

# UNIVERSITY OF CALIFORNIA RETIREMENT PLAN PLAN REGULATIONS

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It is the intent of the Plan Administrator to apply the provisions of these Regulations equally to all similarly situated employees without discrimination. The Plan Administrator has full power to administer these Regulations in all of their details, subject to applicable legal requirements. No employee or agent of the University has authority to modify these Regulations or to make any representations, warranties, or inducements other than as set forth in these Regulations and in the University of California Retirement Plan. These Regulations are subject to periodic change or termination by the Plan Administrator in accordance with the authority granted under the Plan.

## REGULATION 2.05 ACTUARIAL EQUIVALENCE BASIS

The assumed rates of mortality used to determine benefits and payment options under Section 2.05 of the Plan will change from time to time, as approved by the Regents. The mortality table that underlies the assumed rates of mortality may be a table for males, females, or may be a unisex table; but the rates will always be applied to Members, Eligible Survivors and/or Contingent Annuitants, without regard to gender.

For example, the mortality table that underlies the assumed rates of mortality used to determine benefits and payment options prior to July 1, 2004 is the 1983 Group Annuity Mortality Table for Males, with ages set back four years for Members (regardless of gender) and ages set back six years for Eligible Survivors and Contingent Annuitants (regardless of gender).

## REGULATION 2.08 BENEFICIARY

A Member may designate as many Beneficiaries as desired. If more than one person is named as first Beneficiaries, the share each is to receive may be indicated as a percentage. If the share is not indicated, the benefit will be paid in equal shares. A Member may also designate second Beneficiaries to receive the benefit if all those listed as first Beneficiaries have died at the time of the Member's death. If one or more of the listed multiple first or second Beneficiaries should predecease the Member or disclaim his or her benefit, that Beneficiary's benefit will be paid in equal shares to the designated Beneficiaries remaining in the first or second list of Beneficiaries, whichever is applicable. Half siblings are not eligible as siblings in the line of succession if the Member does not name a Beneficiary or if the designation of Beneficiary is no longer effective.

If any Beneficiary should die after the Member, but prior to payment of the Beneficiary's share of the benefit, such share shall be paid pursuant to Section 2.08 of the Plan as if the Beneficiary were the Member.

If a Member designates an individual who is, or becomes, the Member's spouse or domestic partner as the Member's Beneficiary on a form completed before or during the marriage or domestic partnership, but the designated individual is not the Member's surviving spouse or surviving domestic partner at the time of the Member's death because of a subsequent dissolution or annulment of the marriage or domestic partnership, the designation will be disregarded except as otherwise provided in California Probate Code Section 5600. For purposes of this Regulation 2.08, the domestic partner must be a Registered Domestic Partner as defined in Section 12.07 of the Plan.

This provision does not apply if the Member and his or her spouse or Registered Domestic Partner are legally separated, but their marriage or domestic partnership has not been terminated.

## REGULATION 2.13 COVERED COMPENSATION

### A. Stipends

1. The following stipends are considered to be Covered Compensation:

- (a) Administrative Stipend

- (i) Faculty - Compensation paid for added responsibilities to chair persons, vice-chair persons or acting chair persons of a department of instruction and research and to those who hold equivalent academic positions in equivalent departments.

Such stipends are administered in accordance with the terms set forth in the Academic Personnel Manual.

- (ii) Staff - An administrative stipend paid to an employee who is temporarily assigned responsibilities of a higher level position or other significant duties not part of the employee's regular position.

Such stipends are administered in accordance with the terms set forth in the Personnel Policies.

- (b) Administrative Stipend-Summer Differential

Administrative Stipend-Summer Differential - Compensation paid for administrative service of one or two months in the summer to chair persons or vice-chair persons or acting chair persons of a department who are on an academic year appointment.

Such stipends are administered in accordance with the terms set forth in the Academic Personnel Manual.

2. The following stipends are not considered to be Covered Compensation:

- (a) Honorarium - University faculty may receive honorarium for:
  - (i) Seminars, lectures, or campus sponsored programs when these activities occur on campuses other than the campus or campuses on which the appointee normally serves; and
  - (ii) Concerts or other creative work or for University sponsored conferences and panels when these activities occur on any campus of the University.
- (b) Lecture Stipend - University faculty may receive additional compensation for lectures or similar services on any campus under the auspices of University Extension.

Such stipends are administered in accordance with the terms set forth in the Academic Personnel Manual.

- B. With respect to Section 2.13(e) of the Plan, compensation received in excess of the appropriate fiscal year base salary scale through negotiated arrangements will include, but not be limited to, compensation negotiated under the General Health Sciences Compensation Plan and the Medical School Clinical Compensation Plan.
- C. If an employee who is involuntarily terminated from University employment does not receive prior notice of the termination to the extent required under University policy, and instead receives pay in lieu of such notice, such pay shall not be treated as Covered Compensation.



## REGULATION 2.15 DIRECT ROLLOVER

- A. Any Eligible Rollover Distribution may be paid partly as a distribution directly to the individual and partly as a Direct Rollover. However, an Eligible Rollover Distribution may not be divided into more than one Direct Rollover unless it includes both pretax and after-tax monies, in which case one Direct Rollover can be made for the pretax portion and one for the after-tax portion. If an Eligible Rollover Distribution is divided, the amount of the Direct Rollover must be at least \$500.
- B. Any distribution that is designated payable outside the United States is not eligible for Direct Rollover.
- C. A distribution is not eligible for Direct Rollover to a personal trust.
- D. Participants who are subject to the Minimum Distribution Rule as set forth in Section 2.38 of the Plan, shall have a Minimum Distribution calculated and issued by Plan Administration prior to the issuance of a full direct rollover of Plan Accumulations, a full Direct Rollover of the Capital Accumulations Payment, or a full Direct Rollover of the Lump Sum Cashout.

## REGULATION 2.19 DOMESTIC PARTNER

### A. Supporting Documentation

Supporting documentation for a Member and individual submitting the Declaration of Domestic Partnership, University of California Retirement Plan (“Declaration”), or such other form as required by the Plan Administrator, as described in Section 2.19(a)(i)(B) of the Plan shall consist of any two of the following:

1. joint mortgage or joint tenancy on a residential lease
2. joint bank account
3. joint liabilities (for example, credit cards or car loans)
4. joint ownership of significant property (for example, a car or a house)
5. durable property or health care power of attorney
6. wills, life insurance policies or retirement annuities naming each other as primary beneficiary
7. written agreements or contracts showing mutual support obligations or joint ownership of assets acquired during the relationship
8. copy of any declaration, affidavit or similar document filed with any other governmental entity
9. joint utility bill
10. joint property tax statement.

The Declaration of Domestic Partnership, University of California Retirement Plan, or other form as required by the Plan Administrator under Section 2.19(a)(i)(B) of the Plan, shall be used only for the purposes specified in the Plan. Such form is not intended to establish any contractual rights or obligations between the Member and the individual designated as the Member’s Domestic Partner.

## B. Submission of Forms

1. Subject to any additional rules set forth in this Regulation, in order to establish an individual's eligibility to receive benefits from a plan within the University of California Retirement System ("UCRS Plan") based on the individual's domestic partnership with a Member or Participant of the UCRS Plan, such Member or Participant must:
  - (a) submit a copy of the State of California registration form establishing the domestic partnership ("California Form"), or
  - (b) submit the comparable form used to register a domestic partnership validly formed in another jurisdiction that is substantially equivalent to a California domestic partnership ("Comparable Form"), or
  - (c) submit the appropriate Declaration to the Plan Administrator, or
  - (d) as a Disabled Member, validly enroll a domestic partner in UC medical or dental benefits while an Annuitant, as defined in the UC Group Insurance Regulations ("GIRs"), and submit the verification form and supporting documentation qualifying the domestic partnership as required in the systemwide family member eligibility verification ("FMEV") process, or
  - (e) as an Active Member or Participant, validly enroll a domestic partner in UC medical, dental, or vision benefits while an Eligible Employee, as defined in the GIRs, and complete the FMEV process as described in subsection B.1.d. above.
2. Notwithstanding the foregoing, a Member or Participant who enrolls a domestic partner in a benefit plan or program not subject to the FMEV process and/or who does not otherwise complete this process must provide the appropriate Declaration, California Form, or Comparable Form to the Plan Administrator, including, but not limited to, the following Members or Participants:
  - (a) a Disabled Member who enrolls a domestic partner in vision, legal, or accidental death & dismemberment benefit plan, or
  - (b) an Active Member or Participant who enrolls a domestic partner in legal or accidental death & dismemberment benefit plan, or

- (c) an Active Member or Participant who enrolls a domestic partner in a UC benefit program not included in the Faculty/Staff GIRs, such as, but, not limited to, the Postdoctoral Scholars Benefits Program, the Graduate Student Health Insurance Plan, or the Residents' Benefit Program.
3. In order to establish a Domestic Partner's eligibility for the UCRP Postretirement Survivor Continuance benefit at the Member's death, the California Form, Comparable Form, or Declaration establishing the domestic partnership must be submitted to the Plan Administrator, or the FMEV process must be completed as described in subsection B.1.d above, no later than the Member's Retirement Date and must confirm that the partnership was in existence not less than one year prior to the Member's Retirement Date except as provided in subsection B.5.
  4. In order to establish the Domestic Partner's eligibility for UCRP Preretirement Survivor Income if an Active, Disabled or Inactive Member dies prior to his or her Retirement Date, the Plan Administrator may verify the completion of the FMEV process, or an individual may establish his or her pre-death domestic partnership with the Member by submitting a copy of the California Form or the Comparable Form to the Plan Administrator, that confirms the partnership was in existence not less than one year prior to the Member's death.
  5. An individual may be deemed the Domestic Partner of a Retired Member who retired prior to July 1, 2002 as follows:
    - For purposes of Sections 5.12 and/or 5.17 of the Plan, if such Member is alive on January 1, 2005, the domestic partnership of the Member and the individual can be established by any of the methods described in Section 2.19(a)(i)-(ii) of the Plan, provided the appropriate documentation is submitted to the Plan Administrator no later than June 30, 2005 and the other applicable requirements set forth in Plan Regulations 5.12 and/or 5.17 are satisfied.
    - For purposes of Section 5.17, if such Member is deceased on January 1, 2005, or is alive on January 1, 2005, but dies before July 1, 2005 and before submitting supporting documentation, the pre-death domestic partnership of the Member and individual can be established by the individual's submitting to the Plan Administrator no later than June 30, 2005:
      - a copy of the California Form or Comparable Form establishing the domestic partnership; or

- any three of items listed in Paragraph A,

provided the other applicable requirements set forth in Plan Regulation 5.17 are satisfied.

### C. Termination of Domestic Partnership

When a domestic partnership ends, the Member must submit the following documentation to the Plan Administrator:

1. If the partnership was registered with the State of California, a certified copy of a Notice of Termination of Domestic Partnership filed with the California Secretary of State or an order issued by a California Superior Court dissolving the State of California-registered domestic partnership, or
2. If the partnership was not registered with the State of California nor in an outside jurisdiction described in Section 2.19(a)(ii) and Section 2.19(a)(iv) of the Plan, the form entitled Termination of Domestic Partnership, University of California Retirement Plan that is available from the Plan Administrator. The Member is responsible for notifying his or her former Domestic Partner about the termination and providing the former Domestic Partner with a copy of the termination form.
3. If the partnership was formed in an outside jurisdiction as described in Section 2.19(a)(ii) and Section 2.19(a)(iv) of the Plan, a certified copy of a notice of termination or court order dissolving the partnership consistent with the laws of that jurisdiction.

## REGULATION 2.20 ELIGIBLE CHILD

- A. In the case of a stepchild of a deceased Active Member, Disabled Member, or Retired Member, such Member must have married the parent of the stepchild prior to the date of death of the Active Member, Disability Date or Retirement Date. In the case of a child of the Domestic Partner of a deceased Active Member, Disabled Member, or Retired Member, the beginning date of the domestic partnership as defined in Regulation 2.19B must be prior to the date of death of the Active Member, Disability Date, or Retirement Date. In addition, the stepchild or child of the Domestic Partner must meet all other eligibility criteria and should be identified at the time an application for benefits is submitted. If after such benefits have started a child is identified and is subsequently determined to be an Eligible Child, benefits shall be adjusted as necessary. However, the total benefit payable shall not exceed the benefits provided based on Plan provisions.
- B. To qualify as an Eligible Child under Section 2.20(b) of the Plan, a child, or the child's parent or guardian must provide documentation of attendance at an educational institution on a full time basis, defined as enrollment for at least 12 units (or equivalent) per quarter or semester.

If it is discovered that the child has dropped classes after verification of Eligible Child status, and consequently is no longer an Eligible Child, the Plan Administrator will adjust benefits and attempt to collect any overpayments except as provided under Paragraph D below.

- C. An Eligible Child, as defined in Section 2.20(b) of the Plan, who stops attending an educational institution, as defined in this Regulation 2.20 Paragraph I, on a full-time basis shall not be eligible for continued benefits during the semester or quarter except under circumstances described in Paragraph D below. Upon returning to full-time status, the child may reclaim Eligible Child status as long as all requirements of Section 2.20(b) of the Plan and this Plan Regulation 2.20 are met.
- D. An Eligible Child, as defined in Section 2.20(b) of the Plan, who is not attending an educational institution, as defined in this Regulation 2.20 Paragraph I, on a full-time basis shall not lose eligibility for benefits under the Plan for the current semester or quarter providing that either of the following situations exist:

1. the child has provided documentation that he or she is unable to obtain sufficient units to be a full-time student, but is carrying at least six units in the current semester or quarter; or
2. the child has provided documentation of his or her own illness or a serious illness or death in his or her immediate family and the child is carrying at least six units in the current semester or quarter.

In either case the child must resume full-time student status of at least 12 units in the following semester or quarter to continue eligibility for benefits. If the child has two consecutive semesters or quarters which are less than full-time, the child will lose benefit eligibility as of the beginning of the second semester or quarter.

The exceptions described above may be used only once per academic year.

E. Duty to Provide Information

1. An individual (or legal representative) applying for or receiving benefits as an Eligible Child who is not also a disabled child, under Plan rules, shall provide or cooperate in providing information as requested by the Plan Administrator which is necessary to evaluate eligibility status. Such information includes, but is not limited to:
  - (a) birth certificate;
  - (b) school records;
  - (c) authorization to release legal information; and
  - (d) information as required elsewhere in the Plan or Plan Regulations.
2. Each Eligible Child who is not also a disabled child, under Plan rules, or that person's legal representative, is required to advise the Plan Administrator of any change which may affect the amount of, or eligibility for, benefits. Such information includes, but is not limited to:
  - (a) change in student status;
  - (b) any other information required in the Plan or Plan Regulations;
  - (c) death of such Eligible Child.

The Eligible Child (or legal representative) shall be liable for any overpayments made due to failure to report this information.

3. The Plan Administrator shall deny, suspend or close an application, or suspend or terminate benefit status for an Eligible Child's failure to provide or cooperate in providing required information or for the willful provision of erroneous information.

F. Notice of Benefit Determination

1. The Plan Administrator shall give notice in writing of the following benefit determinations: approval, denial, suspension, closure, or termination of Eligible Child status. In the case of denial, suspension, closure, or termination, this notice shall give a description of the reasons for such action as well as the child's right to appeal.

Reasons for denial, suspension, closure, or termination include, but are not limited to, the following:

- (a) failure to provide or cooperate in providing information, or willful provision of erroneous information; and
  - (b) determination that an applicant or recipient is not eligible or is no longer eligible for Eligible Child status.
2. Such notice shall give the child (or legal representative) 60 days from receipt of the notice to provide a written request for appeal to the Plan Administrator.

In the case of suspension, benefits will cease at the end of the month in which the notice is received. If the required information is not received by the Plan Administrator within 30 days of the date of notice, formal termination of benefit status or closure of an application will be undertaken.

In the case of termination, benefit payments shall cease at the end of the month, following service of the notice.

3. In the case of denial, closure, or termination, the Plan Administrator's determination shall be final unless, within 60 days from the service of notice, a written request for appeal is received by the Plan Administrator.

G. Appeal Procedure as set forth in Section 11.07 of the Plan shall be available for any person or duly authorized representative.



## H. Eligibility for Disabled Child Status

### 1. Definition of Disabled Child

Children of a Disabled Member, or deceased Active, Disabled, or Retired Member, who satisfy the Plan requirements for Eligible Child status may satisfy the criteria for disabled child status if the following additional requirement is met.

A disabled child is an Eligible Child who satisfies the criteria in Section 2.20 of the Plan, and who has a medically determinable physical or mental impairment which prevents the child from engaging in substantial gainful activity, as defined in Paragraph I3(a) of this Regulation on the basis of qualified medical opinion. If such child is age 18 or older, such impairment must be shown to have arisen while the child was under age 18, or arisen under age 22 while the child was attending an educational institution on a full-time basis. The disability must be anticipated to continue for an extended and uncertain duration.

Eligibility as a disabled child shall cease when the disabled child is no longer disabled. It is the responsibility of the Eligible Child or the Representative to so notify the Plan. Failure to notify the Plan will result in liability of the Active Member, Inactive Member, Disabled Members or Retired Members, if living, for overpayments made on behalf of an Eligible Child. If the Member is deceased, the Eligible Child or Guardian to whom the overpayments were made will be liable. A child cannot reestablish eligibility as a disabled child after a period in which he or she was not disabled under the Plan.

See Paragraph E8 of this Regulation regarding duty to provide information.

### 2. Authorities

The Plan Administrator and the third party administrator, if any, (hereafter referred to as TPA) shall have the authority to:

- (a) make initial and subsequent eligibility determinations for persons applying for disabled child status; and
- (b) select physicians to conduct physical or mental examinations of:
  - (i) persons applying for disabled child status; or
  - (ii) persons already receiving such benefits.

### 3. Application for Disabled Child Status

In the case of an Eligible Child of a deceased Active Member, Disabled Member or Retired Member, application for disabled child status must be made within twelve months of the Member's date of death or within twelve months of the date the individual is no longer an Eligible Child under Section 2.20(a)-(b) of the Plan. The Eligible Child (or legal representative) must establish with medical evidence that the impairment satisfies the requirements of Paragraph D1 of this Regulation.

