new dimensions

Benefits Newsletter for UC Retirees • Volume 27 • Number 4

November 2010

Make choices, take action during Open Enrollment

If you set aside your Open Enrollment booklet when it arrived recently, now is the time to take a closer look. With health insurance costs continuing to rise, retirees should review their options and make sure they have the right medical plan. This is also the time to enroll any eligible dependents. Changes must be made before the Open Enrollment period ends Tuesday, November 23 at 5 p.m.

What's new this year:

- UC has added a new lower-cost plan for retirees not eligible for Medicare to help address the rising cost of health care coverage;
- Children and grandchildren up to age 26 are eligible for all UC-sponsored plans that provide coverage for children;
- Based on UC's budget, financial reporting obligations and a recommendation from the Post-Employment Benefits Task Force, UC is reducing its contribution to medical plan premiums by 3 percent in 2011 for most retirees;
- To mitigate the impact of reduced UC contributions on those who worked a career for UC without Social Security coordination, there is a new rate for retirees age 65 and older who are not eligible for Medicare. That group of retirees will pay premiums similar to those for some current employees;
- The Anthem Lumenos PPO with HRA replaces the CIGNA Choice Fund, which is being discontinued.

HEALTH BENEFITS OPEN ENROLLMENT 2011

October 25, 8am — November 23, 5pm

Children, grandchildren eligible to age 26

The best news for the 2011 Open Enrollment is the ability to add children and grandchildren up to age 26 to your coverage. Federal health care reform legislation enacted in March requires medical plans to cover children up to age 26. In addition, UC has decided to change the maximum age of eligibility to 26 for dental, vision, and legal insurance as well.

There are no other criteria for your natural, adopted or stepchildren to be eligible, but your grandchildren must be unmarried, living with you, supported by you (50 percent or more) and claimed as your dependent for tax purposes. You must add your eligible children and grandchild during Open Enrollment to be sure they are covered beginning January 1, 2011. See your Open Enrollment booklet or visit the Open Enrollment website (atyourservice.ucop.edu/open_enrollment) for details.

Reductions in UC contributions to medical premiums

Based on UC's budget, financial reporting obligations and a recommendation from the Post-Employment Benefits Task Force, UC is reducing its contribution to medical plan premiums by 3 percent in 2011 for most retirees.

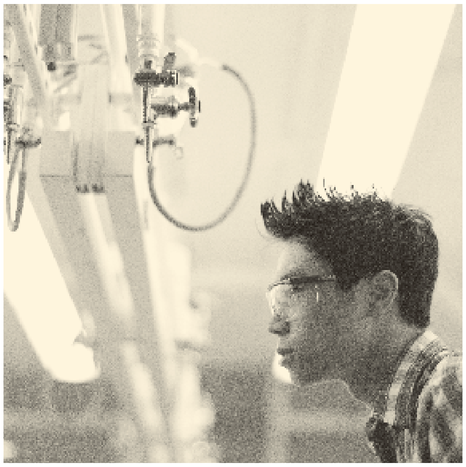
In 2011 that means UC will contribute, on average, 86 percent of the cost of retiree medical insurance premiums. This year UC contributes about 89 percent of the total premium.

continued on page 5

NOTE to Los Alamos and Livermore National Laboratories retirees:

The UC Open Enrollment information does not apply to you. Contact your local health insurance administrator for your Open Enrollment information.

UC News of Interest



UC Ph.D. programs rank high in National Research Council report

University of California doctoral programs rank among the best in the nation in a National Research Council (NRC) report that universities consider the gold-standard assessment of Ph.D. studies. In its first comprehensive evaluation of university doctoral programs since 1995, the NRC reviewed 322 UC programs in science, math, engineering, social sciences and humanities.

In the report, 141 UC programs were ranked among the top 10 in their fields across a wide range of measures used by the NRC to assess quality.

Read more about the report at: http://www.universityofcalifornia.edu/news/article/24184

Stimulus funds create jobs, spur research

UC President Mark Yudof was among leaders of six research universities who met with Vice President Joe Biden at the White House in late September to discuss how their stimulus-funded research creates jobs and plants the seeds for new discoveries, technologies and future industries.

The American Recovery and Reinvestment Act (ARRA) provided more than $18 billion for scientific research through the National Institutes of Health, the National Science Foundation and the Department of Energy. Biden said the research funds were among the most critical parts of the stimulus and key to the nation's economic competitiveness.

University of California campuses and the Lawrence Berkeley National Laboratory have received more than $1.1 billion in ARRA research funding for more than 1,900 research projects, noted Yudof. UC research seeks answers to problems ranging from climate change and clean energy to childhood diseases and cancer.

