash benefit. As the application process can take some time, please remember to apply early—about four months prior to your 65th birthday.

Also, about three months before your or your eligible family member's 65th birthday, you will receive a letter from UC HR/Benefits. UC requires that you send documentation to verify your Medicare enrollment or ineligibility. Please do not submit your Medicare documentation until UC requests that you do so.

2. What happens to my enrolled family members who are not enrolled in Medicare?

Your family members will automatically remain in basic medical coverage. For example, if you and your family members are enrolled in the Kaiser medical plan, and you turn 65, you should then transfer to Kaiser's Medicare plan—Senior Advantage. Your family members will remain in the basic Kaiser Plan.

Members of any UC-sponsored Medicare managed care HMO must also complete the plan's Medicare form and return it to the plan. Usually the plan will contact you; otherwise you should call the plan. You may direct your questions to HR/Benefits Customer Service.

3. How do I pay Medicare Part B premiums?

If you're receiving a monthly Social Security benefit, your Medicare Part B premium is deducted from that benefit. If you are not receiving monthly benefits, SSA will bill you on a quarterly basis.

The University may reimburse you for part or all of your Medicare Part B premium, generally in your benefit check. Whether you are eligible for such reimbursement, and what the amount of reimbursement is, depends on the current cost of the UC-sponsored medical plan in which you are enrolled.

* Exception: If an enrolled *adult dependent relative* is eligible for Medicare Part A, UC-sponsored medical plan coverage terminates when he/she reaches age 65.

4. I didn't enroll in Medicare Part B when I turned 65 because I was still working. Can I enroll now?

If you did not enroll in Part B at age 65 because you had group health insurance based on your own employment, you can enroll in Part B during the Special Enrollment Period. This is an eight-month period that begins the month your employment ends, or the month you are no longer covered under the group health plan, whichever comes first. If you enroll during the first month of the Special Enrollment Period, coverage begins the first day of that month. If you enroll during any of the seven remaining months, coverage begins the month after you enroll.

Generally, Part B premiums are increased 10% for each 12-month period during which you are eligible for Part B but do not take it. This does not apply if you delay enrolling because you are covered under a group health plan.

If you do not enroll during the Special Enrollment Period, you can still enroll during any General Enrollment Period. General Enrollment Periods are held from January 1 through March 31 of each year, with coverage effective July 1 of that year. Your Part B premiums may be increased if more than 12 months elapse from the date your employment ends to the effective date of Part B coverage.

5. What does UC require if I live outside the U.S.?

Since Medicare generally does not cover health services outside of the U.S., UC waives its requirement that you enroll in Medicare while you live outside the U.S. Benefits under Medicare Part A are available to you at any time you return to the U.S.

UC requires you to enroll in Medicare Part B when you return to the U.S. **But you should be aware that your Medicare premium, since you have stopped Medicare Part B, will be subject to a premium surcharge. See the answer to question 4, above.**

For More Information

Social Security: 1-800-772-1213
Health Net/Seniority Plus: 1-800-596-6565
Kaiser/Senior Advantage: 1-800-464-4000
PacifiCare/Secure Horizons: 1-800-322-8877
Western Health Advantage/*WHA Care+*: 1-888-563-2251
HR/Benefits Customer Service: 1-800-888-8267 (or outside the U.S.: 510-987-0200)

Medicare Cards Available Online

The Social Security Administration (SSA) recently announced that beneficiaries can now conveniently apply for replacement Medicare cards online at: www.ssa.gov/medicarecard.

Medicare beneficiaries can still apply for a replacement card by calling the SSA (toll-free) at 1-800-772-1213, or by visiting one of SSA's offices.

Medicare Part B for People With Low Income

The Social Security Administration (SSA) selected San Francisco for a four-month pilot program—June 1 through October 31, 2000—to encourage low income senior citizens and persons with disabilities to enroll in a Social Security program that helps pay Medicare Part B premiums. (This premium $45.50 per month during 2000) and could save qualified individuals over $500 a year. For more information San Francisco residents should call Social Security at 1-800-772-1213.

If you live elsewhere, a similar program may be available through Medicaid. To find out, call Medicaid (toll-free) at 1-800-952-5253.