In the case of an Eligible Child of a Disabled Member, application for disabled child status must be made within twelve months of the date the individual is no longer an Eligible Child under Section 2.20(a)-(b) of the Plan. In the case of an Eligible Child of a Retired Member, application for disabled child status must be made within twelve months of the Retirement Date of the Member. Eligibility shall be reviewed again at the time of such Disabled or Retired Member's death.

The purpose of the review is to establish by medical evidence that the disability arose while the child was under age 18, or under age 22 and attending an educational institution on a full-time basis, and that the disability has continued through the Member's date of death and is expected to continue for an extended and uncertain duration as defined by this Regulation. An Eligible Child under the age of 18 is not required but may be able to establish eligibility as a disabled child prior to attainment of age 18.

### 4. Initial Eligibility Review

- (a) In addition to the request for disabled child status, the applicant shall submit to the Plan Administrator or TPA the following information:
  - (i) a narrative medical report by the applicant's physician, provided without cost to the Plan Administrator or TPA;
  - (ii) related medical or hospital records, as required; and
  - (iii) information as to education, work experience, and daily activities both prior to and after the Member's Disability Date, Retirement Date, or date of death, whichever is applicable, as well as any other pertinent facts demonstrating the effect of the physical or mental impairment upon the applicant's ability to engage in substantial gainful activity.

- (b) The Plan Administrator or TPA may also require the following information in determining eligibility for disabled child status:
  - (i) medical evaluation(s) by a physician(s) selected and paid for by the Plan Administrator or TPA;
  - (ii) vocational evaluation(s) by certified vocational counselor(s) selected and paid for by the Plan Administrator or TPA;
  - (iii) records from the Employment Development Department, Internal Revenue Service, State Franchise Tax Board or other agency to establish income and earnings history; and/or
  - (iv) administrative information including but not limited to job descriptions of prior and present employment, and other information related to education and skills.

#### 5. Reviews Following Approval of Eligibility

The Plan Administrator or TPA shall conduct the following reviews to determine the continuing eligibility of each disabled child.

- (a) An Eligible Child review shall be conducted following the date of death of a Disabled Member, Active Member, or Retired Member for Eligible Children who are at least age 18 on the Member's date of death and were disabled while under age 18, or under age 22 while attending an educational institution on a full-time basis. The review shall determine if the impairment continued from the date of onset to the date of the Member's death.
- (b) A one- and/or two-year review, depending upon the severity of the disability, shall be completed following approval of eligibility, if it was not clear at the time of the initial approval that the disability was of a permanent or continuing and progressive nature. The necessary information shall be gathered and a summary and recommendation prepared for the Plan Administrator or TPA's review and determination. Such summary shall include a recommendation regarding future review status.
- (c) Subsequent reviews of disabled children shall be undertaken at the discretion of the Plan Administrator or TPA. The Plan Administrator shall be responsible for ensuring that the disabled child continues to receive benefits appropriately.

- (d) Each of the above reviews may include information concerning employment, earnings, and appropriate medical reports by the disabled child's physicians (provided without cost to the Plan Administrator). The Plan Administrator or TPA may also require that the disabled child undergo vocational and medical evaluations at Plan expense.

6. Eligibility Determination

- (a) In the event of a Member's retirement or death, the Plan Administrator's Retirement Claims Administration Unit shall forward the initial request for disabled child status to the Plan Administrator's Disability Unit with a request for review, after it has been determined that the individual meets the criteria under Section 2.20 of the Plan. The Plan Administrator or TPA shall contact the applicant, obtain the necessary information and prepare a summary and recommendation based on this information. Following this determination, the case will be returned to the Retirement Claims Administration Unit for benefit payments and other administrative tasks until the next eligibility review for disability status.
- (b) When a licensed physician prescribes a course of treatment that can reasonably be expected to restore the applicant's or recipient's vocational ability, it is expected that the applicant or recipient will follow such course of treatment.
  - (i) A "prescribed course of treatment" is a course of treatment prescribed by a licensed physician for the cure, alleviation or general improvement of a physical or mental impairment that is generally recognized by qualified medical opinion to have a beneficial effect on similar physical or mental impairments and is not:
    - (A) experimental in nature;
    - (B) merely a maintenance of the current status of the physical or mental impairment;
    - (C) against the applicant's or recipient's stated religious belief; or
    - (D) a surgical procedure.

Such a prescribed course of treatment may include but is not limited to, a drug or alcohol rehabilitation program, weight loss, psychotherapy, physical therapy, or regular care and attendance by a licensed physician.

- (ii) The applicant or recipient shall be considered eligible for disabled child status if such applicant or recipient is undergoing the prescribed course of treatment, and the condition, though medically treated, continues to be disabling.
  - (iii) An applicant or recipient who unreasonably fails or refuses to follow the prescribed course of treatment shall not be eligible for disabled child status unless justifiable cause for such failure or refusal can be demonstrated.
- (c) Applicants and recipients may be required, as a condition of eligibility for disabled child status, to undergo evaluation by medical and vocational professionals to determine their potential for gainful employment or vocational training or retraining according to the applicable definition of a Disabled Child. Gainful employment referenced herein refers to employment meeting or exceeding the applicable eligibility definition of Disabled Child.
  - (i) Should the Plan Administrator or TPA determine on the basis of qualified vocational and medical opinion that a program of retraining and vocational rehabilitation can be reasonably expected to return an applicant or benefit recipient to gainful employment under applicable eligibility criteria, such child shall be required to participate in such a program.

The Plan Administrator or TPA shall deny, suspend, or terminate disabled child status for an individual who does not participate in good faith in such a program.
  - (ii) Should a Disabled Child become gainfully employed while otherwise eligible for Survivor Disability Income, such child's Survivor Disability Income may be continued under a trial work period approved by the Plan Administrator.
    - (A) Only one trial work period, for a length of time not to exceed nine months may be approved by the Plan Administrator for the period during which the Disabled Child qualifies for Survivor Disability Income.
    - (B) A Disabled Child who engages in gainful employment as part of an approved trial work

period shall not lose eligibility while engaging in this work activity. Loss of future eligibility for Survivor Disability Income shall not result should the Disabled Child be unable to continue in such activity due to continuing disability if such Child is otherwise qualified for Survivor Disability Income.

- (C) Plan benefits paid to a disabled child may be suspended or reduced on a dollar-for-dollar basis during an approved trial work period if the total of benefits and salary received during that period exceeds 100% of the guideline established for substantial gainful activity as defined in this Regulation.

In the event the disabled child engages in any employment activity which is not part of a program of rehabilitation or trial work period approved by the Plan Administrator or TPA, and that results in compensation or profit, Plan benefits may be reduced on a dollar-for-dollar basis, suspended, or terminated.

- (iii) The following definitions and provisions apply with respect to vocational rehabilitation.

- (A) *Vocational and medical professionals* include individuals as determined by Plan Administrator qualified by education or experience to assess a Disabled Child's potential for vocational retraining and rehabilitation.
- (B) *Vocational rehabilitation* includes, but is not limited to, job analysis, vocational assessment, labor market survey, functional capacity evaluation, work hardening program, on-the-job training program, retraining, job placement and trial work period.
- (C) *Reasonably be expected to return a Disabled Child to substantial gainful activity* means that retraining and rehabilitation will likely result in the ability of an individual to perform the duties of a position for which the individual can be rehabilitated by reason of his or her background and skills, and within the individual's medical restrictions.

## 7. Recovery of Overpayments

- (a) After notification and agreement to terms with the benefit recipient, the Plan Administrator may begin deductions from Plan benefits payable to recover an overpayment. An overpayment exists in, but is not limited to, the following situations:
  - (i) benefits were paid on account of a disabled child who no longer meets the eligibility criteria for such status; or
  - (ii) an overpayment was made due to an error in the calculation of the benefit.
- (b) Deductions may be applied to any benefits payable from the Plan. If no benefits are payable, the Plan Administrator shall notify the payee in writing of the amount of, and the reason for, the overpayment. If, after following established procedure, the Plan Administrator is unable to recover the overpayment from the payee, the payee's case shall be referred to the Accounting Unit, where the case will be subject to a formal collection process.

## 8. Duty to Provide Information

Section 12.05 of the Plan requires that:

Each Member, benefit recipient or person eligible for benefits from the Plan shall provide such information and evidence and shall sign such documents as may be required from time to time for the administration of the Plan.

- (a) An individual (or legal representative) applying for or receiving benefits as a disabled child shall provide or cooperate in providing information as requested by the Plan Administrator or TPA which is necessary to evaluate eligibility status. Such information includes, but is not limited to:
  - (i) medical examinations and records;
  - (ii) authorization to release medical information;
  - (iii) authorization to release financial or legal information;
  - (iv) affidavits concerning income;
  - (v) employment and earnings documentation including certified tax returns; and

- (vi) information as required elsewhere in the Plan or Plan Regulations.
- (b) Each disabled child (or legal representative) is required to advise the Plan Administrator or TPA of any change which may affect the amount of, or eligibility for, benefits. Such information includes, but is not limited to:
  - (i) change in mental or physical condition;
  - (ii) employment status or income received;
  - (iii) any change in employment or earning status;
  - (iv) any other information required in the Plan or Plan Regulations;
  - (v) death of the disabled child.

The disabled child (or legal representative) shall be liable for any overpayments made due to failure to report this information.

- (c) The Plan Administrator or TPA shall deny or suspend an application, or suspend or terminate benefits for a child's failure to provide or cooperate in providing required information or for the willful provision of erroneous information.

## 9. Notice

- (a) The Plan Administrator or TPA shall notify the child, or the child's legal representative, in writing, of the following benefit determinations: approval, denial, suspension or termination. In the case of denial, suspension or termination, the notice shall explain the reasons for such action and shall also describe the child's right to appeal the determination.

Reasons for denial, suspension or termination include, but are not limited to, the following:

- (i) failure to provide or cooperate in providing information, or willful provision of erroneous information;
- (ii) failure to follow a prescribed course of treatment or to undergo medical examination;
- (ii) failure to participate as required in a vocational rehabilitation plan or to undergo vocational assessment;



- (iv) failure to inform the Plan Administrator or TPA of any change in employment status or earnings from employment within 60 days of commencement of such change; and
  - (v) determination that an applicant or recipient is not eligible or is no longer eligible for disabled child status.
- (b) In the case of suspension, benefits shall cease at the end of the month in which the notice is received by the child (or legal representative). If the required information is not received by the Plan Administrator or TPA within the time period specified in the notice, termination of benefits or denial of an application shall be undertaken. In the case of termination, benefit payments shall cease two calendar months following service of the notice.
- (c) If an application for benefits is denied or a review of continuing eligibility results in a determination that benefits shall be suspended or terminated, the Plan Administrator or TPA shall notify the child (or legal representative) in writing, explaining the reason for denial, suspension or termination and notifying the child that he or she, or his or her authorized representative, may request a review of the denial, suspension or termination of the child's claim, as described in Paragraph 10 below.

## 10. Appeal

A written request for review must be submitted within 60 days after the child (or legal representative) receives notice of the denial, suspension or termination of the child's claim and must be directed to the Plan Administrator or TPA, according to the instructions in the notice. The request must state the reasons for the belief that the claim should not have been denied, suspended or terminated, and may include any additional information and/or documentation in support of the child's claim. The Plan Administrator or TPA, as applicable, may require further clarification of such information and/or documentation, and may require additional evidence and/or further medical or vocational evaluations. The child (or legal representative) may request to review pertinent claim file documents upon which the decision on the claim was based.

The Plan Administrator or TPA shall make a full and fair review of each request for review through its internal administrative review process. The child (or legal representative) shall receive a written notice and explanation of the decision on review within 60 days of

the receipt of the applicant's request for review, unless special circumstances require a longer period, including any extended period needed to receive and review additional information submitted in connection with the child's appeal. In that event, the child (or legal representative) shall be notified of the final decision no later than 120 days after the later of receipt of the applicant's request for review or the end of any extended period required by special circumstances.

If the Plan Administrator or TPA, as applicable, does not receive the child's (or legal representative's) written request for review within 60 days of receipt of the notice of denial, suspension or termination of the Member's claim, the claim decision shall be final and no further review of the claim shall be conducted.

## I. Definitions

1. Educational institution means an organization such as a secondary school, a college, or a professional or trade school, which has on a regular basis:
  - (a) a scheduled curriculum;
  - (b) a faculty; and
  - (c) an enrolled body of students in attendance at a place where the educational activities are regularly carried on.
2. A *disabled child* means an individual who is prevented by a medically determinable physical or mental impairment of extended and uncertain duration from engaging in substantial gainful activity as determined by the Plan Administrator or TPA on the basis of qualified medical opinion and who is:
  - (a) disabled while under age 18; or
  - (b) disabled while at least age 18, but under age 22, and attending an educational institution on a full-time basis at the time he or she became disabled.

The Plan's significant support requirement in Section 2.20 must be met in each circumstance.

3. The following definitions apply to a disabled child.
  - (a) *Substantial gainful activity* means any type of gainful activity commensurate with age, education, skills or general background, which could reasonably be expected to result in

earnings in excess of the Social Security Administration's annually published dollar amount used to determine substantial gainful activity.

Determination of substantial gainful activity shall also be subject to the following:

- (i) Substantial gainful activity is demonstrated by the ability to physically or mentally participate in an activity, whether or not it is compensated, which might be considered to be compensable in excess of the Social Security Administration's wage guidelines.
  - (ii) Medical or other evidence of the ability to engage in substantial gainful activity shall demonstrate that the individual is not disabled even if such individual is not and has not been engaging in any significant, productive, physical or mental activities.
  - (iii) The presence of a physical or mental impairment or a handicap does not in and of itself demonstrate the inability to engage in substantial gainful activity.
- (b) *Medically determinable physical or mental impairment* means an impairment or incapacity which results from anatomical, physiological or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques. Statements of the individual alone are insufficient to establish the presence of a physical or mental impairment.
- (c) *Extended and uncertain duration* means a period of at least 12 continuous months from the date an Eligible Child must initially establish eligibility as a disabled child. Further, during this time no recovery to the point of ability to engage in substantial gainful activity as defined in this Regulation is anticipated.
- (d) *Qualified medical opinion* means written reports based on an examination of the child or a review of records available and furnished by a duly licensed physician qualified by reason of education and experience to assess the child's capacity to engage in substantial gainful activity as defined above. 'Physician' includes physicians and surgeons holding an M.D. or D.O. degree, psychologists, optometrists, dentists, podiatrists, and chiropractic practitioners as licensed by law and within the scope of their practice as defined by California

state law. 'Psychologist' is further defined as a licensed psychologist with a doctorate degree in psychology and has either two years of clinical experience in a recognized health setting or has met the standards of the National Register of the Health Service Providers in Psychology. Where treatment or evaluation is provided by a psychologist, provision shall be made for appropriate medical collaboration.

- (i) Such opinion shall be based on and include reports of medically acceptable clinical findings and data (such as medical history, physical or mental status examinations or both, laboratory findings, diagnosis, treatment prescribed, and prognosis). Where appropriate, such reports shall also describe the child's capacity to perform significant functions such as sit, stand or move about, travel, handle objects, hear or speak, and, in the case of mental impairment, the ability to reason or to make occupational, personal or social adjustments.
- (ii) Any statement by a physician that an individual is "disabled," "totally and permanently disabled," "unable to work," or any statement of similar import, as a conclusion upon the ultimate issue to be decided, shall not in itself be determinative of the question of whether or not an individual would qualify for disabled child status. The weight to be given such statements depends upon the extent to which they are supported by specific and complete clinical findings or data and are consistent with other evidence as to the severity and probable duration of the individual's impairment(s).

## REGULATION 2.22 ELIGIBLE DOMESTIC PARTNER

### A. Eligibility

#### 1. Definition of Disabled Domestic Partner

Domestic Partners of deceased Members who satisfy the requirements of the Plan for Eligible Domestic Partner status, may satisfy the criteria for disabled Domestic Partner status if the following additional requirements are met:

A disabled Domestic Partner means an Eligible Domestic Partner who satisfies the criteria in Section 2.22 of the Plan, and who has a medically determinable physical or mental impairment which prevents such Domestic Partner from engaging in substantial gainful activity, as defined in Paragraph B2(a) of this Regulation, on the basis of qualified medical opinion. Such impairment must exist at the time of the Member's death and be anticipated to continue for an extended and uncertain duration.

Eligibility as a disabled Domestic Partner shall cease when the individual would otherwise be entitled to Preretirement Survivor Income without the condition of disability or is no longer disabled. A domestic partner cannot reestablish eligibility as a disabled Domestic Partner after a period in which he or she is not disabled under the Plan.

#### 2. Authorities

The Plan Administrator and the third party administrator (hereafter referred to as TPA) shall have the authority to:

- (a) make initial and subsequent eligibility determinations for persons applying for disabled Domestic Partner status; and
- (b) select physicians to conduct physical or mental examinations of:
  - (i) persons applying for disabled Domestic Partner status; or
  - (ii) persons already receiving such benefits.

### 3. Application for Disabled Domestic Partner Status

In the case of a Domestic Partner of a deceased Active, Disabled or Retired Member, application for disabled Domestic Partner status must be made within twelve months of the Member's date of death. The Domestic Partner (or legal representative) must establish with medical evidence that the impairment existed at the level defined by this Regulation as of the Member's date of death and continues for an extended and uncertain duration as defined by this Regulation.

### 4. Initial Eligibility Review

(a) In addition to the request for disabled Domestic Partner status, the applicant shall submit to the Plan Administrator or TPA the following information:

- (i) a narrative medical report by the applicant's physician, provided without cost to the Plan Administrator or TPA;
- (ii) related medical or hospital records, as required; and
- (iii) information as to education, work experience, and daily activities both prior to and after the Member's date of death, as well as any other pertinent facts demonstrating the effect of the physical or mental impairment upon the applicant's ability to engage in substantial gainful activity.

(b) The Plan Administrator or TPA may also require the following information in determining eligibility for disabled Domestic Partner status:

- (i) medical evaluation(s) by a physician(s) selected and paid for by the Plan Administrator or TPA;
- (ii) vocational evaluation(s) by certified vocational counselor(s) selected and paid for by the Plan Administrator or TPA;
- (iii) records from the Employment Development Department, Internal Revenue Service, State Franchise Tax Board or other agency to establish income and earnings history; and/or

- (iv) administrative information including but not limited to job descriptions of prior and present employment, and other information related to education and skills.

## 5. Reviews Following Approval of Eligibility

The Plan Administrator or TPA shall conduct the following reviews to determine the continuing eligibility of each disabled Domestic Partner.