Many of the ARRA-funded projects also are helping move discoveries and products from the lab to the public, creating partnerships with industries and training a new generation of technology leaders.

ARRA research funding also has created or retained more than 5,400 UC jobs.

Read more about UC's ARRA funding at: http://www.universityofcalifornia.edu/news/article/24146

Thirdhand smoke worries researchers

After a cigarette is puffed and snuffed, it may leave much more than a stench.

UC researchers have found that the residue from tobacco smoke clings to furniture, clothes, rugs, walls and floors. It may linger there for months and then mix with common pollutants to form carcinogens and tiny particles that are potentially hazardous, particularly to children.

"There are many parents who smoke, and they do it in ways that they think protects their kids. They smoke only when the children are not present and open windows so that the smoke clears the room," said Hugo Destaillats, a chemist in Lawrence Berkeley National Laboratory's Indoor Environment Department. "But there really may be no safe way to smoke indoors."

While recent studies on the health dangers of cigarettes point to a new tobacco hazard from thirdhand smoke, more investigation is needed to find out whether the noxious remnants of extinguished cigarettes actually cause disease and kill like first- and secondhand smoke.

Firsthand smoke is inhaled by the actual smoker. Secondhand smoke, a combination of smoke from burning tobacco and that exhaled by the smoker, is breathed by another person. Thirdhand smoke, which sticks in rooms and cars, is often smelled but not seen.

Read more about thirdhand smoke at: http://www.universityofcalifornia.edu/news/article/24112

UCSF unveils artifical kidney

UC San Francisco researchers have unveiled a prototype model of the first implantable artificial kidney, in a development that one day could eliminate the need for dialysis.

The device, which would include thousands of microscopic filters as well as a bioreactor to mimic the metabolic and water-balancing roles of a real kidney, is being developed in a collaborative effort by engineers, biologists and physicians nationwide, led by Shuvo Roy, Ph.D., in the UCSF Department of Bioengineering and Therapeutic Sciences.

The treatment has been proven to work for the sickest patients using a room-sized external model developed by a team member in Michigan. Roy's goal is to apply silicon fabrication technology, along with specially engineered compartments for live kidney cells, to shrink that large-scale technology into a device the size of a coffee cup. The device would then be implanted in the body without the need for immune suppressant medications, allowing the patient to live a more normal life.

Read more about the artificial kidney at: http://www.ucsf-health.org/adult/health_library/news/2010/09/128298.html

Retirees to pay a larger portion of health insurance premiums under new cost-sharing plan

The University of California, which for years has paid nearly 90 percent or more of retiree health insurance premiums, is expected to gradually reduce its share to about 70 percent for most retirees, under a new cost-sharing plan.

The Post-Employment Benefits Task Force recommended the shift in cost-sharing as part of a larger series of proposals for helping UC make its retiree health and pension programs financially sustainable.

For 2011, the change is reflected in medical plan premium rates published in the Open Enrollment materials that retirees received in October.

A phase-in period is intended to give retirees time to plan for the additional cost.

Other than the increased cost for health insurance, current retirees will be unaffected by task force recommendations.

"Each year...the administration should reassess the level of the university contribution, the appropriateness of an additional three percent reduction in contribution and whether the floor should be 70 percent or a higher amount," the task force wrote in its report to the President.

Retirees 65 and older who are not eligible for Medicare because they never paid into Social Security will have a different cost-sharing formula.

Health insurance premiums for retirees over age 65 who are not eligible for Medicare are expected to be the same as the rates for employees who earn between $47,001 to $93,000 per year. UC has typically contributed about 88 percent of the cost of premiums for employees in that salary band.

"The retiree health work group and the task force feel strongly that we should make every effort to mitigate the impact of reduced contributions on these retirees," said Randy Scott, executive director of talent management and workforce development and UC staff lead on the task force.

The task force also recommended protecting retirees under the age of 65 who are not yet eligible for

continued on page 5

News about Your Benefits

Watch for MRDs in late December

If you are age 70 or older this year and are not working for UC in a regular ongoing UC paid appointment through the end of the year, you must take a minimum required distribution (MRD) from your UC-sponsored 403(b), 457(b), and DC Plans.

If you have not taken or requested your MRD through systematic or other withdrawals, Fidelity will distribute MRDs automatically in late December. Watch your mail or bank account to ensure these funds are distributed, as you are ultimately responsible for any IRS penalties if the distributions don't occur. Your MRD will be withdrawn proportionately from your existing investment holdings unless you call Fidelity with other instructions prior to distribution.

For more information about MRDs, visit the "Retired from UC?" section of the website, ucfocusonyourfuture.com or call Fidelity at 1-866-682-7787.