Annuitant Open Enrollment—November 2000

This year, UC annuitants will have the opportunity to make their Open Enrollment changes by telephone, using an automated system.

For five years, UC's employees have used UC's automated telephone service to make their Open Enrollment transactions. Now this service will be made available to annuitants.

Employees tell us they like using the automated telephone service because:

- It's available 24 hours a day, seven days a week
- The system is "smart"—it only allows actions that are valid based on the member's address and enrollment data
- Members can make changes at their ease, from their homes
- A confirmation of their Open Enrollment changes is sent to them by U.S. mail or fax
- The entire process—submitting a change request and receiving a confirmation—can be completed in a few days, so the Open Enrollment deadline is easier to meet!
- Paper use is minimized

In addition, annuitants who need help with their call can connect with a knowledgeable representative (9:00 a.m. to 4:00 p.m., Monday–Friday) to answer their questions. They can then redial to make their Open Enrollment transactions.

- And to make sure everyone will have time to get the help they need, Open Enrollment will extend through the full month: from 8:00 a.m. on November 1 through midnight on November 30, 2000 (Pacific Time).

UC staff has worked since February to ready the telephone system for this year's Open Enrollment, to make sure the process is as smooth as possible for annuitants. Along with installing the telephone system and tailoring it to fit varied annuitant needs, staff and volunteers have done extensive testing. (See "Thanks to Our Annuitant Test Groups," opposite.)

If you attend an Annuitant Open Enrollment Fair this fall, you can watch a video UC has prepared especially for annuitants using the new automated telephone service.

Open Enrollment Fairs

Open Enrollment will be held November 1 through 30, 2000. Here is the **tentative schedule** for Open Enrollment Fairs—your opportunity to meet with insurance carriers and UC staff regarding UC-sponsored plans and the benefits they offer. **Check your mailbox in mid-October for your Open Enrollment mailing and final Fair Schedule.**

Date	Location	Date	Location
California:		**New Mexico:**	
November 1	Radisson Hotel, La Jolla	November 7	New Mexico Community College, Espanola
November 3	University Club, Irvine		
November 6	University Extension, Riverside	November 8	High School, Los Alamos
November 7	Faculty Club, Los Angeles	November 9	Hoffmantown, Albuquerque
November 9	Radisson Hotel, Santa Barbara	November 9	Radisson Hotel, Santa Fe
November 13	Waterfront Plaza Hotel, Oakland		
November 15	Veterans' Memorial Center, Davis		
November 17	Four Points Hotel, Pleasanton		
November 21	Holiday Inn, Santa Cruz		

Thanks to Our Annuitant Test Groups for the Automated Telephone System

We owe a big debt of gratitude to annuitant test groups and their local coordinators at Berkeley, Irvine, and Los Alamos for all their hard work.

From April until June of this year, annuitant test groups provided feedback about the automated telephone system as it was being developed. This automated system will allow annuitants to make benefit changes during Open Enrollment simply by calling a toll-free number and pressing appropriate buttons on their telephone.



Members of Berkeley's test group pictured here are (left to right): Peter Kerner (formerly UCB Director of Media Services), Dorothy Walker (formerly UCB Director of Community Relations), and Larry Waldron (President, UC Berkeley Emeriti Association)

Coordinating three key test groups were Darda Swanson and Shelley Glazer at Berkeley, Gina Merriott at Irvine, and Caryn Gates and Rosella Atencio-Gerst at Los Alamos. Altogether, they assembled 40 annuitants to test the automated telephone system and supporting materials. They provided invaluable feedback that helped the planning team evaluate the ease of using the automated system as well as the users' comfort level.

As we put the finishing touches on the automated telephone system in preparation for Open Enrollment, we want to offer all our test group participants our sincere thanks.

UC Retirement Savings and Investment Plan News

We have received a number of requests for more information in *New Dimensions* about the UC savings and investment funds and how you can access information about your account(s) in the Defined Contribution and Tax-Deferred 403(b) plans. From now on, look for this type of information in future issues of this newsletter, and please let us know of any other information along these lines that you would like to see.

