Regents act to reinstate contributions to UCRP

The UC Regents in March approved a series of actions aimed at ensuring the sustainability of the UC Retirement Plan (UCRP).

The Regents approved:
- A targeted funding level of 100 percent over the long term, and for University and UCRP member contributions at the levels necessary to maintain funding within a range of 95 percent to 110 percent.
- The resumption of UCRP contributions effective July 2007, subject to collective bargaining and completion of the budget process.

Although the ongoing cost to fund the UCRP is 16 percent of covered earnings, active employees will not make 16 percent contributions to the Plan. The Regents have adopted the approach of a multi-year contribution strategy under which contribution rates will be shared between UC and active employees and will increase gradually over time to achieve full funding of UCRP’s current normal cost.

Retirees will not contribute

The planned changes will have no effect on the pension benefits that retirees are now receiving from UCRP. When contributions are reintroduced, they will be required only of active employees who are members of UCRP, and not retirees.

Both the University and UC employees will be asked to make contributions for the ongoing funding of the UCRP for the first time since the early 1990s. For represented employees, the reinstatement of contributions to the UCRP is subject to the collective bargaining process.

Keeping the UCRP fully funded ensures future retirement benefits for all UCRP members and avoids the funding issues and problems that have affected so many other defined benefit pension plans across the nation.

Updates

At future meetings, The Regents are expected to hear specific recommendations as to how costs will be shared between active UCRP members and the University.

To keep informed, visit UC’s special website, “The Future of the UC Retirement Plan” (universityofcalifornia.edu/news/ucrpfuture/welcome.html), which is updated with the latest information. The site is also accessible via the At Your Service website (atyourservice.ucop.edu).
LANL transition update

Los Alamos National Laboratory (LANL) retirees will see few changes when the management of the Lab transitions to Los Alamos National Security, LLC, or LANS, on June 1.

Retirees will continue to receive their monthly pension benefit in the same manner they do now, from the University of California Retirement Plan or Public Employees’ Retirement System. Pension benefits in the plans will not change.

As part of the contract between LANS and the Department of Energy, health care and other insurance coverage for LANL retirees will be provided through LANS after the transition. However, UC will continue to deduct the insurance premiums and/or pay Medicare Part B reimbursement, if any, through the monthly pension check until the end of 2006. This will allow LANS more time to develop the systems and procedures to handle this premium payment function beginning in 2007.

Insurance coverage for medical (through UnitedHealthcare plans or Blue Cross Core NM), dental (through Delta Dental), legal (through ARAG) and AD&D (through American Home) will continue through LANS beginning June 1. Retirees enrolled in any other medical plan or PMI Dental will need to change plans; LANS will contact them about their options. Retirees will also be receiving new medical insurance cards around June 1. Any changes that may affect coverage (for example, moving out of the Select EPO service area or family changes) should be reported to LANS beginning June 1.

LANS and UC are planning joint local meetings specifically for LANL retirees in May. See the resources listed below for announcements, dates and locations of these meetings.

The websites also provide additional information about the transition that may be of interest.

The LANL Transition website: transition.lanl.gov
The LANS website: www.lansllc.com
The UC Customer Service Center: 1-800-888-8267

2006 retiree benefit payment schedule

UCRP monthly retirement, survivor, and disability benefit payments

The following chart lists the mailing dates (direct deposit statements and checks) and the date direct deposit funds are posted to accounts.

<table>
<thead>
<tr>
<th>Benefit Payment for this Month</th>
<th>Mailing Date of Direct Deposit Statements/Checks</th>
<th>Date of Direct Deposit/Date of Check</th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>June 28</td>
<td>June 30</td>
</tr>
<tr>
<td>July</td>
<td>July 28</td>
<td>August 1</td>
</tr>
<tr>
<td>August</td>
<td>August 30</td>
<td>September 1</td>
</tr>
<tr>
<td>September</td>
<td>September 27</td>
<td>September 29</td>
</tr>
<tr>
<td>October</td>
<td>October 30</td>
<td>November 1</td>
</tr>
<tr>
<td>November</td>
<td>November 29</td>
<td>December 1</td>
</tr>
<tr>
<td>December</td>
<td>December 28</td>
<td>Direct deposit: 1/2/07 Check date: 1/1/07</td>
</tr>
</tbody>
</table>
Medical plan survey

In the coming weeks, a reminder letter will be sent to those who were selected but have not responded to a survey to measure member satisfaction with the UC-sponsored medical plans. The initial notice was sent in March and was mailed to approximately 12,000 faculty, staff, retirees and their family members.

Survey results for all plans will be available in the fall. Retirees can use the results from the survey to evaluate plans for Open Enrollment for 2007 and to help them decide which medical plan may best meet their health care needs.

Out-of-pocket costs prescription drug coverage

As a result of Medicare Part D (prescription drug coverage), The Centers for Medicare and Medicaid Services (CMS) have mandated that the UC medical plans track the annual out-of-pocket costs incurred by retirees with Medicare for prescription drugs. Once a UC-sponsored medical plan member spends the annual out-of-pocket amount on co-payments or coinsurance, your Plan will pay more and you will pay less.

The out-of-pocket (OOP) totals differ from medical plan to medical plan:
- Health Net and PacifiCare each have a $2,000 OOP
- Kaiser, Western Health Advantage, Blue Cross PLUS and Blue Cross PPO each have a $3,600 OOP
- High Option, Core California, and Core New Mexico each have a $1,000 OOP

Please note that some expenses do not apply toward the out-of-pocket total. For additional details on the totals or expenses that do not apply toward the total, contact your medical plan directly.