- (a) A one- and/or two-year review, depending upon the severity of the disability, shall be completed following approval of eligibility, if it was not clear at the time of the initial approval that the disability was of a permanent or continuing and progressive nature. The necessary information shall be gathered and a summary and recommendation prepared for the Plan Administrator or TPA's review and determination. Such summary shall include a recommendation regarding future review status.
- (b) Subsequent reviews shall be undertaken at the discretion of the Plan Administrator or TPA, depending on the nature of the medical and vocational information established in initial and one- or two-year reviews, as well as any interim information received. Future medical and vocational reviews may be waived if a condition of permanence and severity which meets the criteria of this Regulation is unequivocally established in initial reviews. The Retirement Claims Administration Unit shall be responsible for ensuring that the disabled Domestic Partner continues to receive benefits appropriately.
- (c) Each of the above reviews may include information concerning employment, earnings, and appropriate medical reports by the disabled Domestic Partner's physicians (provided without cost to the Plan Administrator or TPA). The Plan Administrator or TPA may also require that the disabled Domestic Partner undergo vocational and medical evaluations at Plan expense.

## 6. Eligibility Determination

- (a) In the event of a Member's retirement or death, the Plan Administrator's Retirement Claims Administration Unit shall forward the initial request for disabled Domestic Partner status to the Plan Administrator's Disability Unit with a

request for review, after it has been determined that the individual meets the criteria under Section 2.22 of the Plan. The Plan Administrator or TPA shall contact the applicant, obtain the necessary information and prepare a summary and recommendation based on this information. Following this determination, the case will be returned to the Retirement Claims Administration Unit for benefit payments and other administrative tasks until the next eligibility review for disability status.

(b) When a licensed physician prescribes a course of treatment that can reasonably be expected to restore the applicant's or recipient's vocational ability, it is expected that the applicant or recipient will follow such course of treatment.

(i) A "prescribed course of treatment" is a course of treatment prescribed by a licensed physician for the cure, alleviation or general improvement of a physical or mental impairment that is generally recognized by qualified medical opinion to have a beneficial effect on similar physical or mental impairments and is not:

(A) experimental in nature;

(B) merely a maintenance of the current status of the physical or mental impairment;

(C) against the applicant's or recipient's stated religious belief; or

(D) a surgical procedure.

Such a prescribed course of treatment may include but is not limited to, a drug or alcohol rehabilitation program, weight loss, psychotherapy, physical therapy, or regular care and attendance by a licensed physician.

(ii) The applicant or recipient shall be considered eligible for disabled Domestic Partner status if such applicant or recipient is undergoing the prescribed course of treatment, and the condition, though medically treated, continues to be disabling.

(iii) An applicant or recipient who unreasonably fails or refuses to follow the prescribed course of treatment shall not be eligible for disabled Domestic Partner



status unless justifiable cause for such failure or refusal can be demonstrated.

(c) Applicants and recipients may be required, as a condition of eligibility for disabled Domestic Partner status, to undergo evaluation by medical and vocational professionals to determine their potential for gainful employment according to the applicable definition of disabled Domestic Partner, or their potential for vocational training. Gainful employment referenced herein refers to employment meeting or exceeding the applicable eligibility definition of disabled Domestic Partner.

(i) Should the Plan Administrator or TPA determine, on the basis of qualified vocational and medical opinion, that a program of retraining and vocational rehabilitation can be reasonably expected to return a disabled Domestic Partner to gainful employment under applicable eligibility criteria such disabled Domestic Partner shall be required to participate in such a program.

The Plan Administrator or TPA shall deny, suspend, or terminate disabled Domestic Partner status for an individual who does not participate in good faith in such a program.

(ii) Should a disabled Domestic Partner become gainfully employed while otherwise eligible for Survivor Disability Income, such Domestic Partner's Survivor Disability Income may be continued under a trial work period approved by the Plan Administrator.

(A) Only one trial work period, for a length of time not to exceed nine months may be approved by the Plan Administrator for the period during which the disabled Domestic Partner qualified for Survivor Disability Income.

(B) A disabled Domestic Partner who engages in gainful employment as part of an approved trial work period shall not lose eligibility while engaging in this work activity. Loss of future eligibility for Survivor Disability Income shall not result should the disabled Domestic Partner be unable to continue such activity due to continuing disability if such Domestic Partner

is otherwise qualified for Survivor Disability Income.

- (C) Plan benefits paid to a disabled Domestic Partner may be suspended or reduced on a dollar-for-dollar basis during an approved trial work period if the total of benefits and salary received during that period exceeds 100% of the guideline established for substantial gainful activity as defined in Paragraph B2(a) of this Regulation.

In the event the disabled Domestic Partner engages in any employment activity which is not part of a program of rehabilitation or trial work period approved by the Plan Administrator or TPA, and that results in compensation or profit, Plan benefits may be reduced on a dollar-for-dollar basis, suspended, or terminated.

- (iii) The following definitions and provisions apply with respect to vocational rehabilitation.
  - (A) *Vocational and medical professionals* include individuals as determined by Plan Administrator and qualified by education or experience to assess a disabled Domestic Partner's potential for vocational retraining and rehabilitation.
  - (B) *Vocational rehabilitation* includes, but is not limited to, job analysis, vocational assessment, labor market survey, functional capacity evaluation, work hardening program, on-the-job training program, retraining, job placement and trial work period.
  - (C) *Reasonably be expected to return a disabled Domestic Partner to substantial gainful activity* means that retraining and rehabilitation will likely result in the ability of an individual to perform the duties of a position for which the individual can be rehabilitated by reason of his or her background and skills, and within the individual's medical restrictions.

## 7. Recovery of Overpayments

- (a) After notification and agreement to terms with the benefit recipient, the Plan Administrator may begin deductions from Plan benefits payable to recover an overpayment. An overpayment exists in, but is not limited to, the following situations:
  - (i) benefits were paid on account of a disabled Domestic Partner who no longer meets the eligibility criteria for such status; or
  - (ii) an overpayment was made due to an error in the calculation of the benefit.
- (b) Deductions may be applied to any benefits payable from the Plan. If no benefits are payable, the Plan Administrator shall notify the payee in writing of the amount of, and the reason for, the benefit overpayment. If, after following established procedure, the Plan Administrator is unable to recover the overpayment from the payee, the payee's case shall be referred to the Accounting Unit, where the case will be subject to a formal collection process.

## 8. Duty to Provide Information

Section 12.05 of the Plan requires that:

Each Member, benefit recipient, or person eligible for benefits from the Plan shall provide such information and evidence and shall sign such documents as may be required from time to time for the administration of the Plan.

- (a) An individual (or legal representative) applying for or receiving benefits as a disabled Domestic Partner shall provide or cooperate in providing information as requested by the Plan Administrator or TPA which is necessary to evaluate eligibility status. Such information includes, but is not limited to:
  - (i) medical examinations and records;
  - (ii) authorization to release medical information;
  - (iii) authorization to release financial or legal information;
  - (iv) affidavits concerning income;

- (v) employment and earnings documentation including certificated tax returns; and
  - (vi) information as required elsewhere in the Plan or Plan Regulations.
- (b) Each disabled Domestic Partner (or legal representative) is required to advise the Plan Administrator or TPA of any change which may affect the amount of, or eligibility for, benefits. Such information includes, but is not limited to:
- (i) change in mental or physical condition;
  - (ii) employment status or income received;
  - (iii) any change in employment or earning status;
  - (iv) any other information required in the Plan or Plan Regulations;
  - (v) death of the disabled Domestic Partner.

The disabled Domestic Partner (or legal representative) shall be liable for any overpayments made due to failure to report this information.

- (c) The Plan Administrator or TPA shall deny or suspend an application, or suspend or terminate benefits for a Domestic Partner's failure to provide or cooperate in providing required information or for the willful provision of erroneous information.

## 9. Notice

- (a) The Plan Administrator or TPA shall notify the Domestic Partner, in writing, of the following benefit determinations: approval, denial, suspension or termination. In the case of denial, suspension or termination, the notice shall explain the reasons for such action and shall also describe the disabled Domestic Partner's right to appeal the determination.

Reasons for denial, suspension or termination include, but are not limited to, the following:

- (i) failure to provide or cooperate in providing required information, or for willful provision of erroneous information;

- (ii) failure to follow a prescribed course of treatment or to undergo medical examination;
  - (iii) failure to participate as required in a vocational rehabilitation plan or to undergo vocational assessment;
  - (iv) failure to inform the Plan Administrator or TPA of any change in employment status or earnings from employment within 60 days of commencement of such change; and
  - (v) determination that an applicant or recipient is not eligible or is no longer eligible for disabled Domestic Partner status.
- (b) In the case of suspension, benefits shall cease at the end of the month in which the notice is received by the Domestic Partner. If the required information is not received by the Plan Administrator or TPA within the time period specified in the notice, termination of benefits or denial of an application shall be undertaken. In the case of termination without prior suspension, benefit payments shall cease two calendar months following service of the notice.
- (c) If an application for benefits is denied or a review of continuing eligibility results in a determination that benefits shall be suspended or terminated, the Plan Administrator or TPA shall notify the Domestic Partner in writing, explaining the reason for denial, suspension or termination and notifying the Domestic Partner that he or she, or his or her authorized representative, may request a review of the denial, suspension or termination of the Domestic Partner's claim, as described in Paragraph 10 below.

## 10. Appeal

A written request for review must be submitted within 60 days after the Domestic Partner receives notice of the denial, suspension or termination of the Domestic Partner's claim and must be directed to the Plan Administrator or TPA, according to the instructions in the notice. The request must state the reasons for the Domestic Partner's belief that the claim should not have been denied, suspended or terminated, and may include any additional information and/or documentation in support of the Domestic Partner's claim. The Plan Administrator or TPA, as applicable, may require further clarification of such information and/or

documentation, and may require additional evidence and/or further medical or vocational evaluations. The Domestic Partner may request to review pertinent claim file documents upon which the decision on the claim was based.

The Plan Administrator or TPA shall make a full and fair review of each request for review through its internal administrative review process. The Domestic Partner shall receive a written notice and explanation of the decision on review within 60 days of the receipt of the Domestic Partner's request for review, unless special circumstances require a longer period, including any extended period needed to receive and review additional information submitted in connection with the Domestic Partner's appeal. In that event, the Domestic Partner shall be notified of the final decision no later than 120 days after the later of receipt of the Domestic Partner's request for review or the end of any extended period required by special circumstances.

If the Plan Administrator or TPA, as applicable, does not receive the Domestic Partner's written request for review within 60 days of receipt of the notice of denial, suspension or termination of the Domestic Partner's claim, the claim decision shall be final and no further review of the claim shall be conducted.

## B. Definitions

1. A *disabled Domestic Partner* means an individual who is prevented by a medically determinable physical or mental impairment of extended and uncertain duration from engaging in substantial gainful activity as determined by the Plan Administrator or TPA on the basis of qualified medical opinion.
2. The following definitions apply to a disabled Domestic Partner.
  - (a) *Substantial gainful activity* means any type of gainful activity commensurate with age, education, skills or general background, which could reasonably be expected to result in earnings in excess of the Social Security Administration's annually published dollar amount used to determine substantial gainful activity.

Determination of substantial gainful activity shall also be subject to the following.

- (i) Substantial gainful activity is demonstrated by the ability to physically or mentally participate in an

activity, whether or not it is compensated, which might be considered to be compensable in excess of the Social Security Administration's wage guidelines.

- (ii) Medical or other evidence of the ability to engage in substantial gainful activity will demonstrate that the individual is not disabled even though the individual is not and has not been engaging in any significant or productive physical or mental activities.
  - (iii) The presence of a physical or mental impairment or a handicap does not in and of itself demonstrate the inability to engage in substantial gainful activity.
- (b) *Medically determinable physical or mental impairment* means an impairment or incapacity which results from anatomical, physiological or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques. Statements of the individual alone are insufficient to establish the presence of a physical or mental impairment.
- (c) *Extended and uncertain duration* means a period of at least 12 continuous months from the date of death of the Member during which time no recovery to the point of ability to engage in substantial gainful activity as defined in Paragraph B2(a) of this Regulation is anticipated.
- (d) *Qualified medical opinion* means written reports based on an examination of the Domestic Partner or a review of records available and furnished by a duly licensed physician qualified by reason of education and experience to assess the Domestic Partner's capacity to engage in substantial gainful activity as defined above. 'Physician' includes physicians and surgeons holding an M.D. or D.O. degree, psychologists, optometrists, dentists, podiatrists, and chiropractic practitioners as licensed by law and within the scope of their practice as defined by California state law. 'Psychologist' is further defined as a licensed psychologist with a doctorate degree in psychology and has either two years of clinical experience in a recognized health setting or has met the standards of the National Register of the Health Service Providers in Psychology. Where treatment or evaluation is provided by a psychologist, provision shall be made for appropriate medical collaboration.

- (i) Such opinion shall be based on and include reports of medically acceptable clinical findings and data (such as medical history, physical or mental status examinations or both, laboratory findings, diagnosis, treatment prescribed, and prognosis). Where appropriate, such reports shall also describe the Domestic Partner's capacity to perform significant functions such as sit, stand or move about, travel, handle objects, hear or speak, and, in the case of mental impairment, the ability to reason or to make occupational, personal or social adjustments.
- (ii) Any statement by a physician that an individual is "disabled," "totally and permanently disabled," "unable to work," or any statement of similar import, as a conclusion upon the ultimate issue to be decided, shall not in itself be determinative of the question of whether or not an individual would qualify for disabled Domestic Partner status. The weight to be given such statements depends upon the extent to which they are supported by specific and complete clinical findings or data and are consistent with other evidence as to the severity and probable duration of the individual's impairment(s).

#### C. One-Year Requirement

Effective June 17, 2008, the determination of whether a surviving Domestic Partner of a deceased Active Member or Disabled Member was such Member's Domestic Partner for at least one full year before the Member's date of death shall take into account any period during which the surviving Domestic Partner was such Member's spouse immediately prior to becoming the Member's Domestic Partner and any period immediately prior to such marriage the Member's spouse was the Member's Domestic Partner.



## REGULATION 2.23 ELIGIBLE EMPLOYEE

- A. An employee appointed to work 50% time or more on a fixed or variable percent of time basis for a definite period of less than one year shall become an Eligible Employee in the following circumstances.
1. If the department head states in writing at the time of the appointment that the appointment is temporary for funding reasons only and it is properly recorded on the Personnel Action Form or equivalent, and that it is the expectation of the department that employment will be extended at 50% time or more for a total period of at least one year, the employee is an Eligible Employee from the date of the initial appointment.
  2. If a temporary appointment at 50% time or more is later extended for a total period of one year or longer, the employee is an Eligible Employee as of the date of the change in status.
  3. If an employee is transferred to another department and the appointment upon transfer extends employment at 50% time or more to a total period of one year or longer, the employee is an Eligible Employee as of the date of such transfer.
  4. If a temporary appointment expires and the employee receives an additional appointment in the same department that will extend total employment at 50% time or more for a total period of one year or longer without a break in continuous service, the employee is an Eligible Employee as of the date of the additional appointment.
- B. An employee who completes a temporary appointment and is later reappointed in the same or another department following a Break in Service is an Eligible Employee only if he or she is eligible on the basis of the new appointment.
- C. An employee who has multiple appointments with the University of California at the same or different UC locations which, when aggregated, total at least 50% time for a definite period of one year or longer, or for a shorter definite period with the reasonable prospect of renewal or extension of such appointments, shall be considered an Eligible Employee as of the date the appointment percentages total at least 50 percent and extend for a year or longer.

- D. A University member of PERS who has been separated from service due to layoff and who is reemployed by the University may elect to resume membership in PERS by filing written notice of such election with PERS and the Plan within 30 days after the date of reemployment. If no such election is filed and the employee is an Eligible Employee under the terms of the reappointment, membership in UCRP shall be retroactive to the first effective date of reemployment.
- E. Employees who attend the University primarily for the purposes of their own education or training are not Eligible Employees. Prior to July 1, 2002, paragraphs 1-4 below shall apply. Paragraphs 5-8 below shall apply effective July 1, 2002 except where a later date is specifically provided.
1. Employees are considered to be at the University primarily for the purposes of receiving an education or training if:
    - (a) such employee is a University student; and
      - (i) is employed less than 100% time; or
      - (ii) is normally employed less than 100% time, but has occasional periods of employment at 100% time of less than one year's duration; or
    - (b) such employee is employed in a training program of two years or less with a special classification and salary rate or range.
  2. For purposes of this policy, a University student is a student who is registered and enrolled for one quarter or more at one of the University of California campuses and Hastings College of the Law, but excluding University Extension, in a program leading to a degree.
  3. An Active Member who later becomes a University student or who enters a training program shall remain an Active Member unless the Member has a Break in Service.
  4. Certain employees who are students are Eligible Employees and are not considered to be at the University primarily for the purpose of their own education and training if:
    - (a) they have an indefinite appointment at 100% time; or
    - (b) they have a 100% time appointment with a definite term of one year's duration, or more; or

- (c) they have a change in employment status which extends the total period of employment at 100% time to one year or longer, effective as of the date of the change in status; or
  - (d) they have multiple appointments at the same or different UC locations which, when aggregated, total at least 100% time for at least a year's duration.
5. Employees are considered to be at the University primarily for the purposes of receiving an education or training if:
- (a) such employee is appointed to an academic position contingent upon student status, i.e., titles restricted to students (CTO = 400-499); or
  - (b) such employee is appointed to a casual/restricted staff position, as defined in the University's personnel policies for staff members; or
  - (c) such employee is a University student and is appointed at less than 50% time; or
  - (d) such employee is employed in a training program of two years or less with a special classification and salary rate or range.
  - (e) such employee is appointed, or moved to an appointment, on or after January 1, 2005 as a Postdoctoral Scholar – Employee in Academic Title Code 3252 to pursue a program of advanced academic preparation and research training consistent with APM-390 as in effect on January 1, 2005, and as subsequently amended.
6. For purposes of this policy, a University student is a student who is registered and enrolled for one quarter or more at one of the University of California campuses and Hastings College of the Law, but excluding University Extension, in a program leading to a degree.
7. An Active Member who later becomes a University student or who enters a training program shall remain an Active Member unless the Member has a Break in Service.
8. Certain employees who are students and who are not otherwise excluded from Plan participation as defined in Section 2.23 of the Plan or in paragraphs 5(a) through (e) above, shall be Eligible

Employees and shall not be considered to be at the University primarily for the purpose of their own education and training if:

- (a) they have an indefinite appointment at 50% time or more; or
- (b) they have a 50% time or more appointment with a definite term of one year's duration, or more; or
- (c) they have a change in employment status which extends the total period of employment at 50% time or more to one year or longer, effective as of the date of the change in status; or
- (d) they have multiple appointments at the same or different UC locations which, when aggregated, total at least 50% time for at least a year's duration.