UC-Managed Investment Funds

Performance Results

Since March 31, 2000, the UC-managed investment funds have generated the following monthly unit values and interest factors:

At:	**The unit value was:**			**The interest factor was:**		
	Equity	**Bond**	**Multi-Asset**	**Savings**	**ICC**	**Money Market**
March 31, 2000	$343.032	$112.152	$29.903	.4927%	.5692%	.5027%
April 30, 2000	338.056	109.978	29.680	.4776	.5525	.4971
May 31, 2000	336.164	109.026	29.627	.4872	.5704	.5173
June 30, 2000	342.784	112.519	30.090	.4785	.5511	.5120
July 31, 2000	335.817	113.908	29.967	.4839	.5709	.5439
August 31, 2000	356.612	116.317	30.889	.4880	.5706	.5559

Rates of Return as of August 31, 2000

		Annualized	
	1-year	**5-year**	**10-year**
Total Return Funds			
Equity	30.70%	22.68%	19.24%
Bond	9.74	10.43	11.79
Multi-Asset	15.97	12.82	11.94
Income Funds			
Savings	5.99%	6.14%	6.86%
Insurance Company Contract	6.96	7.39	7.90
Money Market	6.06	5.64	5.36

The investment returns shown here represent past performance and are not necessarily indicative of future results.

Participants with internet access can also get the latest investment performance results for the UC-managed funds by visiting UC's benefits website (www.ucop.edu/bencom); see "Top Picks" on the left-hand side of our home page. The UC funds are valued monthly, and we post the new unit values and interest factors on our website around the 10th of each month.

In the Mail

The following mailings have been sent this summer.

Semi-annual Statements

Participants in the Tax-Deferred 403(b) Plan and the Defined Contribution (DC) Plan received their semi-annual statements in mid-August for the period ending June 30, 2000.

You may also review your current balances online at the UCbencom website (www.ucop.edu/bencom)—see "Online Actions" in the right margin of the home page, or by telephone at bencom.fone (1-800-888-8267). You will need your Social Security number and UC Personal Identification Number (PIN). If you have lost or forgotten your PIN, please call UC HR/Benefits Customer Service (1-800-888-8267, Monday through Friday, 9:00 a.m.–4:00 p.m.) to request a new one.

Summary Plan Descriptions

A new booklet comprises the summary plan description for UCRP Members with Social Security, as well as separate summaries for the DC and 403(b) plans. Annuitants participating in the DC and 403(b) plans were mailed a copy of this booklet.

Tax Verification Deenrollment Notices

Letters were sent in late June to those employees who had not responded to a request for tax documentation to verify eligibility for certain family members enrolled in their UC-sponsored health plans. Tax dependency is an eligibility requirement for certain categories of family members; documentation is required annually.

Minimum Required Distributions (MRDs)—Letter and Revised Statements for First Year Recipients

Participants in UC's 403(b) and DC plans who are subject to the minimum distribution requirements for the first time this year were sent a letter in late June explaining a change in the way their MRDs will be calculated in the future. They also received revised MRD statements in mid-July reflecting the change (see article on page 6).

TIA A-CREF Announces New Long-Term Care Program

TIAA-CREF has discontinued the Teachers Long-Term Care Plan and replaced it with an improved plan called Teachers SelectCare. For the past few months, while they were in the process of implementing the new plan, TIAA-CREF did not accept applications for long-term care. However, the new plan is available now, and you may apply for coverage at any time during the year.

Teachers SelectCare is similar to the Teachers Long-Term Care Plan, but includes many improvements, such as the addition of a 10% spousal discount.

Individuals who are currently enrolled in the Teachers Long-Term Care Plan will have the opportunity to change to the new Teachers SelectCare plan, although changing is not required. Three months prior to the "anniversary date" of their enrollment, they will receive an offer letter from TIAA-CREF to enroll in a comparable plan. The letter will include rate information.

For more information or to ask a question, call TIAA-CREF at 1-800-223-1200. You may also visit their website (www.tiaa-cref.org).