New rules for direct deposit into foreign banks

Effective September 18, 2009, the United States Department of Treasury Office of Foreign Assets Control (OFAC), which oversees payments sent outside the territorial jurisdiction of the United States, requires the University to identify as an "International ACH Transaction" (IAT) any direct payroll deposits that UC makes to:

- a financial institution located outside the U.S. or
- a domestic financial institution if that financial institution immediately transfers the full deposit amount to a financial institution outside the U.S. in a "back-to-back" transaction.

These include automated clearinghouse (ACH) payments, such as direct deposits. UC Retirement System (UCRS) rules do not permit direct deposits of UCRP payments to banks outside of the United States. However, if you have instructed your recipient bank to immediately wire the full amount of the direct deposit of your UCRP monthly benefit to a foreign bank, you must complete the UCRS OFAC Compliance Form that provides further details about the foreign transaction. The form, with instructions on completion and where to return, is available at http://atyourservice.ucop.edu/news/general/iat_form.pdf.

Name your beneficiaries

It's not something most people like to think about, but making sure you've named the beneficiaries of your UC benefits and assets is important if you want to be sure that they are left to the survivors you intend.

Your beneficiary is the person to whom benefits are payable in the event of your death.

You may have completed your beneficiary designations in the past, but is the information still current? Are your beneficiaries still living? Have you had a change in marital status? Are your beneficiaries' addresses current so that UC can locate them after you are gone?

You can name beneficiaries for your UC pension, life insurance, business travel insurance and/or accidental death and dismemberment benefits online by signing in to your personal account on the At Your Service website. Simply select "My Beneficiaries" in the left column and follow the instructions for naming or updating your beneficiaries.

To name beneficiaries for your Retirement Savings Program plans—Defined Contribution, 403(b) and/or 457(b)—log in to the Fidelity Retirement Services website (netbenefits.com). Then select "My Profile" and then "Beneficiaries."

You may name the same or different beneficiaries for your various benefits. You also may name more than one beneficiary for a single benefit, such as your life insurance, and specify the percentage that each beneficiary is to receive.

Open Enrollment
continued from page 1

Because medical plan carriers have increased what they charge UC for medical plan insurance, many retirees this year will experience an increase in premiums greater than 3 percent.

Retirees with Medicare medical plans are more likely to see a reduction in their Part B reimbursement rather than an increased premium.

Medical plan premiums for 2011 are published in the Open Enrollment booklet. If you are subject to graduated eligibility, you can see the rate you will pay in 2011 by signing in to your personal account on At Your Service (atyourservice.ucop.edu). After entering your username and password, select Open Enrollment. Your cost for each medical plan is listed on the Medical Plans page.

Retirees without Medicare

The task force felt strongly that UC should mitigate the impact of its reduced contributions on retirees age 65 and older who are not eligible for Medicare and consequently have much higher health insurance costs.

Those retirees saved the University money over the years because UC never had to pay their Social Security taxes. The task force felt it was appropriate for UC to now do more to help that group pay its health insurance costs.

As a result, that group's medical premiums will be the same as those for employees in the second salary tier ($47,001 to $93,000).

New lower-cost plan

To help manage the rising cost of medical insurance for the university and its non-Medicare retirees, UC has worked with Health Net to provide a new lower cost plan: Health Net Blue & Gold HMO.

The Health Net Blue & Gold HMO works exactly like the regular UC Health Net HMO plan: you choose a primary care physician (PCP) who coordinates all of your care.

The Blue & Gold HMO differs from the other Health Net HMO in its network of providers and in its lower monthly premium.

The Blue & Gold network was created specifically for UC and includes cost-efficient providers who meet the criteria established by Health Net and approved by the California Department of Managed Care. The network includes about 65 percent of the Health Net HMO's physician network and hospitals, including all UC medical centers and medical groups.

You must select the Health Net Blue & Gold HMO during Open Enrollment to participate. If you are a current non-Medicare Health Net HMO member and take no action during Open Enrollment, you will remain in the Health Net HMO plan, even if your current doctor and medical group are in the Health Net Blue & Gold HMO plan. Visit the Health Net website (healthnet.com/uc) to see if your providers are in the Health Net Blue & Gold network.

Last, UC is discontinuing the CIGNA Choice Fund and replacing it with the Anthem Lumenos PPO with HRA. By changing carriers and making some modest plan changes, UC can offer the Anthem Lumenos plan at a lower premium.

Only those retirees currently in the CIGNA Choice Fund are eligible for the Anthem Lumenos plan. CIGNA members will be automatically transferred to the Anthem Lumenos plan unless they choose another plan during Open Enrollment. Any funds in the member's CIGNA Choice Fund HRA will be transferred to the Anthem Lumenos HRA.