Notwithstanding the provisions of Paragraph 8(a)-(d) above, such employee shall not be an Eligible Employee for purposes of Section 2.23(b) of the Plan and shall not become an Eligible Employee under Section 2.23(b) of the Plan on account of an accumulation of 1,000 hours of employment or any portion of such hours.

- F. Employees initially appointed, or appointed following a Break in Service, to a University position and who are described in any of the categories in Section 2.23(i)-(ix) in of the Plan are not eligible for UCRP membership.
- G. An Active Member who is later appointed to a University per diem position shall remain an Active Member regardless of any provisions to the contrary in the per diem contract, unless such Member has a bona fide Break in Service.
- H. An officer or employee described under Section 2.23(b) of the Plan shall become an Eligible Employee on the first day of the month following completion of 1,000 hours of employment on pay status within any consecutive rolling 12-month period; or, if rehired as an employee described under Section 2.23(b) (but excluding a rehired Retired Employee or Retired Member), following a Break in Service and the employee has 1,000 hours of employment within the 12-month period prior to the rehire date, the employee shall become an Eligible Employee as of the date of rehire. In calculating the 1,000 hours, regular pay, paid sick leave, holiday pay, vacation pay, administrative leave with pay, paid jury duty and military leave with pay shall be included. Hours that shall be excluded include:
  - 1. Hours of overtime, shift differential, on-call, or terminal vacation pay.

2. Hours for correspondence, summer session, intersession, and for interquarter or vacation periods and University Extension courses unless such employment constitutes a part of an annual or indefinite appointment.
3. Hours that exceed 100% of full time (the maximum hours in a month are based on 8 hours times the number of workdays in a month).
4. Hours related to a position that is not normally full time and that are not paid on either a salary or hourly rate basis.
5. Hours for service listed in Section 2.23(i)-(ix) of the Plan.

For purposes of counting the 1,000 hours, the following appointments are converted into the hours as follows:

- (a) Hourly Paid Appointments - Hours will be based on the hours reported in the pay period.
- (b) Salaried Appointments - The hours are based on the percentage of the appointment multiplied by the number of hours in a pay period.
  - (i) Monthly Paid - Hours will be based on the number of work hours in each month.
  - (ii) Bi-Weekly Paid - Hours will be based on 80 hours each pay period.

Hours in a pay period or month are based on eight (8) hours for each workday in the period or month.

- I. The rehire of Retired Members and Retired Employees as Eligible Employees, other than faculty, is governed by Section 2.325 of the Personnel Policy for Staff Members. The recall of academic appointees is governed by the Academic Personnel Policy 205.

## REGULATION 2.26 ELIGIBLE SPOUSE

### A. Eligibility

#### 1. Definition of Disabled Spouse

Spouses of deceased Members who satisfy the requirements of the Plan for Eligible Spouse status, may satisfy the criteria for disabled spouse status if the following additional requirements are met:

A disabled spouse means an Eligible Spouse who satisfies the criteria in Section 2.26 of the Plan, and who has a medically determinable physical or mental impairment which prevents such spouse from engaging in substantial gainful activity, as defined in Paragraph B2(a) of this Regulation, on the basis of qualified medical opinion. Such impairment must exist at the time of the Member's death and be anticipated to continue for an extended and uncertain duration.

Eligibility as a disabled spouse shall cease when the individual would otherwise be entitled to Preretirement Survivor Income without the condition of disability or is no longer disabled. A spouse cannot reestablish eligibility as a disabled spouse after a period in which he or she is not disabled under the Plan.

#### 2. Authorities

The Plan Administrator and the third party administrator (hereafter referred to as TPA) shall have the authority to:

- (a) make initial and subsequent eligibility determinations for persons applying for disabled spouse status; and
- (b) select physicians to conduct physical or mental examinations of:
  - (i) persons applying for disabled spouse status; or
  - (ii) persons already receiving such benefits.

### 3. Application for Disabled Spouse Status

In the case of a spouse of a deceased Active, Disabled or Retired Member, application for disabled spouse status must be made within twelve months of the Member's date of death. The spouse (or legal representative) must establish with medical evidence that the impairment existed at the level defined by this Regulation as of the Member's date of death and continues for an extended and uncertain duration as defined by this Regulation.

### 4. Initial Eligibility Review

(a) In addition to the request for disabled spouse status, the applicant shall submit to the Plan Administrator or TPA the following information:

(i) a narrative medical report by the applicant's physician, provided without cost to the Plan Administrator or TPA;

(ii) related medical or hospital records, as required; and

(iii) information as to education, work experience, and daily activities both prior to and after the Member's date of death, as well as any other pertinent facts demonstrating the effect of the physical or mental impairment upon the applicant's ability to engage in substantial gainful activity.

(b) The Plan Administrator or TPA may also require the following information in determining eligibility for disabled spouse status:

(i) medical evaluation(s) by a physician(s) selected and paid for by the Plan Administrator or TPA;

(ii) vocational evaluation(s) by certified vocational counselor(s) selected and paid for by the Plan Administrator or TPA;

(iii) records from the Employment Development Department, Internal Revenue Service, State Franchise Tax Board or other agency to establish income and earnings history; and/or

(iv) administrative information including but not limited to job descriptions of prior and present employment, and other information related to education and skills.

## 5. Reviews Following Approval of Eligibility

The Plan Administrator or TPA shall conduct the following reviews to determine the continuing eligibility of each disabled spouse.

- (a) A one- and/or two-year review, depending upon the severity of the disability, shall be completed following approval of eligibility, if it was not clear at the time of the initial approval that the disability was of a permanent or continuing and progressive nature. The necessary information shall be gathered and a summary and recommendation prepared for the Plan Administrator or TPA's review and determination. Such summary shall include a recommendation regarding future review status.
- (b) Subsequent reviews shall be undertaken at the discretion of the Plan Administrator or TPA, depending on the nature of the medical and vocational information established in initial and one- or two-year reviews, as well as any interim information received. Future medical and vocational reviews may be waived if a condition of permanence and severity which meets the criteria of this Regulation is unequivocally established in initial reviews. The Retirement Claims Administration Unit shall be responsible for ensuring that the disabled spouse continues to receive benefits appropriately.
- (c) Each of the above reviews may include information concerning employment, earnings, and appropriate medical reports by the disabled spouse's physicians (provided without cost to the Plan Administrator or TPA). The Plan Administrator or TPA may also require that the disabled spouse undergo vocational and medical evaluations at Plan expense.

## 6. Eligibility Determination

- (a) In the event of a Member's retirement or death, the Plan Administrator's Retirement Claims Administration Unit shall forward the initial request for disabled spouse status to the Plan Administrator's Disability Unit with a request for review, after it has been determined that the individual meets the criteria under Section 2.26 of the Plan. The Plan Administrator or TPA shall contact the applicant, obtain the necessary information and prepare a summary and recommendation based on this information. Following this



determination, the case will be returned to the Retirement Claims Administration Unit for benefit payments and other administrative tasks until the next eligibility review for disability status.

- (b) When a licensed physician prescribes a course of treatment that can reasonably be expected to restore the applicant's or recipient's vocational ability, it is expected that the applicant or recipient will follow such course of treatment.
  - (i) A "prescribed course of treatment" is a course of treatment prescribed by a licensed physician for the cure, alleviation or general improvement of a physical or mental impairment that is generally recognized by qualified medical opinion to have a beneficial effect on similar physical or mental impairments and is not:
    - (A) experimental in nature;
    - (B) merely a maintenance of the current status of the physical or mental impairment;
    - (C) against the applicant's or recipient's stated religious belief; or
    - (D) a surgical procedure.

Such a prescribed course of treatment may include but is not limited to, a drug or alcohol rehabilitation program, weight loss, psychotherapy, physical therapy, or regular care and attendance by a licensed physician.

  - (ii) The applicant or recipient shall be considered eligible for disabled spouse status if such applicant or recipient is undergoing the prescribed course of treatment, and the condition, though medically treated, continues to be disabling.
  - (iii) An applicant or recipient who unreasonably fails or refuses to follow the prescribed course of treatment shall not be eligible for disabled spouse status unless justifiable cause for such failure or refusal can be demonstrated.
- (c) Applicants and recipients may be required, as a condition of eligibility for disabled spouse status, to undergo evaluation by medical and vocational professionals to determine their potential for gainful employment according to the applicable

definition of Disabled Spouse, or their potential for vocational training. Gainful employment referenced herein refers to employment meeting or exceeding the applicable eligibility definition of Disabled Spouse.

- (i) Should the Plan Administrator or TPA determine, on the basis of qualified vocational and medical opinion, that a program of retraining and vocational rehabilitation can be reasonably expected to return a disabled spouse to gainful employment under applicable eligibility criteria such as Disabled Spouse shall be required to participate in such a program.

The Plan Administrator or TPA shall deny, suspend, or terminate disabled spouse status for an individual who does not participate in good faith in such a program.

- (ii) Should a Disabled Spouse become gainfully employed while otherwise eligible for Survivor Disability Income, such Spouse's Survivor Disability Income may be continued under a trial work period approved by the Plan Administrator.
  - (A) Only one trial work period, for a length of time not to exceed nine months may be approved by the Plan Administrator for the period during which the Disabled Spouse qualified for Survivor Disability Income.
  - (B) A Disabled Spouse who engages in gainful employment as part of an approved trial work period shall not lose eligibility while engaging in this work activity. Loss of future eligibility for Survivor Disability Income shall not result should the Disabled Spouse be unable to continue such activity due to continuing disability if such Spouse is otherwise qualified for Survivor Disability Income.
  - (C) Plan benefits paid to a disabled spouse may be suspended or reduced on a dollar-for-dollar basis during an approved trial work period if the total of benefits and salary received during that period exceeds 100% of the guideline established for substantial gainful activity as defined in Paragraph B2(a) of this Regulation.

In the event the disabled spouse engages in

any employment activity which is not part of a program of rehabilitation or trial work period approved by the Plan Administrator or TPA, and that results in compensation or profit, Plan benefits may be reduced on a dollar-for-dollar basis, suspended, or terminated.

- (iii) The following definitions and provisions apply with respect to vocational rehabilitation:
  - (A) *Vocational and medical professionals* include individuals as determined by Plan Administrator and qualified by education or experience to assess a Disabled Spouse's potential for vocational retraining and rehabilitation.
  - (B) *Vocational rehabilitation* includes, but is not limited to, job analysis, vocational assessment, labor market survey, functional capacity evaluation, work hardening program, on-the-job training program, retraining, job placement and trial work period.
  - (C) *Reasonably be expected to return a Disabled Spouse to substantial gainful activity* means that retraining and rehabilitation will likely result in the ability of an individual to perform the duties of a position for which the individual can be rehabilitated by reason of his or her background and skills, and within the individual's medical restrictions.

## 7. Recovery of Overpayments

- (a) After notification and agreement to terms with the benefit recipient, the Plan Administrator may begin deductions from Plan benefits payable to recover an overpayment. An overpayment exists in, but is not limited to, the following situations:
  - (i) benefits were paid on account of a disabled spouse who no longer meets the eligibility criteria for such status; or
  - (ii) an overpayment was made due to an error in the calculation of the benefit.
- (b) Deductions may be applied to any benefits payable from the

Plan. If no benefits are payable, the Plan Administrator shall notify the payee in writing of the amount of, and the reason for, the benefit overpayment. If, after following established procedure, the Plan Administrator is unable to recover the overpayment from the payee, the payee's case shall be referred to the Accounting Unit, where the case will be subject to a formal collection process.

## 8. Duty to Provide Information

Section 12.05 of the Plan requires that:

Each Member, benefit recipient, or person eligible for benefits from the Plan shall provide such information and evidence and shall sign such documents as may be required from time to time for the administration of the Plan.

- (a) An individual (or legal representative) applying for or receiving benefits as a disabled spouse shall provide or cooperate in providing information as requested by the Plan Administrator or TPA which is necessary to evaluate eligibility status. Such information includes, but is not limited to:
  - (i) medical examinations and records;
  - (ii) authorization to release medical information;
  - (iii) authorization to release financial or legal information;
  - (iv) affidavits concerning income;
  - (v) employment and earnings documentation including certificated tax returns; and
  - (vi) information as required elsewhere in the Plan or Plan Regulations.
  
- (b) Each disabled spouse (or legal representative) is required to advise the Plan Administrator or TPA of any change which may affect the amount of, or eligibility for, benefits. Such information includes, but is not limited to:
  - (i) change in mental or physical condition;
  - (ii) employment status or income received;
  - (iii) any change in employment or earning status;
  - (iv) any other information required in the Plan or Plan Regulations;
  - (v) death of the disabled spouse.

The disabled spouse (or legal representative) shall be liable for any overpayments made due to failure to report this information.

- (c) The Plan Administrator or TPA shall deny or suspend an application, or suspend or terminate benefits for a spouse's failure to provide or cooperate in providing required information or for the willful provision of erroneous information.

## 9. Notice

- (a) The Plan Administrator or TPA shall notify the spouse in writing, of the following benefit determinations: approval, denial, suspension or termination. In the case of denial, suspension or termination, the notice shall explain the reasons for such action and shall also describe the spouse's right to appeal the determination.

Reasons for denial, suspension or termination include, but are not limited to, the following:

- (i) failure to provide or cooperate in providing required information, or for willful provision of erroneous information;
  - (ii) failure to follow a prescribed course of treatment or to undergo medical examination;
  - (iii) failure to participate as required in a vocational rehabilitation plan or to undergo vocational assessment;
  - (iv) failure to inform the Plan Administrator or TPA of any change in employment status or earnings from employment within 60 days of commencement of such change; and
  - (v) determination that an applicant or recipient is not eligible or is no longer eligible for disabled spouse status.
- (b) In the case of suspension, benefits shall cease at the end of the month in which the notice is received by the spouse. If the required information is not received by the Plan Administrator or TPA within the time period specified in the

notice, termination of benefits or denial of an application shall be undertaken. In the case of termination without prior suspension, benefit payments shall cease two calendar months following service of the notice.

- (c) If an application for benefits is denied or a review of continuing eligibility results in a determination that benefits shall be suspended or terminated, the Plan Administrator or TPA shall notify the spouse in writing, explaining the reason for denial, suspension or termination and notifying the spouse that he or she, or his or her authorized representative, may request a review of the denial, suspension or termination of the spouse's claim, as described in Paragraph 10 below.

#### 10. Appeal

A written request for review must be submitted within 60 days after the spouse receives notice of the denial, suspension or termination of the spouse's claim and must be directed to the Plan Administrator or TPA, according to the instructions in the notice. The request must state the reasons for the spouse's belief that the claim should not have been denied, suspended or terminated, and may include any additional information and/or documentation in support of the spouse's claim. The Plan Administrator or TPA, as applicable, may require further clarification of such information and/or documentation, and may require additional evidence and/or further medical or vocational evaluations. The spouse may request to review pertinent claim file documents upon which the decision on the claim was based.

The Plan Administrator or TPA shall make a full and fair review of each request for review through its internal administrative review process. The spouse shall receive a written notice and explanation of the decision on review within 60 days of the receipt of the spouse's request for review, unless special circumstances require a longer period, including any extended period needed to receive and review additional information submitted in connection with the spouse's appeal. In that event, the spouse shall be notified of the final decision no later than 120 days after the later of receipt of the spouse's request for review or the end of any extended period required by special circumstances.

If the Plan Administrator or TPA, as applicable, does not receive the spouse's written request for review within 60 days of receipt of the notice of denial, suspension or termination of the spouse's

claim, the claim decision shall be final and no further review of the claim shall be conducted.

## B. Definitions

1. A *disabled spouse* means an individual who is prevented by a medically determinable physical or mental impairment of extended and uncertain duration from engaging in substantial gainful activity as determined by the Plan Administrator or TPA on the basis of qualified medical opinion.

2. The following definitions apply to a disabled spouse:

(a) *Substantial gainful activity* means any type of gainful activity commensurate with age, education, skills or general background, which could reasonably be expected to result in earnings in excess of the Social Security Administration's annually published dollar amount used to determine substantial gainful activity.

Determination of substantial gainful activity shall also be subject to the following.

(i) Substantial gainful activity is demonstrated by the ability to physically or mentally participate in an activity, whether or not it is compensated, which might be considered to be compensable in excess of the Social Security Administration's wage guidelines.

(ii) Medical or other evidence of the ability to engage in substantial gainful activity will demonstrate that the individual is not disabled even though the individual is not and has not been engaging in any significant or productive physical or mental activities.

(iii) The presence of a physical or mental impairment or a handicap does not in and of itself demonstrate the inability to engage in substantial gainful activity.

(b) *Medically determinable physical or mental impairment* means an impairment or incapacity which results from anatomical, physiological or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques. Statements of the individual alone are insufficient to establish the presence of a physical or mental impairment.

- (c) *Extended and uncertain duration* means a period of at least 12 continuous months from the date of death of the Member during which time no recovery to the point of ability to engage in substantial gainful activity as defined in Paragraph B2(a) of this Regulation is anticipated.
- (d) *Qualified medical opinion* means written reports based on an examination of the spouse or a review of records available and furnished by a duly licensed physician qualified by reason of education and experience to assess the spouse's capacity to engage in substantial gainful activity as defined above. 'Physician' includes physicians and surgeons holding an M.D. or D.O. degree, psychologists, optometrists, dentists, podiatrists, and chiropractic practitioners as licensed by law and within the scope of their practice as defined by California state law. 'Psychologist' is further defined as a licensed psychologist with a doctorate degree in psychology and has either two years of clinical experience in a recognized health setting or has met the standards of the National Register of the Health Service Providers in Psychology. Where treatment or evaluation is provided by a psychologist, provision shall be made for appropriate medical collaboration.
- (i) Such opinion shall be based on and include reports of medically acceptable clinical findings and data (such as medical history, physical or mental status examinations or both, laboratory findings, diagnosis, treatment prescribed, and prognosis). Where appropriate, such reports shall also describe the spouse's capacity to perform significant functions such as sit, stand or move about, travel, handle objects, hear or speak, and, in the case of mental impairment, the ability to reason or to make occupational, personal or social adjustments.
- (ii) Any statement by a physician that an individual is "disabled," "totally and permanently disabled," "unable to work," or any statement of similar import, as a conclusion upon the ultimate issue to be decided, shall not in itself be determinative of the question of whether or not an individual would qualify for disabled spouse status. The weight to be given such statements depends upon the extent to which they are supported by specific and complete clinical findings or data and are consistent with other



evidence as to the severity and probable duration of the individual's impairment(s).