Important Reminders:

- Both CalPERS (California Public Employees' Retirement System) and TIAA-CREF (Teachers Insurance and Annuity Association College Retirement Equities Fund) offer long-term care plans to UC employees and retirees, as well as their spouses, parents and parents-in-law.
- You may apply for coverage under the TIAA-CREF Teachers SelectCare Plan at any time during the year. CalPERS, however, accepts applications only during announced application periods.
- Enrollment applications include questions about the applicant's health. Keep in mind that the applicant may be turned down for coverage based on the medical information provided in the application and that the company may obtain additional medical information from the applicant's physician.

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 70270, and leave your name, address, and phone number. Please indicate that you want to receive *New Dimensions* on tape. Please note that audio cassette tapes are generally mailed four weeks after each *New Dimensions* mailing.

New Dimensions

Volume 15 Number 2, Summer 2000

New Dimensions is published by University of California Human Resources and Benefits to provide news and information to UC annuitants.

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Comments or Questions?

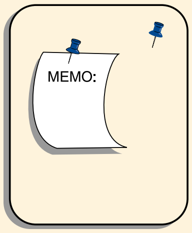
Write *New Dimensions* at:
University of California
Human Resources and Benefits
P.O. Box 24570, Oakland, CA 94623-1570

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	John R. Whitaker 530-753-2381 jrwhitaker@ucdavis.edu	Arleen Kasmire 530-753-0898
Irvine	Sam McCulloch 949-650-5569	Emeriti/Retiree Office 949-824-6204 emeriti@uci.edu
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	Keith Sexton 925-376-5194
Riverside	Donald Munnecke 909-684-0922	Betty Morton 909-689-4381 TheMortons@aol.com
San Diego	Janice Stearns 858-534-0101	Candace Simonen 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 PL00LEH@ucsbvm.ucsb.edu	Emeriti/Retiree Relations Center 805-893-2168
Santa Cruz	Stanley M. Williamson 831-459-2032	Barbara Dileanis 831-426-7653

Note to associations: To update a listing, write to *New Dimensions*.



Bulletin Board

Bulletin Board is for UC retiree and emeriti association announcements. The information contained herein does not necessarily represent the opinions of UC Human Resources and Benefits. UC HR/Benefits reserves the right to edit, correct errors, and/or decline to publish information submitted to New Dimensions. *To post an announcement, write to* New Dimensions *or e-mail janie.kirsch@ucop.edu. The deadline for submissions for the Summer issue is May 1.*

UC Riverside Retirees' Association

At our June Luncheon the first recipient of our Annual Scholarship was announced. The Financial Aid Office made the selection according to the guidelines established by the association. The recipient, Jesica Garcia, will enter her junior year in September. She majors in Liberal Studies and her goal is to become a bilingual elementary school teacher. One of eight children of migrant field workers, she has been in this country just nine years. She is the first one in her family to attend college and must work part time to support herself. During the summer break she volunteers to help elementary school children in summer school. Her personal thank-you note reads in part, "I want to thank you for appreciating my hard work at UCR and for helping me economically. On behalf of my parents and myself, I appreciate what you have done. God bless you." Well, Jesica we want you to know that this has been a rewarding experience for all of us in the UCR Retirees' Association and we wish you well during the rest of your academic career.

The Scholarship Trust Fund is just one of our many activities. You too can get involved. For more information about the association or to receive a copy of our newsletter, *The Tower Talk*, write/call/or e-mail: Betty Morton, 4423 Clio Court, Riverside, CA 92503-2714; 909-689-4381; or TheMortons@aol.com.

UC Davis Retiree Association Announces Election Results

Election of officers and new board members for 2000–2001 was held May 8. The elected candidates are:

President	Arleen Kasmire
1st Vice President, President Elect	Howard Frank
2nd Vice President	John Hardie
Secretary	Erna Thompson
Treasurer	Allean Burton
New Board Members	Iva Armstrong (UCDRA Representative)
	Anne Gray
	Bob Eernisse
	Deanna Falge Pritchard
Continuing Board Members	Bob Ball
	Marilyn MacGregor

In other news—The recipient of the second annual UCDRA $500 scholarship is Michael Griffith, employed in the UCD Grounds Department. A single father, he is working toward a BS degree at UCD in managerial economics in 2001 and plans to study further for a teaching credential. He is a coach and trainer for in-line hockey and, with friends, rebuilt four Pentium computers donated (through Computers for Kids) to a local migrant workers camp.