Monthly prescription drug statements

Retirees with Medicare may have begun receiving statements from their plan with summaries of monthly prescription drug activity. These statements will help in determining each retiree’s out-of-pocket totals for Medicare Part D. Please note that the statements have been designed by CMS and therefore may include terminology that is not used by UC-sponsored plans.

Evidence of Coverage booklets

Most of the UC-sponsored Medicare Part D Evidence of Coverage booklets are still being drafted and approved by CMS. In the coming months, once the booklet is available, it will be posted on the At Your Service website (atyourservice.ucop.edu).

Medicare Corner

Family member verification audit

In early May, notification of the annual family member verification audit was sent to some employees and retirees. Please check your mail to see if you were selected to verify your family member eligibility for Health and Welfare benefits. The deadline for returning documents is June 30, 2006. If you did not receive a notice, you are not required to provide any documentation.

Cost-of-living adjustment

For the following retirement or disability dates, the July 1, 2006 cost-of-living adjustment (COLA) rate for UCRP Members or benefit recipients will be:

<table>
<thead>
<tr>
<th>Retirement on or before</th>
<th>COLA Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2002</td>
<td>2.01%</td>
</tr>
<tr>
<td>Retirement on July 2, 2002 up to and including July 1, 2003</td>
<td>2.29%</td>
</tr>
<tr>
<td>Retirement on July 2, 2003 up to and including July 1, 2005</td>
<td>2.01%</td>
</tr>
</tbody>
</table>

UCRP provides an annual COLA that generally matches the increase in the Consumer Price Index (CPI) up to 2 percent, plus 75 percent of the CPI increase in excess of 4 percent to a maximum COLA of 6 percent. The average increase in the Consumer Price Index for urban consumers (CPI-U) in the metropolitan areas of San Francisco and Los Angeles from February 2005 to February 2006 was 4.01 percent.
Tell us what you think
Open Enrollment information & the internet

During the past two years, we have successfully transitioned to online retiree Open Enrollment change actions. We are interested in taking further advantage of the technological benefits that the internet provides, one of which is significant cost savings over the expense of paper communications and U.S. mail.

We would like to move in this direction by sending you a general Open Enrollment summary this year instead of the detailed booklet that we have sent in previous years. Detailed information will be online at the At Your Service Open Enrollment website. You will also be able to review your current benefit enrollments online.

We would like to hear from you about your ability to use our online resources, and invite you to complete the questionnaire on this page.

Respond by June 15
If you would like to provide input, please complete the questionnaire at right and mail it to the address given. You may email us your responses if you prefer. Please note that we must receive responses by June 15.

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UC Retiree Questionnaire
Open Enrollment Communications & Online Access

Please send your responses to us by June 15, 2006

By U.S. mail (please address envelope) to:
N. Cheever
University of California, HR/Benefits
300 Lakeside Drive, 12th Floor
Oakland, CA 94612

By email to:
norman.cheever@ucop.edu

1. Do you have access to a computer and the internet, either via your own computer or that of relatives, friends, or other resources?
   - Yes
   - No

2. How able would you be to go online to read detailed Open Enrollment information and to see your current benefit enrollments instead of receiving this information in the mail?
   - Completely able
   - Not able/have no access
   - Able, but with difficulty
   - Not certain

3. Please feel free to make any other comments. Thank you!
Retiree Association Contacts

Use this listing if you're interested in joining an association, or to inform your association of an address change. If you have questions about your UCRS retirement benefits, call the UC Customer Service Center at 1-800-888-8267.

Berkeley
Emeriti and Retirees:
UCB Retirement Center
510-642-5461

Davis
Emeriti: Charles E. Hess
530-758-0671, cehess@ucdavis.edu
Retirees: Charles Lacy
530-756-4372, calacy@ucdavis.edu

Irvine
Emeriti: Kivie Moldave
949-824-6204, emeriti@uci.edu

LANL
Retirees: Mary Mariner
505-672-1950
Chuck Mansfield
505-662-2115

LANL
Retirees: Bud Larsh
510-724-1202, almonlarsh2@juno.com

Los Angeles
Emeriti and Retirees:
Emeriti/Retirees Relations Center
310-825-7456, emeriti@errc.ucla.edu

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

OP & Regents
Retirees: Karl Droese
925-376-0468, kdroese@comcast.com

Riverside
Emeriti: Derickson Brinkerhoff
951-682-329
derickson.brinkerhoff@ucr.edu
Retirees: Sal Martino
714-854-0220, sal.m@adelphia.net

San Diego
Emeriti: Suzan Cioffi
858-534-4724, RetireeLink@ucsd.edu
retirement.ucsd.edu

San Francisco
Emeriti: Dr. Dorothy Rice
415-476-2771
Retirees: Frances Larragueta
415-731-3109

Santa Barbara
Emeriti and Retirees: Roxanne Estrada
Emeriti/Retiree Relations Center
805-893-2168
roxanne.esrada@hr.ucsb.edu

Santa Cruz
Emeriti: Stanley D. Stevens
831-475-9172, sstevens@library.ucsc.edu
Retirees: Maxine Lane
831-426-8353
Inside:

- Regents Act to Reinstate Contributions—page 1
- Retiree Benefit Schedule—page 2
- Medicare Corner—page 3
- Open Enrollment Survey—page 4
- and more...

Comments or questions?

Write New Dimensions at:
University of California, Human Resources and Benefits
P.O. Box 24570, Oakland, CA 94623-1570
Email: steven.ong@ucop.edu

For Benefits questions:
UC Customer Service Center: 1-800-888-8267
Website address: atyourservice.ucop.edu

Retiree Newsletter on Audio Cassette

This newsletter is available on audio cassette tape for visually impaired and disabled retirees. 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.