C. One-Year Requirement

Effective June 17, 2008, the determination of whether a surviving spouse of a deceased Active Member or Disabled Member was married to such Member for at least one full year before the Member's date of death shall take into account any period during which the surviving spouse was such Member's Domestic Partner immediately prior to the date of their marriage and any period immediately prior to such domestic partnership the Member's Domestic Partner was the Member's spouse.

## REGULATION 2. 28 FINAL SALARY

The calculation(s) described in Section 2.28 of the Plan shall result in no less than the Active Member's monthly Full Time Equivalent Compensation multiplied by the Member's regular and normal appointment percentage.

## REGULATION 2.31 HIGHEST AVERAGE PLAN COMPENSATION (HAPC)

For purposes of determining the Full-Time Equivalent Compensation for Highest Average Plan Compensation, only retroactive increases to Covered Compensation approved within six months of separation from service will be included. The date of approval for a retroactive salary increase is the computer printed date on the adjusted Personnel Action Form or applicable payroll documents.

Regardless of the date of approval, if a Member is paid the retroactive increase more than eight months following separation from service, the increase will not be included in calculating Highest Average Plan Compensation.

## REGULATION 2.34 LUMP SUM CASHOUT

### A. Cashout Date

The Plan Administrator will not accept a Lump Sum Cashout (LSC) Request for Information more than 120 days before the cashout date, as defined in Section 2.34 of the Plan, which the Member has indicated on the Request for Information. The final cashout date is denoted by the Member on his/her LSC election form, as approved by the Plan Administrator. A Member's 2013 Tier Benefit cannot be paid as a LSC.

### B. Calculation of LSC

1. The LSC is equal to:
  - (a) the LSC factor for attained age on last birthday and the number of whole calendar months elapsed following last birthday, as determined using the Actuarial Equivalence Basis as set forth in Section 2.05 of the Plan on the cashout date, multiplied by
  - (b) the Member's Basic Retirement Income (BRI) for the 1976 Tier Benefit, including the Retirement Income Offset and any leave offset, as determined using the Actuarial Equivalence Basis as set forth in Section 2.05 of the Plan on the cashout date.
2. For purposes of determining the amount of a LSC the Member's BRI is based on the greater of:
  - (a) all service, other than Service Credit accrued in the 2013 Tier, including noncontributory (Plan 02) service, less the Retirement Income Offset, or
  - (b) contributory service only, without the Retirement Income Offset.
3. The LSC will not be recalculated except under the following circumstances:
  - (a) Member receives a retroactive pay increase and notifies the Plan Administrator prior to the Member's University separation date;

- (b) Member buys back service credit or reduces/eliminates the Retirement Income Offset;
  - (c) Member changes the cashout date;
  - (d) a change in UCRP provisions effective prior to the cashout date that affects the LSC calculation.
4. The LSC paid to a Member will be offset by the value of Plan benefits paid or due to a Designated Payee pursuant to an approved Domestic Relations Order as described in Section 12.07 of the Plan.

C. Election of Lump Sum Cashout

A Member who elects to receive a LSC will waive all rights to benefits, other than a 2013 Tier Benefit, provided under Articles 5, 6, 7, and 8 of the Plan, including but not limited to:

1. the basic death payment as provided under Sections 5.18, 6.17, 7.17, and 8.17 of the Plan even if the Member should die prior to receipt of the LSC, as long as the election form had been approved by the Plan Administrator at the time of Member's death;
2. the Postretirement Survivor Continuance as provided under Sections 5.17, 6.16, 7.16, and 8.16 of the Plan;
3. the Social Security Supplement as provided under Section 5.07 of the Plan;
4. the Benefit Guarantees as provided under Section 5.20 of the Plan.

If no election form for either Lump Sum Cashout or Retirement Income is received by Retirement Claims Administration within 90 days following the cashout date or Retirement Date specified on the initial Request for Information form or the date the initial election form is sent to the Member, whichever is later, the Request for Information is cancelled, and the Member must reapply.

The election to receive a LSC becomes irrevocable as of the cashout date, or the date the official election form is received by the Plan Administrator, whichever is later, provided the form is approved as complete by the Plan Administrator.

## REGULATION 2.37 MEMBER TIERS

### A. 2013 Tier Member

An Inactive or Retired Member who is rehired on or after July 1, 2013 as a Member with Coordinated Benefits or a Member with Noncoordinated Benefits after a Break in Service will qualify as a 2013 Tier Member only if he or she satisfies the definition of “Eligible Employee” under Section 2.23 of the Plan.

An individual who is hired before July 1, 2013 but who becomes an Eligible Employee as a Member with Coordinated Benefits or a Member with Noncoordinated Benefits after June 30, 2013 will accrue Service Credit only in the 2013 Tier.

### B. Multi-tier Member

If a Retired Member who accrued Service Credit only in the 1976 Tier prior to his or her Retirement Date is reappointed as an Eligible Employee on or after July 1, 2013 in accordance with Section 5.14(a) or 6.13(a) of the Plan, such Member will become a Multi-tier Member subject to the reinstatement provisions in Sections 5.15 and 6.14 of the Plan.

### C. Member with Safety Benefits who becomes a Member with Coordinated Benefits

A Member who first becomes an Active Member with Safety Benefits before July 1, 2013 and who is later employed as a Member with Coordinated Benefits without incurring a Break in Service will be a 1976 Tier Member with respect to Service Credit earned in the non-Safety appointment.

## REGULATION 2.38 MINIMUM DISTRIBUTION RULE

### Required Beginning Date

In all cases, any benefits to which a Member is entitled shall commence not later than the Required Beginning Date as set forth in Section 2.38 of the Plan. With respect to Section 2.38(a)(i) and 2.38(a)(ii) of the Plan, *service* includes all compensated University employment for a continuing or rehired employee, whether or not such employment entitles that employee to continued membership in the University of California Retirement Plan. To comply with these rules, all distributions from the Plan shall be made as follows:

- A. If the Member has not received a Lump Sum Cashout or started receiving Retirement Income by the Required Beginning Date, the Plan Administrator will request that the Member make an election for Retirement Income or a Lump Sum Cashout (if applicable). If the Member fails to make an election, the Plan Administrator will commence payment of Basic Retirement Income to the Member by the Required Beginning Date. Accordingly, the Member cannot elect a Retirement Date or a cashout date that is later than the Required Beginning Date.
- B. A nonvested Member will automatically receive a distribution of any remaining Accumulations at his or her Required Beginning Date.
- C. Capital Accumulation Payments shall not be paid later than the Required Beginning Date.

## REGULATION 2.48 PLAN REGULATIONS

In the event of a conflict between the Plan and the Plan Regulations, the Plan shall govern.



## REGULATION 2.57 RETIREMENT DATE

- A. The Retirement Date for an Active Member or Inactive Member who elects Retirement Income is the date indicated on the Member's election form, modified as required by application of Paragraph C below. The Retirement Date is also the date as of which the Member's Retirement Income commences.
- B. The Retirement Date for an Active Member or Inactive Member who elects a Lump Sum Cashout is the cashout date selected by the Member on the election form, modified as required by application of Paragraph C below. The cashout date is the date as of which the LSC is calculated.
- C. Notwithstanding Paragraphs A or B above, a Member's Retirement Date may not be earlier than the day following the Member's separation from University service or the first day of the month in which the Member's application is received by the Plan Administrator, whichever is later.
- D. The Plan Administrator shall not accept an election form more than 120 days before the Retirement Date indicated on the election.
- E. If no election form for either Retirement Income or Lump Sum Cashout is received by Retirement Claims Administration within 90 days following the Retirement Date or cashout date specified on a request for information on retirement benefits or the date the election form is sent to the Member, whichever is later, the Member must reapply.
- F. A Member's election to receive Retirement Income becomes irrevocable as of the Member's Retirement Date. Effective April 1, 1999, a Member's election to receive a LSC becomes irrevocable on the later of the cashout date or the date that is 15 days after the date of the Plan Administrator's letter confirming receipt of the Member's LSC election.

## REGULATION 3.01 MEMBERSHIP

- A. Upon determination that an Eligible Employee was not included in the Plan as an Active Member for any period, such employee shall be included retroactive to the date of eligibility
1. Member Contributions and interest shall be made retroactively for any such period if Member Contributions were required under Plan provisions in effect during such period. Any required Member Contributions shall be paid by the Member, and interest on the Member Contributions shall be paid by the location.
  2. University Contributions plus interest on such amounts shall be made on behalf of the Eligible Employee for any such period, pursuant to Plan provisions in effect during such period. Any such contributions and interest shall be paid by the department(s) which employed the Member during such period.
  3. If such period was during the noncontributory (02) period, the Retirement Income Offset shall be applied.

In the event the department pays Member Contributions and/or interest on such Member Contributions on behalf of an Eligible Employee to eliminate the noncontributory (02) Retirement Income Offset, such amount must be reported as taxable income to the Member on a W-2 and is subject to income and employment tax withholding.

- B. Upon determination that an employee was erroneously included in the Plan for any period that such employee was not an Eligible Employee, the employee's membership shall be terminated retroactive to the first day of such period. If an employee with no prior membership subsequently becomes an Eligible Employee, such employee will become a Member on the first date he or she is an Eligible Employee.
1. If Member Contributions were made for such period, a return of such contributions shall be paid to the employee; however, interest on Member Contributions shall not be paid to the employee.
  2. University Contributions and interest shall not be returned; however, such amounts (not including interest) may be credited against future University contributions.

3. If such period was during the noncontributory (02) period, the employee's Retirement Income Offset shall be decreased accordingly. The effective date of membership shall instead be the date the employee was first an Eligible Employee.
- C. Upon determination that an Active Member's contribution rate is incorrect, such rate shall be adjusted as follows:
1. If the contribution rate is determined to be higher, payment of the difference in Member Contributions and interest for such period must be made. If such period was during the noncontributory (02) period, the Retirement Income Offset shall be increased accordingly.
  2. If the contribution rate is determined to be lower, the Member shall receive the resulting difference in Member Contributions for such period, provided the total amount to be received is at least \$100. Interest on the resulting difference in Member Contributions shall not be paid to the Member.
- D. Any adjustment shall be corrected as applicable.
1. If the error is recognized within twelve months of its initial occurrence, the local payroll office will calculate the required adjustment. The adjustment shall include University Contributions, and Member Contributions, referring to the Plan provisions in effect during such period, and interest, and any contributions redirected to The University of California Defined Contribution Plan (DCP).
    - (a) If the contributions were insufficient due to the error:
      - (i) the adjustment of Member Contributions shall be made by the Member through payroll deductions on a pretax basis and in accordance with University payroll procedures, and
      - (ii) the adjustment of University Contributions shall be made by the location in a single payment to the Plan Administrator.
    - (b) Any adjustment requiring return of contributions shall be reimbursed to the Member in a single sum through payroll. Interest on reimbursed Member Contributions shall not be paid to the Member.

2. If the error is recognized after twelve months from its initial occurrence, the required adjustment shall be calculated by the Plan Administrator. The adjustment shall include University Contributions and Member Contributions, required under Plan provisions in effect during such period, and interest, but will not include any contributions redirected to DCP.
    - (a) If the contributions were insufficient due to the error:
      - (i) the location shall make the required adjustment of University Contributions or interest on any applicable Member Contributions in a single payment to the Plan Administrator; the adjustment of interest on Member Contributions paid by the location is not taxable income to the Member; and
      - (ii) the Member shall make the required adjustment of Member Contributions in a single payment on an after-tax basis paid directly to the Plan Administrator.
    - (b) If the Member Contributions were in excess, the Plan Administrator shall return the amount of excess contributions to the local payroll office, which will distribute the amount to the Member in a single sum. Interest on excess contributions shall not be paid to the Member.
  3. In the event the employer pays the required adjustment of Member Contributions, such amount must be reported as taxable income to the Member on a W-2, subject to income and employment tax withholding.
- E. For transactions indicated in A and B of this Regulation, the Service Credit of a Member shall be adjusted in accordance with the policy in effect for the period the Member was included or not included in the Plan, as applicable, upon full payment of required Member and University Contributions plus applicable interest.

## REGULATION 3.03 MEMBERS WITH COORDINATED BENEFITS

- A. For an Active Member who is reported to Plan Administration as being incorrectly classified as a Member without Social Security upon determination of the error, the following shall apply:
  - 1. The Plan Administrator will require the local payroll office to correct the membership classification to Member with Social Security for all periods incorrectly coded.
  - 2. Member and University Contributions will be adjusted as specified in Plan Regulation 3.01.
  
- B. Nonimmigrants or nonresident aliens who are initially classified as Members without Social Security will be reclassified as Members with Social Security upon attainment of status as a resident alien for taxation purposes. For purposes of determining Plan benefits, all Service Credit earned, established, or reestablished by the Member will be treated as Service Credit accrued while a Member with Social Security, and benefits will be determined and paid solely in accordance with the provisions of Article 5 of the Plan.

## REGULATION 3.04 MEMBERS WITH NONCOORDINATED BENEFITS

- A. For an Active Member who is reported to Plan Administration as being incorrectly classified as a Member with Social Security upon determination of the error, the following shall apply:
  - 1. The Plan Administrator will require the local payroll office to correct the membership classification to Member without Social Security for all periods incorrectly coded.
  - 2. Member and University Contributions will be adjusted as specified in Plan Regulation 3.01.
- B. Members of the Plan who are excluded from Social Security coverage under federal law include, but are not limited to, nonresident aliens holding F-1 and J-1 visas.

Nonimmigrants or nonresident aliens who are initially classified as Members without Social Security will be reclassified as Members with Social Security upon attainment of status as a resident alien for taxation purposes. For purposes of determining Plan benefits, all Service Credit earned, established, or reestablished by the Member will be treated as Service Credit accrued while a Member with Social Security, and benefits will be determined and paid solely in accordance with the provisions of Article 5 of the Plan.

## REGULATION 3.08 INACTIVE MEMBERSHIP

Former Active Members who otherwise meet the criteria for inactive membership and who have not made an election with respect to the disposition of Accumulations following separation from service shall, if eligible, be deemed to be Inactive Members.

## REGULATION 4.02 MEMBER CONTRIBUTIONS FOR MEMBERS WITH COORDINATED BENEFITS

### Elective Make-Up Member Contributions for Periods of Military Leave

An Active Member with Coordinated Benefits who returns to University employment in accordance with 38 U.S.C. §§4300-4333, as amended by the Uniformed Services Employment and Reemployment Rights Act (USERRA), or other applicable law, following a period of military leave, as provided in Plan Regulations 5.04, 6.04, 7.05, 8.04, may elect to make up the Member Contributions that would have been made to the Member's account in the DC Plan for the period of military service prior to a Member's Contribution Resumption Date during which such contributions were redirected to the DC Plan. The elective make up amount shall be equal to the amount that the Member would have contributed to the Plan if the Member had remained continuously employed by the University throughout the period of military leave. The Member shall have a period of time of the lesser of five years or three times the period of the Member's military leave, to make up contributions. An election to make up Member Contributions shall be made in writing on forms provided by and filed with the Plan Administrator. Make-up Member Contributions, to the extent paid to UCRP, shall be credited to the Member's individual account and any applicable interest or earnings on these make-up Member Contributions shall accrue on a prospective basis only.

The amount of elective make-up Member Contributions shall be apportioned in equal monthly installments over a period to be elected by the Member that may be up to the lesser of five years or three times the period of the Member's military leave.

For purposes of computing elective make-up Member Contributions, the Member's Covered Compensation shall be determined based on the rate of pay the Member would have received but for the period of military leave, including any salary increases, in proportion to the appointment percentage immediately prior to the period of military leave. If such rate is not reasonably certain, the determination shall be based on the Member's rate of pay and appointment percentage during the 12-month period immediately preceding the period of military leave.

For purposes of determining whether the Covered Compensation is up to the Old Age, Survivors and Disability Insurance (OASDI) Wage Base, the Covered Compensation that the Member would have received during the period of military leave shall be added to the Covered Compensation received by the Member



while employed by the University in the same year in which the Member took military leave.

Elective make-up Member Contributions shall not be subject to the limitations in Section 415 of the Internal Revenue Code with respect to the year in which the contributions are made; rather, they will be subject to the limitation of Section 415 of the Internal Revenue Code for the year to which the contributions relate.

## REGULATION 4.03

### MEMBER CONTRIBUTIONS FOR MEMBERS WITH NONCOORDINATED BENEFITS

#### Elective Make-Up Member Contributions for Periods of Military Leave

An Active Member with Noncoordinated Benefits who returns to University employment in accordance with 38 U.S.C. §§4300-4333, as amended by the Uniformed Services Employment and Reemployment Rights Act (USERRA), or other applicable law, following a period of military leave, as provided in Plan Regulations 5.04, 6.04, 7.05, 8.04, may elect to make up the Member Contributions that would have been made to the Member's account in the DC Plan for the period of military service prior to a Member's Contribution Resumption Date during which such contributions were redirected to the DC Plan. The elective make up amount shall be equal to the amount that the Member would have contributed if the Member had remained continuously employed by the University throughout the period of military leave. The Member shall have a period of time of the lesser of five years or three times the period of the Member's military leave, to make up contributions. An election to make up Member Contributions shall be made in writing on forms provided by and filed with the Plan Administrator. Make-up Member Contributions, to the extent paid to UCRP, shall be credited to the Member's individual account and any applicable interest or earnings on these make-up Member Contributions shall accrue on a prospective basis only.

The amount of elective make-up Member Contributions shall be apportioned in equal monthly installments over a period to be elected by the Member that may be up to the lesser of five years or three times the period of the Member's military leave.

For purposes of computing elective make-up Member Contributions, the Member's Covered Compensation shall be determined based on the rate of pay the Member would have received but for the period of military leave, including any salary increases, in proportion to the appointment percentage immediately prior to the period of military leave. If such rate is not reasonably certain, the determination shall be based on the Member's rate of pay and appointment percentage during the 12-month period immediately preceding the period of military leave.