Corinne Cooke, a member of UCDRA, sits on the UCD Staff Assembly committee to select scholarship recipients. She is a past recipient of a UCD Staff Assembly scholarship, which assisted her in obtaining her degree before her retirement several years ago.

Bulletin Board

UC Berkeley Retirement Center and the Academic Geriatric Resource Program Presents—

Redesigning Retirement

A public conference to explore changes in our world, community and daily lives.

October 7, 2000, 9:30 a.m.–4:30 p.m.
Pre-registration required

Retirement has been transformed into a time of great potential. No longer just defined as the cessation of work, retirement can now mean the start of your new life. The goal of this conference is for you to explore with others the exciting new options available to today's retirees and to create for yourself a design for your retirement.

Speakers Nationally acclaimed speakers will provide insight into the changing nature of retirement and lead dynamic, interactive workshops which will inspire you to view your retirement in new ways.

"Ask the Experts" Even though retirement is changing, there are still basic issues to consider. Experts in caregiving, health and long-term care insurance, housing, legal and estate planning, Social Security and other topics will be available to answer your questions during the lunch hour.

Community Resources Gather information about agencies, activities, volunteerism and work opportunities in your community.

Workshops Explore new perspectives and address cutting edge ideas about retirement in the following five workshops, each of which will be offered in the morning session and repeated in the afternoon.

Navigating the Technological Landscape New technologies are changing how people experience retirement. Find out how you can make the most of these technological advances.

Blueprint for Community Involvement Older adults have a lifetime of experience to offer their communities. Learn about innovative efforts around the country and how you can continue to contribute to your community.

Surfing for Life View the acclaimed documentary about healthy aging from the unique perspective of men and women surfers in their 60s, 70s, 80s and 90s, and discuss the keys to healthy and vital aging that are portrayed in the film.

Redefining Work in Retirement The most defining element in the new retirement is the option of work. In this workshop, you will assess your position, find your vision and identify your opportunities in this exciting period of life.

Older Brains, New Connections This workshop will focus on the benefits of enriched environmental influences and the importance of stimulating experiences for our brains in health and disease.

Conference Agenda and Featured Speakers For a brochure outlining the complete agenda and featured speakers, please call the UC Berkeley Retirement Center at 510-642-5461 or visit our website (http://thecenter.berkeley.edu).

continued on page 18

Redesigning Retirement*—continued from page 17*

Redesigning Retirement Registration Form—Please call the UC Berkeley Retirement Center to verify space. No on-site registration.

Name ______________________________

Address ______________________ Phone ______________

City, State, Zip ______________________ E-mail ______________

Select two workshops:

- ☐ Navigating the Technological Landscape
- ☐ Redefining Work in Retirement
- ☐ Blueprint for Community Involvement
- ☐ Older Brains, New Connections
- ☐ Surfing for Life

Cost: $25, includes lunch and reception. Return this form with a check or money order (payable to the UC Regents) to the address below. No on-site registration.
Lunch: If you prefer a vegetarian lunch, please check this box ☐

UC Berkeley Retirement Center, 2 Boalt Hall, #7200, Berkeley, CA 94720-7200

All efforts will be made to accommodate persons with disabilities. If you need special assistance, please call the UC Berkeley Retirement Center at 510-642-5461.

UCLA Retiree Association Event

The UCLA Retiree Association will open the year 2000–01 program with speaker Sheila Kuehl, the Democratic candidate for the California State Senate. Ms. Kuehl is currently in her third legislative term in the California State Assembly. During the 1997–98 legislative session she was the first woman in California history to be named Speaker pro Tempore of that body.

In her five years in the Assembly, Ms Kuehl has authored 58 laws. Some of them include the overhaul of California's child support services system; establish nurse to patient ratios in every hospital, and make HMOs legally accountable for denying treatment; further protect domestic violence victims and their children; prohibit discrimination on the basis of gender in the workplace and sexual orientation in education; increase the rights of crime victims; safeguard the environment; and fund after school programs for at-risk youth.