More information about the Anthem Lumenos PPO with HRA is available at anthem.com/ca/uc.

Health Insurance Premiums
continued from page 3

Medicare from even higher premiums by blending their premium costs with those of active employees until they become eligible for Medicare.

Because retirees tend to use their health benefits more than employees, the cost of health insurance for this group is more expensive. By including early retirees in the larger pool of UC employees, the university is able to pass along a lower premium.

The Task Force, which was comprised of faculty, staff, administrators and retirees, was unanimous in its support for the proposed changes.

The university has an urgent need to manage the growth in its retiree health care costs. It currently faces a $14.5 billion unfunded liability for its retiree health programs, and is spending about $270 million per year from its annual operating budget to cover the health care costs of its retirees and their family members.

In 1962, when UC first began offering health insurance to retirees, it cost the university $5 per month for each enrollee.

The task force, in voicing its support for the change, noted that UC will still be offering a more generous health insurance benefit to its retirees than that offered by most employers, including those at comparator universities.

Share Your Stories

A new lease on life after disability, retirement

Harold "Hal" Frost, a Los Alamos National Laboratory (LANL) retiree, is living proof that long-term disability can end not only with retirement but also with a new lease on life benefiting others, even other UC retirees.

He writes: At age 67 I'm now functioning again at the high level of a former LANL staff member doing physics research on civilian nuclear energy including both fission and fusion materials applications. As a visiting scholar in the chemistry department at Dartmouth College, I'm doing cutting-edge research on science needed for the next generation of MRI machines for improved medical diagnostic capability — research yielding testable predictions in the field of NMR. The NMR — nuclear magnetic resonance — research was begun to honor my dad, a well-known physician who died in Colorado in 2004 from cancer, with hopes of important results someday for better diagnoses of life-threatening illnesses.

Also, as the lead, I recently nominated a LANL retiree for a prestigious IEEE prize awarded annually, with the help of others such as another LANL retiree plus an active LANL employee. This nomination, well received by the selection committee, would lead to further worldwide recognition of the excellence of research at LANL if this retiree became the awardee later this year.

Los Alamos National Laboratory retiree Hal Frost and his wife, Beverly

I've formed a wholly owned Vermont scientific consulting business on the effects of radiation on materials as a way to pass on to the next generation of scientists and engineers benefits of what I learned from working as a scientist within the UC system.

It has been a rugged road to get back to this point, but several factors have helped to make this happen: Support of my wife of 46 years, healing facilitated by UC's disability policies including long-term disability insurance benefits, a key decision in 2008 by former UC President Dynes concerning my retirement benefits, faith in God, and ability restored now to build on my own research achievements at LANL and elsewhere.

Concerning this last factor, I've formed a wholly owned Vermont scientific consulting business on the effects of radiation on materials as a way to pass on to the next generation of scientists and engineers benefits of what I learned from working as a scientist within the UC system.

So I'm a new work in progress!

Share Your Stories

We'd like to hear from you. Whether you have a challenging issue related to retirement or a story about the joys of your life as a retiree, write to us and we may share your story in New Dimensions. Reach us by email (NewDimensions-L@ucop.edu) or regular mail (New Dimensions editor, 1111 Franklin Street, 7th Floor, Oakland, CA 94607).

New Dimensions

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Retiree Association Contacts

Use this listing if you are interested in joining an association or to inform your association of an address change. If you have moved away from your home campus emeriti/retiree association, you are welcome to join the association where you live.

If you have questions about your UCRS retirement benefits, call the UC Customer Service Center at 1-800-888-8267 (8:30 a.m. to 4:30 p.m. PT)

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LBNL Retiree Association
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LLNL Retiree Networking Group
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UCLA Emeriti/Retirees Relations Center
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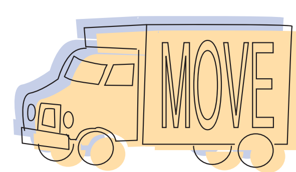
Note to associations: To update a listing, write to Anne Wolf at *New Dimensions* (email: anne.wolf@ucop.edu).

Are you moving?

To continue receiving *New Dimensions*, be sure to notify UC of your new address. You may change your address online: *atyourserviceonline.ucop.edu/asyo* or you may submit a *UC Benefits Address Change Notice*, available online at *atyourservice.ucop.edu.* or by calling the UC Customer Service Center at 1-800-888-8267. Want to go green? Consider signing up for the electronic version of *New Dimensions*. Simply sign in to your personal account on At Your Service. Under the "Stay Connected" tab, choose "Newsletter."



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Inside:

Comments or questions?

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