Elective make-up Member Contributions shall not be subject to the limitations in Section 415 of the Internal Revenue Code with respect to the year in which the contributions are made; rather, they will be subject to the limitation of Section 415 of the Internal Revenue Code for the year to which the contributions relate.

## REGULATION 4.05 MEMBER CONTRIBUTIONS FOR MEMBERS WITH SAFETY BENEFITS

### Elective Make-Up Member Contributions for Periods of Military Leave

An Active Member with Safety Benefits who returns to University employment in accordance with 38 U.S.C. §§4300-4333, as amended by the Uniformed Services Employment and Reemployment Rights Act (USERRA), or other applicable law, following a period of military leave, as provided in Plan Regulations 5.04, 6.04, 7.05, 8.04, may elect to make up the Member Contributions that would have been made to the Member's account in the DC Plan for the period of military service prior to a Member's Contribution Resumption Date during which such contributions were redirected to the DC Plan. The elective make up amount shall be equal to the amount that the Member would have contributed if the Member had remained continuously employed by the University throughout the period of military leave. The Member shall have a period of time of the lesser of five years or three times the period of the Member's military leave, to make up contributions. An election to make up Member Contributions shall be made in writing on forms provided by and filed with the Plan Administrator. Make-up Member Contributions, to the extent paid to UCRP, shall be credited to the Member's individual account and any applicable interest or earnings on these make-up Member Contributions shall accrue on a prospective basis only.

The amount of elective make-up Member Contributions shall be apportioned in equal monthly installments over a period to be elected by the Member that may be up to the lesser of five years or three times the period of the Member's military leave.

For purposes of computing elective make-up Member Contributions, the Member's Covered Compensation shall be determined based on the rate of pay the Member would have received but for the period of military leave, including any salary increases, in proportion to the appointment percentage immediately prior to the period of military leave. If such rate is not reasonably certain, the determination shall be based on the Member's rate of pay and appointment percentage during the 12-month period immediately preceding the period of military leave.

Elective make-up Member Contributions shall not be subject to the limitations in Section 415 of the Internal Revenue Code with respect to the year in which the contributions are made; rather, they will be subject to the limitation of Section 415 of the Internal Revenue Code for the year to which the contributions relate.

## REGULATION 4.06 CREDITING OF MEMBER CONTRIBUTIONS

Interest on a Member's Member Contributions will cease on the last day of the month preceding the month of the final approval and completion of the payment processing associated with a change in the Member's account status, such as:

- A. election of monthly Retirement Income;
- B. election of a Lump Sum Cashout;
- C. application for Disability Income; or
- D. receipt of a Refund of Accumulations.

The Member's Accumulations, as defined in Article 2.03, shall be transferred from the Member's account to The Regents' Benefit Reserve described in Regulation 14.01.

Upon reinstatement of a Retired Member as an Eligible Employee or following the termination of eligibility of a Disabled Member who does not elect Retirement Income or a Lump Sum Cashout, any residual Accumulations shall be transferred back to the Member's account and will be credited with interest on a prospective basis only, beginning as of the month of the transfer. No interest shall be credited retroactively.

In the event of the death of an Active, Inactive, non-vested former Member, or Designated Payee, who has Accumulations in their Member account on or after February 2019, interest will cease on the last day of the calendar month preceding the date such individual's death is confirmed, or the actual date if confirmation of the death occurs on the last day of a calendar month.

## REGULATION 4.07 CESSATION OF MEMBER CONTRIBUTIONS

Solely for purposes of determining whether a Member's Member Contributions should cease because the Member's Basic Retirement Income is equal to or greater than the 100% of HAPC limit under Sections 5.06, 6.06, 7.07 or 8.06 of the Plan, the Member's Basic Retirement Income is determined without regard to any offset that may apply under Sections 5.08, 6.07 and 8.07 of the Plan.

- A. If a Member has a 1976 Tier Benefit only, such benefit will be deemed to have reached the 100% of HAPC limit, and Member Contributions will cease, when the Member has accrued 40 years of Service Credit in the 1976 Tier.

If a Member has a 2013 Tier Benefit only, such benefit will be deemed to have reached the 100% of HAPC limit, and Member Contributions will cease, when the Member's 2013 Tier Benefit percentage equals 100%. A Member's 2013 Tier Benefit percentage equals the product of:

1. the Member's years of Service Credit accrued in the 2013 Tier and
1. the applicable age factor listed in Sections 5.06 or 6.06 of the Plan.

- B. A Multi-tier Member's benefit will be deemed to have reached the 100% of HAPC limit, and Member Contributions will cease, when the Member's combined benefit percentage equals 100%. A Multi-tier Member's combined benefit percentage is the sum of benefit percentages calculated for the 1976 Tier Benefit and for the 2013 Tier Benefit. The 1976 Tier Benefit percentage is the product of the Member's years of Service Credit accrued in the 1976 Tier and the applicable age factor listed in Sections 5.06 or 6.06 of the Plan, and the 2013 Tier Benefit percentage is described in Paragraph B above.

- C. A Member with Safety Benefits only will be deemed to have reached the 100% of HAPC limit, and Member Contributions will cease, when the Member accrues  $33\frac{1}{3}$  years of Service Credit as a Safety Member.

- D. If a Member's Service Credit record is adjusted to account for benefits payable to a Designated Payee pursuant to an approved Domestic Relations Order as described in Section 12.07 of the Plan, the Member's years of Service Credit are not reduced for the purpose of determining the 100% of HAPC limit and cessation of Member Contributions.

## REGULATION 4.08

### RULES APPLICABLE UPON A BREAK IN SERVICE

Effective January 1, 2009, reappointment after a Break in Service for Senior Management Group members, staff employees, and academic appointees who are reemployed into Senior Management Group or staff positions is governed by Section 2.325 of the Personnel Policy for Staff Members, as it may be amended. Generally, a Break in Service prior to reappointment must be not less than 90 days; however, a 30-day Break in Service may be acceptable, depending on the facts and circumstances. The restriction is intended to insure that the timing on payment of retirement benefits is consistent with Internal Revenue Service guidelines on prohibited in-service distributions. Recall of academic appointees is governed by Academic Personnel Policy 200, Appendices A and B, and the Guidelines for Rehire of UC Retirees.

- A. Death of Member After Election but Prior to Receipt of Distribution
1. If a Member who is eligible to retire submits an election form for Retirement Income, a LSC, or a Refund of Accumulations, but dies prior to the distribution of the elected benefit, the election will be honored as long as the election form was received by the Plan Administrator prior to the Member's date of death and provided the election is subsequently approved as complete by the Plan Administrator. If the election form was not timely received or correctly completed, or was not approved by the Plan Administrator, the election form will not be honored. Instead, benefits will be distributed as provided in Sections 5.16, 6.15, 7.15, 8.14, and 8.15 of the Plan.
  2. The Member's date of death will be deemed the Member's date of separation.
  3. The Member's Retirement Date will be the day after the Member's date of death.
  4. If the Member's date of death impacts the initial benefit calculations, the amount to be distributed will be recalculated and adjusted accordingly.
- B. A Lump Sum Cashout election by a married Member or a Member who has a Registered Domestic Partner will require the spouse's or Registered Domestic Partner's written acknowledgement of such election and its

effect on the spouse or partner, as applicable, if the value of the Member's Lump Sum Cashout is at least \$2,000. The acknowledgement requirement is waived if the spouse's or partner's signature cannot be obtained for reasons deemed to be valid by the Plan Administrator, including, but not limited to, the Member's inability to locate the spouse or partner after taking all reasonable steps to determine the spouse's or partner's whereabouts.

REGULATIONS 4.08, 5.09, 6.08, 7.08, 8.08, 10.12,  
APPENDICES B, C, & D  
INTERNAL REVENUE CODE SECTION 415 MAXIMUM BENEFIT

- A. For purposes of Section 415 of the Internal Revenue Code (“IRC §415”), the limitation year is the consecutive 12-month period beginning January 1 and ending on December 31.
- B. The limit applicable to benefits that begin before age 62 under Section 415(b)(2)(C) of the Internal Revenue Code is determined based on the lesser of the following age factors:
  - 1. the ratio of the Member’s age factor, based on the Member’s Membership class and, with respect to a Member with Coordinated Benefits or a Member with Noncoordinated Benefits, the applicable Member Tier at the Member’s Retirement Date, for each age below 62 (in years and whole calendar months elapsed since the Member’s last birthday) to the factor for age 62, or
  - 2. the interest rate and mortality for each age as specified in the IRC §415 and related regulations.
- C. The maximum benefit payable under the IRC §415 limitations is determined according to Sections 415(b)(2)(B), (C) and (E) of the Internal Revenue Code and related regulations. The applicable interest rate is the annual rate of interest specified in Section 417(e)(3)(C) of the Internal Revenue Code for the “lookback month”, which for purposes of this Paragraph means the fourth full calendar month preceding the first day of the “stability period” (defined to be the calendar year) in which the Member’s Retirement Date occurs. The applicable mortality table is determined under Section 417(e)(3)(B) of the Internal Revenue Code. Both the applicable interest rate and applicable mortality table remain constant during the stability period.
- D. Cost-of-Living Increases
  - 1. If the applicable annual benefit limit under Section §415(b)(1)(A) of the Internal Revenue Code is increased after a Member’s Retirement Date or death by a cost-of-living adjustment described in Section 415(d) of the Internal Revenue Code, monthly benefit payments to a Retired Member, Contingent Annuitant, or person eligible for the Postretirement Survivor Continuance will be



redetermined on the January 1 coinciding with the effective date of the change in accordance with the regulations under Section 415 of the Internal Revenue Code on a prospective basis.

2. If monthly benefit payments to a Retired Member, Contingent Annuitant, or person eligible for the Postretirement Survivor Continuance are increased pursuant to Section 9.03 of the Plan, the adjusted amount will be tested against the maximum annual benefit payable from the Plan each July in accordance with the Regulations under IRC §415 on a prospective basis.
3. Any benefit increase will occur only to the extent that the total adjusted benefit does not exceed the amount to which the Retired Member, Contingent Annuitant, or person eligible for the Postretirement Survivor Continuance would be entitled in the absence of the of the IRC §415 limits.

#### E. Prior Distributions

When a reinstated Retired Member subsequently separates from University service, the portion of the IRC §415 limit attributable to the earlier payment(s) is tested against the IRC §415 limit in effect at the time of the Member's most recent separation. Such earlier payment from the Plan includes, but is not limited to, Lump Sum Cashout ("LSC"), Refund of Accumulations or Capital Accumulation Payment, or prior receipt of Retirement Income. Disability Income is not subject to this testing.

The amount of the prior UCRP payment(s) is converted to a single life annuity and tested against the IRC §415 annual benefit limit in effect as of the later separation date. The remaining "unused" percentage of the current IRC §415 annual benefit limit is then tested against the amount of the additional Retirement Income or LSC amount payable at the later separation date.

The single life annuity equivalent of the earlier payments is then divided by the current IRC §415 limit. The result is the percentage of the IRC §415 limit that is 'used up' by the earlier payment.

The §415 limit available for testing of the Retirement Income or LSC is the dollar limit which corresponds to the Member's age at the latest separation date or cashout date.

#### F. Administration of IRC §415 limits in the event of an Approved Domestic Relations Order

1. For purposes of determining the IRC §415 limits if the Member and the Designated Payee receive a LSC or other benefit payments commencing simultaneously:

- (a) The Plan Administrator will determine the applicability of the IRC §415 limits as described in Paragraphs A - E and G of this Regulation to the total benefit or payment made to the Member and the Designated Payee as if no DRO division had occurred;
  - (b) The Plan Administrator will then apportion any decrease in benefit or payment as a result of these limits to each party according to the ratio described in Plan Regulation 12.07 E(1)(c).
2. For purposes of determining the IRC §415 limits in the event the Designated Payee receives a LSC prior to the Member's death, election of Retirement Income or a LSC.
  - (a) The Plan Administrator will determine the applicability for the IRC §415 limits as described in Paragraphs A - E and G of this Regulation to the total benefit to which the Member would receive if no DRO division had occurred and this election was made on the date the Designated Payee elected the LSC.

If the total benefit is limited under IRC §415, the Plan Administrator will then apportion any decrease in benefit or payment as a result of these limits to the Designated Payee party according to the ratio attributable to that portion of the benefit or payment as described in Plan Regulation 12.07 E(1)(c).
  - (b) The Plan Administrator will determine applicability for the IRC §415 limits at the time the Member elects a Retirement Income benefit or a LSC as if the DRO division and payment to the Designated Payee did not occur.
  - (c) If the total benefit is limited under IRC §415, the Plan Administrator will then determine the amount of IRC §415 limit met previously when the Designated Payee elected payment, actuarially adjusted for the difference in commencement dates.
  - (d) The IRC §415 limits applicable to the Member upon receipt of a LSC or receipt of Retirement Income will be the difference between (b) and (c).
3. Similar rules will apply to the division of a Member's retirement benefits pursuant to an approved Domestic Relations Order of a Member and the Member's Domestic Partner.

- G. If benefits payable under the Plan are limited under IRC §415, the benefits will be reduced to the extent required to meet the limitation of IRC §415 in the following sequence:
1. first, the Lump Sum Cashout as provided under Section 4.08 of the Plan, if applicable;
  2. next, transition assistance payments as provided under Appendices B, C, and D, if applicable;
  3. next, the temporary Social Security Supplement, if applicable;
  4. next, any continuance payable to a Contingent Annuitant under Sections 5.12, 6.11, 7.11, and 8.10 of the Plan and in tandem any Retirement Income payable to the Member in excess of the amount of the Postretirement Survivor Continuance;
  5. next, any Postretirement Survivor Continuance and in tandem the Retirement Income payable to the Member not in excess of the Postretirement Survivor Continuance;
  6. next, any Capital Accumulation Credits as provided under Section 10.04 of the Plan, if applicable;
  7. finally, any Refund of Accumulations as provided under Section 4.08 of the Plan, if applicable.

## REGULATIONS 5.04, 6.04, 7.04, 7.05, 8.04 SERVICE CREDIT

The basic rules for establishing or reestablishing Service Credit on and after May 1, 2009 are set forth in Sections 5.04, 6.04, 7.04, 7.05 and 8.04 of the Plan. The following information supplements the Plan provisions to assist in the interpretation of those rules.

### A. Service Credit Established

Effective May 1, 2009, if a Member elects to establish Service Credit after 3 or more years of returning from furlough, temporary layoff, approved leave of absence, extended sick leave, or sabbatical, regardless of when the leave commenced, the total cost shall be determined under the individual actuarial cost methodology described in the Plan.

If a Member elects to establish Service Credit within 3 years of first returning from the leave, the following rules apply:

#### 1. Furlough or Temporary Layoff

- (a) A Member with a 9-, 10-, or 11-month partial year appointment may not establish Service Credit for the corresponding 1-,2-, or 3-month period during which the Member does not perform services for the University pursuant to his or her partial year appointment.
- (b) A Member who switches from a furloughed appointment to a 9-, 10-, or 11-month partial year appointment shall be eligible to establish less than the entire period of Service Credit attributable to the period of furlough. Such Member shall be eligible to establish the Service Credit attributable to the period of furlough that occurs in the Plan Year immediately preceding the Plan Year in which the Member switches to a partial year appointment.
- (c) For periods prior to November 1, 1990, the amount of payment required is equal to:
  - (i) the sum of the University Contribution rate, and the Member Contribution rate;

- (ii) multiplied by the Member's Covered Compensation in proportion to the appointment rate immediately prior to the furlough or layoff;
  - (iii) prorated to cover the period to be established;
  - (iv) plus interest.
- (d) For periods November 1, 1990 through June 30, 1997, the amount of payment required is equal to:
  - (i) the Total Normal Cost;
  - (ii) multiplied by the Member's Covered Compensation in proportion to the appointment rate immediately prior to the furlough or layoff;
  - (iii) prorated to cover the period to be established;
  - (iv) plus interest.
- (e) For periods July 1, 1997 and later, the amount of payment required for the first two years of the leave is equal to:
  - (i) the Total Normal Cost;
  - (ii) multiplied by the Member's Covered Compensation in proportion to the appointment rate immediately prior to the furlough or layoff;
  - (iii) prorated to cover the period to be established;
  - (iv) plus interest.

The amount of payment required for any remaining years beyond two years shall be determined under the individual actuarial cost methodology described in the Plan.

## 2. Approved Leave of Absence or Extended Sick Leave

- (a) For periods prior to November 1, 1990, the amount of payment required is equal to:
  - (i) the sum of the University Contribution rate, the Regents' special contribution rate for periods from July 1, 1966 through December 21, 1983, if applicable, and the Member Contribution rate;

- (ii) multiplied by the difference between the Member's Covered Compensation in proportion to the appointment rate and actual Covered Compensation paid for the leave period;
- (iii) prorated to cover the period to be established;
- (iv) plus interest.

Note: For leave periods occurring between July 1, 1966 and June 30, 1971, refer to Paragraph A.5 of this Regulation.

- (b) For periods November 1, 1990 through June 30, 1997, the amount of payment required is equal to:
  - (i) the Total Normal Cost;
  - (ii) multiplied by the difference between the Member's Covered Compensation in proportion to the appointment rate and actual Covered Compensation paid for the leave period;
  - (iii) prorated to cover the period to be established;
  - (iv) plus interest.
- (c) For periods July 1, 1997 and later, the amount of payment required for the first two years of the leave is equal to:
  - (i) the Total Normal Cost;
  - (ii) multiplied by the Member's Covered Compensation in proportion to the appointment rate immediately prior to the furlough or layoff;
  - (iii) prorated to cover the period to be established;
  - (iv) plus interest.

The amount of payment required for any remaining years beyond two years shall be determined under the individual actuarial cost methodology described in the Plan.

- (d) For purposes of determining whether an Active Member may establish Service Credit for an approved leave absence:
  - (i) leave periods which are extended beyond the original period of the leave shall be deemed to be one individual leave period;

- (ii) military leaves, furloughs, temporary layoffs, sabbatical leaves and extended sick leaves which commence on or before June 30, 1996, and are extended as approved leaves of absence while the Member is still on leave shall be deemed to be one individual leave period.