Ms. Kuehl graduated from Harvard Law School in 1978; she is currently a member of the Harvard University Board of Overseers.

This program is jointly sponsored with the UCLA Emeriti Association.

Date: October 2, 2000. Time: 1:30 p.m. Place: UCLA Faculty Center, California Room.There is no charge for this program; however, reservations are essential. Contact Sandra Allen, (310) 575-9695. Light refreshments will be served. Parking on the UCLA campus is $6.00.

CUCRA'S Travel Interest Group
12-Day Grandeur Danube Cruise & Tour

Forget the inconvenience of packing and unpacking…of checking in and out of hotels. Witness the ever-changing scenery surrounding Europe's legendary Danube River aboard the four-star MV Danube Princess from your cozy lounge chair on deck. Before starting your cruise, enjoy a two-night stay in the little city of Salzburg, a delightful combination of medieval, Renaissance and baroque architecture, the birthplace of Wolfgang Amadeus Mozart and the gateway to some of Austria's most splendid landscapes and cuisine. From there we travel to Passau, Germany to begin our Danube cruise and experience interesting tours and the fascinating ports of Durnstein, Austria; Budapest and Esztergom, Hungary; Bratislava, Slovakia; Vienna, Melk and Grein, Austria; and ending our cruise back in Passau. While cruising you will also savor international gourmet cuisine prepared by master chefs and on certain evenings, you will enjoy chamber music, dancing or local entertainment. There are also exercise and massage facilities, sauna, whirlpool, and a heated swimming pool that you will be able to enjoy aboard the MV Danube Princess. Nothing can prepare you for the beauty of our final destination—Prague. Its title of "Golden City" barely conveys the color and elegance of its historic center. Our two-night stay will allow you time to tour Prague Castle, St. Vitus Cathedral, the Old Town Square (perhaps the most popular with tourists), and much more.

The May 16 to 28, 2001 cruise and tour package, which includes all meals onboard the ship, starts at $2,300 per person plus airfare. Airfares to Munich are as low as $860, round trip, depending on the departure city. The seven-night cruise only package starts at a low rate of $1,450 per person plus airfare. Single occupancy rates are available on request, but are very limited.

We have been working with Village Travel over the past month to bring you even a better travel package for the "Twelve-Day Grandeur Danube Cruise & Tour". There will be no additional fee for credit card reservations. Cancellations of reservations made between November 15, 2000 and February 15, 2001 is now only subject to a 15% cancellation fee; cancellation fee after February 15, 2001 is 100%. However, it is strongly recommended that cancellation insurance be purchased at time of deposit for your protection.

We are hoping to fill the ship, which has a capacity for 200 passenger, with just our group. It is important, therefore, that you make your reservations as soon as possible to insure you will be able to take advantage of this terrific experience and enjoy this fabulous opportunity of visiting this part of Europe in grand style aboard a luxurious floating hotel. For more details and a Peter Deilmann/EuropAmerica Cruises brochure, contact Pat Reimnitz, Village Travel, 1-800-345-3178 or 1-858-454-3178, or e-mail patr@tcsan.com. For general information, contact Rosemary Norling, Chair of the event, at 1-858-453-0908 or e-mail Rnorling@ucsd.edu.

The Peter Deilmann representative has offered to travel to various campus/laboratory locations to hold a "Cruise Information Event" where they will make a video presentation, answer your questions, and supply you with current information about this tour. If you and your friends are interested in attending such an event in your area, please contact Pat Reimnitz at Village Travel.

Remember your family and friends are welcome to join you on this unique trip. We are always looking forward to seeing old friends and making new ones.

The Travel Interest Group has become affiliated with CUCRA since it represents all retirees. This will enable us to increase our communication with you and serve you better by your sharing your travel interests with your campus CUCRA representative.

UC HR/BENEFITS
University of California
Human Resources and Benefits
PO Box 24570
Oakland, CA 94623-1570

Website address: www.ucop.edu/bencom
HR/Benefits Customer Service: 1-800-888-8267

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New Dimensions

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Volume 15 Number 2, Summer 2000

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