### 3. Sabbatical Leave

- (a) For periods prior to November 1, 1990, the amount of payment required is equal to:
  - (i) the sum of the University Contribution rate, the Regents' special contribution rate for periods from July 1, 1966 through December 21, 1983, if applicable, and the Member Contribution rate;
  - (ii) multiplied by the difference between the Member's Covered Compensation in proportion to the appointment rate and actual Covered Compensation paid for the leave period;
  - (iii) prorated to cover the period to be established;
  - (iv) plus interest.

Note: For leave periods occurring between July 1, 1966 and June 30, 1971, refer to Paragraph A.5 of this Regulation.
- (b) For periods November 1, 1990 through June 30, 1997, the amount of payment required is equal to:
  - (i) the Total Normal Cost;
  - (ii) multiplied by the difference between the Member's Covered Compensation in proportion to the appointment rate and actual Covered Compensation paid for the leave period;
  - (iii) prorated to cover the period to be established;
  - (iv) plus interest.
- (c) For periods July 1, 1997 and later, the amount of payment required for the first two years of the leave is equal to:
  - (i) the Total Normal Cost;

- (ii) multiplied by the Member's Covered Compensation in proportion to the appointment rate immediately prior to the furlough or layoff;
- (iii) prorated to cover the period to be established;
- (iv) plus interest.

The amount of payment required for any remaining years beyond two years shall be determined under the individual actuarial cost methodology described in the Plan.

#### 4. Military Leave

- (a) For periods prior to July 1, 1966, the amount of payment required is equal to:
  - (i) the Member Contribution rate;
  - (ii) multiplied by the Member's Covered Compensation in proportion to the appointment rate for the leave period;
  - (iii) prorated to cover the period to be established;
  - (iv) plus interest.
- (b) For periods July 1, 1966 and later, the Member is not required to pay University or Member Contributions in order to receive Service Credit. Service Credit will be earned by the Member for the period of military leave and for a period following military service, provided the Member returns to University employment following the leave or notifies the University in writing of the Member's intent to return to work, in accordance with the Member's reemployment rights in compliance with 38 U.S.C. §§4300-4333 and applicable state law. Military service includes active duty, active duty training, inactive duty training, full-time National Guard duty, Naval Militia active duty, and a period of time for examination to determine fitness to perform any such duty.

Service Credit will be earned as follows:

- (i) If the period of military service was due to active duty service of any length or active duty training in excess of 180 days, or National Guard or Naval Militia active duty ordered by the federal government, the Member



earns Service Credit for the period of the military service and up to an additional six months of Service Credit provided the Member notifies the University in writing of the intent to return to work within six months of the end of the military service.

- (ii) For all other types of military service, if the period of service lasts more than 30 days and less than 181 days, the Member earns Service Credit for the period of the military service and an additional 14 days of Service Credit, provided the Member notifies the University in writing of the intent to return to work within 14 days of the end of the military service.
  - (iii) For all other types of military service, if the period of service lasts less than 31 days, the Member earns Service Credit for the period of the military service, provided the Member returns to work on the next regularly scheduled work day at the end of the military service.
- (c) As provided by federal law, the cumulative length of period of a military leave and all previous periods of military leave from the University for which Service Credit can be established generally will not exceed five years.
  - (d) For periods between July 1, 1966 and June 30, 1971, see Paragraph A5 of this Regulation.
  - (e) Service Credit for military leave will not be credited until the Member submits the proper request and documentation to the Plan Administrator after returning to active payroll status.

#### 5. Leaves Between July 1, 1966 and June 30, 1971

Service Credit for sabbatical leave, approved leave of absence, or military leave between July 1, 1966 and June 30, 1971 has been earned without payment of Member Contributions, provided there has been no subsequent Break in Service. Although payment of Member Contributions is not required for such periods, a reduction in Retirement Income called the Retirement Income Offset is provided under Sections 5.08, 6.07, and 8.07 of the Plan. Active Members may elect to eliminate this Retirement Income Offset at any time before retirement in accordance with Plan provisions.

6. Leaves commencing on or after July 1, 1997

An Active Member may not accrue retirement benefits for the same period of service both in the Plan and in a defined benefit plan of another publicly funded retirement system or in any agency of the federal government. An Active Member who applies to establish Service Credit shall certify in writing on forms provided by the Plan Administrator that the Member has taken a refund of employee contributions made to a defined benefit plan of a publicly funded retirement system or in any federal agency for the period of service being established in the Plan. An Active Member may participate in a tax-deferred contribution plan of a publicly funded retirement system that meets the requirements of Section 401(k) of the Internal Revenue Code, which may include mandatory and matching employer contributions, and establish Service Credit for the same period in the Plan.

7. Interest

Interest on payment amounts to establish Service Credit is calculated at the rate of assumed earnings of the Plan as follows:

- (a) If the election to establish Service Credit is received by the end of the month following the date of the buyback letter, and the earnings assumption of the Plan in effect on the date the election is received is the same or greater than the earnings assumption used for the buyback calculation, the payment amount previously calculated shall be honored by the Plan Administrator.
- (b) If the election to establish Service Credit is received by the end of the month following the date of the buyback letter, and the earnings assumption in effect on the date the election is received is less than the earnings assumption used for the calculation, the payment amount shall be recalculated using the lower earnings assumption of the Plan and any excess payment received returned.
- (c) If the election to establish Service Credit is received later than the end of the month following the date of the buyback letter, interest will be recalculated and is charged on the unpaid balance on a monthly basis from the end of the leave period to the date the payment is received using the earnings assumption of the Plan in effect on the date the election is received.

## 8. Total Normal Cost

Total Normal Cost is equal to the University Normal Cost plus the Member Contributions. The Total Normal Cost figure used to calculate the payment amount to establish Service Credit shall be determined as follows:

- (a) If the election to establish Service Credit is received within 30 days of the date of the buyback letter, and the Total Normal Cost figure in effect on the date the election is received is the same or greater than the Total Normal Cost figure used for the buyback calculation, the payment amount previously calculated shall be honored by the Plan Administrator.
- (b) If the election to establish Service Credit is received within the 30 day period, and the Total Normal Cost figure in effect on the date the election is received is less than the Total Normal Cost figure used for the calculation, the payment amount shall be recalculated using the lower Total Normal Cost and any excess payment received returned.
- (c) If the election to establish Service Credit is received after the expiration of the 30 day period, and the Total Normal Cost figure in effect on the date the election is received is different than the Total Normal Cost figure used for the buyback calculation, the payment amount shall be recalculated using the Total Normal Cost in effect on the date the election is received.

## 9. Time Reduction Incentive Plan

- (a) An Active Member participating in the Time Reduction Incentive Plan (TRIP; a temporary workforce reduction program in the 1992 to 1995 Plan years) must work as follows:
  - (i) For the 1992 and 1993 TRIP periods, at least 75% time during the entire period of TRIP to meet the 75% time required in Sections 5.04(a), 6.04(a), 7.05(a), and 8.04(a) of the Plan, as applicable.
  - (ii) For the 1994 TRIP period, at least 75% time each applicable today.

Service attributable to participation in TRIP will not be credited until the Member completes his or her TRIP

agreement and submits the proper request and information to the Plan Administrator.

- (b) An Active Member who is a TRIP participant and whose appointment rate falls below the 75% time required described in (a) due to the Temporary Reduction in Time (TRIT) program will be allowed to establish the Service Credit attributable to TRIT for the period that the Member's TRIT and TRIP agreements coincide. For this situation only, Active Members may establish a partial period equal to the time when TRIT and TRIP periods overlap. Active Members who elect to establish such Service Credit will be entitled to the accelerated Service Credit as provided under the TRIP program.
- (c) An Active Member who is or has been without pay during a TRIP agreement on account of furlough, temporary layoff, approved leave of absence, sabbatical leave, or extended sick leave, may, upon return from such status and proper request, establish Service Credit for such periods based on the appointment rate in effect immediately prior to the commencement of the TRIP agreement and pursuant to the provisions in Sections 5.04(d), 6.04(d), 7.05(d), or 8.04(e) of the Plan, as applicable. Similarly, such a Member may establish the amount of Service Credit attributable to the TRIP reduction for those months of the agreement actually worked. A TRIP participant who terminates from University service while on furlough, temporary layoff, approved leave of absence, sabbatical leave, or extended sick leave may establish service attributable to such periods provided the employee establishes Service Credit prior to termination of service.
- (d) An Active Member who terminates service prior to the completion of the TRIP agreement may establish the Service Credit attributable to the TRIP reduction, as applicable, for the months of the agreement actually worked provided the employee is an Active Member of UCRP at the time such Service Credit is established.
- (e) An Active Member's eligibility to establish Service Credit attributable to the TRIP reduction for periods worked as described under (c) and (d) is not affected by the percentage of time the Member worked under the agreement, by the 3-year limit within which to establish Service Credit, or by the

minimum leave period of 4-consecutive weeks which may be established as provided in Paragraph A of this Regulation.

- (f) An Active Member who is a TRIP participant and whose appointment rate falls below the 75% time required in (a) due to the TRIP reduction will be allowed to establish the reduction in Service Credit at the conclusion of the TRIP period. Members who elect to establish such Service Credit will not be entitled to accelerated Service Credit.

#### 10. Temporary Reduction in Time Program

- (a) An Active Member who is or has been without pay during a Temporary Reduction In Time (TRIT) period on account of furlough, temporary layoff, approved leave of absence, sabbatical leave, or extended sick leave, may, upon return from such status and proper request, establish Service Credit for such periods based on the appointment rate in effect immediately prior to the commencement of the TRIT period and pursuant to the provisions in Sections 5.04(d), 6.04(d), 7.05(d), or 8.04(e) of the Plan, as applicable. Similarly, such a Member may establish the amount of Service Credit attributable to the TRIT reduction for those months of the TRIT period actually worked. A TRIT participant who terminates from University service while on furlough, temporary layoff, approved leave of absence, sabbatical leave, or extended sick leave may establish service attributable to such periods provided the employee establishes Service Credit prior to termination of service.
- (b) An Active Member who terminates service prior to the completion of the TRIT period may establish the Service Credit attributable to the TRIT reduction, as applicable, for the months of the agreement actually worked provided the employee is an Active Member of UCRP at the time such Service Credit is established.
- (c) TRIT periods include, but are not limited to:

July 1, 1993 through October 28, 1993 for Members who were in employment classifications covered by the AFSCME agreement for the Clerical and Allied Services Unit.
- (d) An Active Member's eligibility to establish Service Credit attributable to the TRIT reduction for periods worked as described under (a) and (b) is not affected by the 3-year limit

within which to establish Service Credit, or the minimum leave period of 4-consecutive weeks which may be established as provided in Paragraph A of this Regulation.

**B. Service Credit Reestablished**

Prior to May 1, 2009, an Active Member was required to elect to reestablish Service Credit for a period of previous Plan membership for which any refund of Accumulations was received by July 1, 2000 or, if not an Active Member on July 1, 1997, within 3 years of returning to University employment as an Active Member. The election was required to be made in writing on forms provided by and filed with the Plan Administrator.

Effective May 1, 2009, the amount of payment required to reestablish Service Credit is equal to the sum of the Accumulations refunded to the Member plus interest from the date of refund to the date of completion of payment so long as the Active Member elects such option within 3 years of returning to Active Member status. Interest on payment amounts to reestablish Service Credit is calculated in the same manner as described in Paragraph A7 of this Regulation. If the Active Member's election to reestablish Service Credit is made after 3 years of returning to Active Member status, the cost shall be determined under the individual actuarial cost methodology described in the Plan.

Periods of previous Plan membership during which the Active Member made no Member Contributions and received no refund of Accumulations upon separation, including:

1. Noncontributory membership service under the 1961-1971 Plan or the 1971-1988 Plan
2. Tier Two

may be reestablished by an Active Member at any time. However, if this period is adjacent to a period for which a refund of Accumulations was received and the Active Member is subject to the individual actuarial cost methodology, then the individual actuarial cost calculation applies to the entire period.

Any period of noncontributory membership under the 1961-1971 Plan or the 1971-1988 Plan included in the previous period of Plan membership for which Service Credit is reestablished will be reinstated to the Member's account, with appropriate interest, and Retirement Income will be reduced by the Retirement Income Offset in accordance with Sections 5.08, 6.07, and 8.07 of the Plan for such period. Active Members may elect to eliminate this Retirement Income Offset at any time before retirement in accordance with Plan provisions.

Active Members who have previously received a Lump Sum Cashout may not reestablish Service Credit for any Plan membership prior to the cashout date as provided in Section 2.34 of the Plan.

C. 3-Year Limit to Establish and Reestablish Service Credit

For purposes of the 3-year limit for establishment and reestablishment of Service Credit under the Normal Cost method or repayment of contributions plus interest, as applicable, rather than under the individual actuarial cost method:

1. Leave periods which begin between July 1, 1966 and June 30, 1971 and extend into the contributory (Plan 03) period are not subject to the 3-year requirement to elect to establish or reestablish Service Credit within 3 years of returning from the leave in order to preserve the cost advantage.
2. If an Active Member separates prior to completion of installment payments to establish Service Credit, the clock will stop running on the 3-year limit during the period of separation. If the individual later returns to Active Member status, the Member must elect to establish Service Credit for the remainder of the leave within the following period in order to continue payment under the initial calculation method: the 3-year period that begins on the date the Member returns to Active Member status from the leave reduced by the time elapsed between the Member's initial return date and initial election date and further reduced by the time elapsed between period over which the prior installment payments were made. If the Member makes the election outside this period, the cost of establishing the remaining Service Credit will be recalculated under the individual actuarial cost method.
3. If an Active Member returns from an approved leave, and subsequently goes on a second leave or separates from the University before the 3-year period has expired for establishment of Service Credit for the first leave period, and the Member had not begun to establish Service Credit for the first leave period, the clock on the 3-year limit will be stopped for leave or separation periods of at least 4 months. Upon return to active membership, the clock will restart where it had stopped on the date the separation or second leave began.
4. The 3-year time limit within which to establish and reestablish Service Credit will not be prorated for an Active Member who is in a position that is less than full time.
5. Reestablishment of Service Credit for periods of prior service that include Plan 02 Offset service and contributory (Plan 03) service

are subject to the 3-year limit within which to reestablish Service Credit.

6. Establishment of Service Credit for periods of Military Leave are not subject the 3-year limit within which to establish Service Credit, except for periods prior to July 1, 1966.

#### D. Payment Provisions

1. The pretax payroll deduction payment option is no longer allowed for elections received by the Plan Administrator on and after January 1, 2014. Elections to establish or reestablish Service Credit by pretax payroll deduction received prior to January 1, 2014 will remain in effect.

For elections to establish or reestablish Service Credit by pretax payroll deduction made prior to January 1, 2014, payment shall be in equal installments each payroll period, over a period of 1, 2, 3, 4 or 5 years as elected by the Member. The minimum monthly installment payment shall be \$10. The Plan Administrator has discretion to establish a payment period of less than whole years if monthly payments would otherwise be less than \$10. Lump sum payments are made directly to the Plan Administrator.

2. If, as a result of administrative error, the amount of Service Credit that an Active Member may reestablish is at least 10% less than the amount specified by the Plan Administrator in the Active Member's election, the Plan Administrator has discretion to terminate the Active Member's election and salary reduction authorization. No payments made prior to termination shall be refunded and proportionate Service Credit shall be reestablished as provided in Paragraph E of this Regulation.
3. If payments cease for a period of six months or longer as a result of an Active Member's going on an approved leave, extended sick leave, sabbatical leave or military leave, interest shall be recalculated on the remaining balance at the rate used at the time the election was made.
4. An Active Member may only establish Service Credit for a period specified in the Plan after returning to active University employment from such period.
5. The Plan may accept a Direct Rollover as payment to establish or reestablish Service Credit under the Plan using principles consistent with those articulated in Revenue Ruling 2014-9 to reasonably determine whether a rollover is a valid rollover



contribution under Treasury Regulations section 1.401(a)(31)-1 (Q&A-14(b)(2)).

6. Members who are not Active Members may not elect to establish or reestablish Service Credit under this Plan, except as provided in Plan Sections 5.04(d)(iv)(D), 5.04(e)(iv)(D), 6.04(d)(vi)(D), 6.04(e)(vi)(D), 7.05(d)(iv)(D), 7.05(e)(iv), 8.04(e)(iv)(D) and 8.04(f)(iv)(D). To be eligible to complete the remaining payments under these provisions, as applicable, the Member must have been making regular scheduled payments at the time of separation.
7. Direct payment to establish or reestablish Service Credit is permitted only by the Member or the University.

E. Amount of Service Credit Established/Reestablished

The amount of Service Credit that may be established shall be based on the Member's appointment rate immediately prior to the furlough or temporary layoff, or during the leave period. The amount of Service Credit reestablished is the amount previously earned.

An Active Member establishes or reestablishes Service Credit upon completion of full payment to the Plan of the amount required. If, prior to completion of such payments, a Member retires, dies, becomes a Disabled Member, terminates employment, or the Plan Administrator exercises discretion to terminate an election under Paragraph D.2 of this Regulation, proportionate Service Credit is established or reestablished, based on the ratio of the amount actually paid to the total amount of the payments required.

F. Incomplete Payments

If an Active Member chooses to rescind an election to make payments on an after-tax basis, or fails to cure a default of after-tax payments to establish or reestablish Service Credit, proportionate Service Credit is established or reestablished based on the ratio of the amount actually paid to the total amount of the payments required. An Active Member may not rescind an election to make payments on a pretax basis.

G. Service Credit During Disability Status

1. For a Disabled Member whose Disability Date is November 5, 1990, or later, Service Credit shall be earned without payment of Member Contributions by a Disabled Member while such Member is receiving Disability Income as described below. The maximum Service Credit earned by a Disabled Member shall be the greater of:

- (a) the Service Credit determined at the point when Retirement Income first exceeds Disability Income; or
  - (b) the Service Credit determined as of the Member's actual Retirement Date, excluding any period when Retirement Income exceeded Disability Income.
2. For purposes of this comparison, Retirement Income means Basic Retirement Income if the Disabled Member has no spouse or Domestic Partner on the Member's Disability Date. If there is a spouse or Domestic Partner on the Member's Disability Date, Retirement Income means the amount of Retirement Income a Member would receive if the Member chose the full continuance payment option and named such spouse or Domestic Partner as the Contingent Annuitant. Retirement Income shall be determined using the following components:
  - (a) the Highest Average Plan Compensation established as of the Disability Date as defined in Sections 5.11(b), 6.10(b), 7.10(b), or 8.09(b) of the Plan, whichever is applicable; and
  - (b) the Disabled Member's age factor as of the Member's actual Retirement Date; and
  - (c) the Service Credit as determined in Paragraph G.1 above.

In no event shall Service Credit under Sections 5.04, 6.04, 7.05, and 8.04 of the Plan used to determine Retirement Income be less than the Service Credit that the Disabled Member has accrued up to the Disability Date or age 50, or age 55 with respect to a Member's 2013 Tier Benefit, whichever is greater.

#### H. Correction of Service Credit Errors

If a Member's account has an incorrect amount of Service Credit for a period which has been established or reestablished by the Member, or earned as an Eligible Employee, the Service Credit in the Member's account shall be corrected.

If the Service Credit exceeds 1.0000 year for any given fiscal year, the Service Credit shall be reduced to the correct amount, and the allowable Covered Compensation recorded in the Member's account for the fiscal year shall be reduced accordingly. Member Contributions shall be returned to the Member if the total equals or exceeds \$100. University Contributions shall be retained by the Plan.

I. Service Credit for 9-, 10-, and 11-month Appointments

The amount of Service Credit earned under Sections 5.04(a), 6.04(a), and 7.05(a) of the Plan for any month by a faculty Member with a 9-, 10-, or 11-month appointment who works full-time shall be equal to one-ninth, one-tenth, or one-eleventh, respectively, of a year of Service Credit.

Effective August 1, 1992, the amount of Service Credit earned under Sections 5.04(a), 6.04(a), 7.05(a), and 8.04(a) of the Plan for any month by a staff Member with a 9-, 10-, or 11-month partial year appointment who works full-time shall be equal to one-ninth, one-tenth, or one-eleventh, respectively, of a year of Service Credit.

The amount of Service Credit earned under Sections 5.04(a), 6.04(a), and 7.05(a) of the Plan for any month by a faculty Member with a 9-, 10-, or 11-month appointment who works less than full-time shall be equal to one-ninth, one-tenth, or one-eleventh, respectively, of a year of Service Credit multiplied by the percentage of time worked.

Effective August 1, 1992, the amount of Service Credit earned under Sections 5.04(a), 6.04(a), 7.05(a), and 8.04(a) of the Plan for any month by a staff Member with a 9-, 10-, or 11-month appointment who works less than full-time shall be equal to one-ninth, one-tenth, or one-eleventh, respectively, of a year of Service Credit multiplied by the percentage of time worked.

J. Service Credit for TRIP Participants Upon Death or Disability

An Active Member participating in the Time Reduction Incentive Plan (TRIP; a temporary workforce reduction program in the 1992 to 1995 Plan Years), who dies or becomes disabled within the meaning of Sections 5.19(b), 6.18(b), 7.18(b), 8.18(b), or 8.19(b) of the Plan prior to the completion of the TRIP agreement, shall receive one month of accelerated Service Credit under Sections 5.04(a), 6.04(a), 7.05(a), or 8.04(a) of the Plan for each month worked under TRIP prior to death or the Member's Disability Date, provided such Member otherwise fulfills the terms of the TRIP agreement.

K. Service Credit may not be Established for any Period of Indefinite Layoff

An Active Member who was indefinitely laid off may not establish Service Credit for any period of indefinite layoff. Similarly, an Active Member who was indefinitely laid off and who returns to pay status during a period of right to recall or preferential rehire, may not establish Service Credit for any period of indefinite layoff.

#### L. Involuntary Separation due to Budgetary Reasons

Involuntary separation from service due to budgetary reasons refers to layoffs due to lack of funding and positions that are not renewed or continued due to lack of funding.

Examples of involuntary separations from service that are not due to budgetary reasons include, but are not limited to:

1. those due to a staff reorganization, an outsourcing of work, non-renewal of an appointment or contract, or closing of a department--for reasons other than a lack of funding, or
2. for medical reasons.

The Plan Administrator will require confirmation from the department that the involuntary separation is for budgetary reasons before a determination of the employee's eligibility can be made. (This Paragraph L does not apply to Plan Regulation 7.04.)

#### M. Service Credit Awarded to Alternate Payee or Other Payee

An Active Member may not reestablish any portion of his or her Service Credit that is credited to an account established for an alternate payee or other payee consistent with the formula or ratio set forth in an approved domestic relations order as described in Plan Regulation 12.07.

#### N. Conversion of Sick Leave to UCRP Service Credit

1. Sick leave will not be converted to Service Credit for purposes of calculating a Lump Sum Cashout.
2. If a Multi-tier Member elects a Lump Sum Cashout for his or her 1976 Tier Benefit, Tier Two Benefit, Modified 2013 Tier Benefit, and/or Safety Benefit, any sick leave hours such Member accrued in any Member Tier, Member class or as a Safety Member will be converted to Service Credit in the last Member Tier or Member class in which he or she accrued Service Credit and for which the Member elects Retirement Income, regardless of when the Member accrued the sick leave.
3. For a Member who has accrued Service Credit in more than one Member Tier, in one or more Member class, and/or as a Safety Member, sick leave will be converted to Service Credit in the last Member Tier or Member class in which he or she accrued Service Credit and for which the Member elects Retirement Income, regardless of when the Member accrued the sick leave.

**REGULATIONS 5.05, 6.05, 7.06, 8.05**  
**EARLY RETIREMENT**

Retirement benefits paid in any form will be offset by the value of Plan benefits paid or due to a Designated Payee under an approved Domestic Relations Order as described in Section 12.07 of the Plan.

## REGULATIONS 5.06, 6.06, 7.07, 8.06 BASIC RETIREMENT INCOME

### A. Basic Retirement Income (BRI)

The HAPC used to calculate the BRI of a Multi-tier Member described in Section 5.06(d)(i)(A) or Section 6.06(d)(i)(A) of the Plan is adjusted as described in Section 5.11(c) or Section 6.10(c) of the Plan, as applicable. The Member's period as an Inactive Member is deemed to begin on the day following the Member's last day as an Active Member in the 1976 Tier and end on the Member's Retirement Date.

### B. BRI – 100% of HAPC Limit

1. The offset described under Sections 5.08, 6.07 and 8.07, if any, is applied to a Member's BRI before determining whether the Member's BRI is greater than the 100% of HAPC limit under Sections 5.06(e), 6.06(e) and 8.06 of the Plan.
2. The 100% of HAPC limit applicable to the Member's BRI is determined by taking into account the value of Plan benefits paid or due to a Designated Payee pursuant to an approved Domestic Relations Order as described in Section 12.07 of the Plan.
3. If a Member's total BRI exceeds the 100% of HAPC limit and the Member has benefits attributable to Service Credit in more than one Member classification or Member Tier, the Member's benefit is reduced in the following order, as necessary: first the Member's Tier Two Benefit, if any, next the Member's 2013 Tier Benefit, if any, next the Member's 1976 Tier Benefit, if any, and finally the Member's Safety Benefit, if any.

### C. Offset to Basic Retirement Income for QDRO

Retirement benefits paid in any form will be offset by the value of Plan benefits paid or due to a Designated Payee pursuant to an approved Domestic Relations Order as described in Section 12.07 of the Plan.

## REGULATIONS 5.08, 6.07, 8.07 RETIREMENT INCOME OFFSET

### Payment Provisions

- A. Unless an Active Member elects to make a single sum after-tax payment to eliminate or reduce a Retirement Income Offset under Plan Sections 5.08(b)(i), 6.07(b)(i), or 8.07(b)(i), elections to make payment to eliminate or reduce a Retirement Income Offset which are received by the Plan Administrator on or after July 1, 1997 and before January 1, 2014 shall be made on a pretax basis by an Active Member's binding salary reduction authorization and shall be irrevocable until completion of full payment to the Plan of the amount required.

Payment shall be in equal installments each payroll period, over a period of 1, 2, 3, 4 or 5 years. The minimum monthly installment payment shall be \$10. The Plan Administrator has discretion to establish a payment period of less than whole years if monthly payments would otherwise be less than \$10.

- B. An Active Member eliminates the Retirement Income Offset upon completion of full payment to the Plan of the amount required. If, prior to completion of such payments, a Member retires, dies, becomes a Disabled Member, or terminates employment, the Retirement Income Offset is eliminated proportionately, based on the ratio of the amount actually paid to the total amount of the payments required.

**REGULATIONS 5.10, 6.09, 7.09  
STRICT FULL TIME SALARY PLAN**

To determine the 36 continuous month period for calculation of the Highest Average Plan Compensation, all periods of participation in the Strict Full Time Salary Plan attributable to payment of the fixed differential will be deemed continuous.



## REGULATIONS 5.12, 6.11, 7.11, 8.10 PAYMENT OPTIONS

If a Contingent Annuitant should die after entitlement to his or her portion of the payment option chosen by the Member, but prior to payment of such benefit, the payment option benefit due to the Contingent Annuitant for the months the Contingent Annuitant was eligible for a benefit will be paid in a lump sum to the beneficiary(ies) under the will, or, if none, under intestate succession.

Election of a payment option as described in Sections 5.12, 6.11, 7.11, and 8.10 of the Plan by a married Member or a Member who has designated a Domestic Partner as described in Section 2.19 of the Plan will require the written acknowledgement of the spouse or Domestic Partner, as applicable, of the payment option election and its effect on the spouse or Domestic Partner, as applicable. The acknowledgement requirement is waived if the spouse's or Domestic Partner's signature cannot be obtained for reasons deemed to be valid by the Plan Administrator.

Retirement benefits paid in any form will be offset by the value of Plan benefits paid or due to a Designated Payee under an approved Domestic Relations Order as described in Section 12.07 of the Plan.

If a Retired Member who retired prior to July 1, 2002 is alive on January 1, 2005, he or she may make the following change to his or her payment option:

If the Member designated an individual as a Contingent Annuitant to receive survivor benefits at the Member's death, and the Member submits the appropriate documentation described in Plan Regulation 2.19 to establish the domestic partnership of the Member and the Contingent Annuitant, the Member may revoke his or her initial payment election and instead elect an option that provides a higher monthly payment during the Member's lifetime, provided:

- (i) the supporting documentation confirms that the domestic partnership was in existence for at least one year prior to the Member's Retirement Date; and
- (ii) the Member and the individual have continued in the domestic partnership from the date the partnership was established to the effective date of the revocation of the Member's initial payment election.

If the Member establishes his or her eligibility to elect a revised payment option, and in fact elects such a change no later than June 30, 2005, the revised payment amount will apply prospectively, beginning January 1, 2005. No retroactive adjustments to payments before that date will be made. In no event may the Member elect a different Contingent Annuitant.

## REGULATIONS 5.15, 6.14, 7.14, 8.13 REINSTATEMENT PROVISIONS

- A. The Basic Retirement Income of a reinstated Active Member who is a Multi-tier Member is determined as of the date the Member resumes retirement. The Basic Retirement Income that is based on the Service Credit and Highest Average Plan Compensation accrued over the Member's entire period of service while an Active Member, as referred to in Sections 5.15(b)(ii)(A) and 6.14(b)(ii)(A) of the Plan, shall be the sum of 1 and 2 below:
  - 1. Basic Retirement Income calculated under Section 5.06(a) or 6.06(a) of the Plan using Highest Average Plan Compensation from Section 5.06(b)(iii) less \$133 or 6.06(b)(iii) of the Plan, respectively, and
  - 2. Basic Retirement Income calculated under Section 5.06(b) or 6.06(b) of the Plan.
- B. An Active Member's election of a payment option and Contingent Annuitant for the Member's Retirement Income is irrevocable as of the Member's Retirement Date subject to the caveat in Paragraph C below.
- C. A Member may elect a different payment option and Contingent Annuitant for any benefits accrued subsequent to the Member's reinstatement as an Active Member following the Member's Retirement Date, including his or her 2013 Tier Benefit.
- D. If, after reinstatement and prior to subsequent retirement, the Active Member should die, the following shall apply:
  - 1. Initial Retirement Income
    - (a) The Postretirement Survivor Continuance is payable to the current spouse if married to the Member at least one year prior to the Member's initial retirement, or to the current Domestic Partner provided such Domestic Partner was the Domestic Partner of the Member at least one year prior to the Member's initial retirement. Otherwise, the Postretirement Survivor Continuance shall be paid to the next Eligible Survivor as set forth in Sections 5.17, 6.16, 7.16, or 8.16 of the Plan.

- (b) If, prior to reinstatement, the Member had selected a payment option pursuant to Section 5.12, 6.11, 7.11, or 8.10 of the Plan, such payment option portion shall be payable to the Contingent Annuitant designated at the time of the Member's initial retirement.

2. Subsequent Retirement Income

- (a) The amount payable from the Retirement Income accrued subsequent to the Member's reinstatement shall be the greater of the Death While Eligible to Retire amount based only on subsequent Service Credit or the Preretirement Survivor Income amount.
  - (b) The recipient of the Death While Eligible to Retire or Preretirement Survivor Income amount may be different from the one designated in Paragraph D1 above.
3. The date for determining the cost-of-living adjustment applicable to a benefit payable under this Paragraph D will be based on the Member's Retirement Date.

E. A Member who is reemployed with UC is subject to the following provisions with respect to Retirement Income payments.

	UCRP-Eligible Position Plans 44, 71-76	Non-UCRP-Eligible Position Plans 45, 81-86
Retirement Income	<ul style="list-style-type: none"> <li>• payments suspended upon reemployment</li> </ul>	<ul style="list-style-type: none"> <li>• payments continue while reemployed</li> </ul>

For UCRP Eligible Position–

Effective January 1, 2009, reappointment after a Break in Service for Senior Management Group members, staff employees, and academic appointees who are reemployed into Senior Management Group or staff positions is governed by Section 2.325 of the Personnel Policy for Staff Members, as it may be amended. Generally, a Break in Service prior to reappointment must be not less than 90 days; however, a 30-day Break in Service may be acceptable, depending on the facts and circumstances. The restriction is intended to insure that the timing on payment of retirement benefits is consistent with Internal Revenue Service guidelines on prohibited in-service distributions. Recall of academic appointees is governed by Academic Personnel Policy 200, Appendices A and B, and the Guidelines for Rehire of UC Retirees.

F. Reinstatement of a Participant of a Voluntary Early Retirement Incentive Program (VERIP) or the Retirement Acceleration Opportunity Program (RAOP) of the University of California Retirement Plan (UCRP).

If a Plus 5, Take 5, RAOP, or VERIP 3 Retired Member violates the rehire restrictions of Appendices B, C, and D, Sections 2(d) and (e), or Appendix A, Sections 15(a)(ii), (iii), or (iv) of the Plan, as applicable, and is rehired into a UCRP eligible position within 5 years of his/her Plus 5, Take 5, RAOP or VERIP 3 Retirement Date, as applicable, Retirement Income and any Social Security Supplement and associated cost of living adjustments will cease and the reinstatement provisions shall apply as follows:

1. Plan Sections 5.15(a), 6.14(a), 7.14(a), and 8.13(a)

The individual's Member Contributions account shall be reestablished and credited with an amount equal to the Member Contributions, if any, plus interest as of the aforementioned Retirement Date minus the total amount of Retirement Income and any Social Security Supplement already received including the portion attributable to any VERIP or RAOP incentive of additional Service Credit and/or age credit. Service Credit as of such Retirement Date shall be reestablished without any such incentives.

2. Plan Sections 5.15(b)(i)(A), 6.14(b)(i)(A), 7.14(b), and 8.13(b)(i)(A)

The initial Basic Retirement Income (BRI), or initial Retirement Income in the case of Section 7.14(b) of the Plan, shall mean Retirement Income as of the aforementioned Retirement Date without the applicable VERIP or RAOP incentives of additional Service Credit and/or age credit, if any. When performing the calculation to determine this amount, the Highest Average Plan Compensation (HAPC) used shall be the Plus 5, Take 5, RAOP, or VERIP 3 average pay, as applicable.

3. Plan Sections 5.15(b)(ii)(A), 6.14(b)(ii)(A), and 8.13(b)(ii)(A)

The Service Credit in these sections for the entire period of service while an Active Member shall not include any incentive Service Credit under Plus 5, Take 5, RAOP, or VERIP 3.

4. Plan Sections 5.15(b)(ii)(B), 6.14(b)(ii)(B), and 8.13(b)(ii)(B)

The amount of BRI in these sections that is actuarially equivalent to the total amount of payments previously received shall include the portion attributable to the applicable VERIP or RAOP incentives of

additional Service Credit and/or age credit, if any. The actuarial equivalent of any transition assistance shall not be included.

5. Plan Section 5.15(c)(i)

With respect to the Social Security Supplement, if any, the initial Social Security Supplement shall be calculated without the applicable VERIP or RAOP incentives of additional Service Credit and/or age credit, if any.

6. Plan Sections 5.15(d)(i) and (e), 6.14(c)(i) and (d), 7.14(b) and (c), and 8.13(c) and (d)

The amount of initial Retirement Income payable shall not include the portion attributable to the applicable VERIP or RAOP incentives of additional Service Credit and/or age credit, if any.

G. Refer to Appendices B, C and D of the Plan for reinstatement provisions specific to Plus 5, Take 5 and VERIP 3, respectively.

H. When a Retired Member who becomes an Active Member following reinstatement as described in Plan Sections 5.15, 6.14, 7.14 and 8.13 next terminates employment with the University, he or she shall immediately resume Retired Member status. The suspension of the Member's Retirement Income shall cease, and the Member's monthly benefit shall be adjusted to the extent described in the applicable Plan provisions and this Plan Regulation to account for any additional Retirement Income accrued following reinstatement. The Member's Retirement Date shall continue to be the date that Retirement Income commenced prior to a suspension of benefits in connection with the Member's reinstatement for all purposes under the Plan, including the cost-of-living adjustments applicable to the Member's Retirement Income.

## REGULATIONS 5.16, 6.15, 7.15, 8.14, 8.15 PRERETIREMENT SURVIVOR INCOME

- A. Preretirement Survivor Income may be payable to a conservator or attorney in fact on behalf of an Eligible Survivor or surviving spouse, or surviving Domestic Partner as approved by the Plan Administrator, but not to a trust.

- B. Death of an Eligible Survivor Prior to Payment of Benefit

If an Eligible Survivor should die after entitlement to Preretirement Survivor Income, but prior to payment of such benefit, the Preretirement Survivor Income due to the Eligible Survivor or surviving spouse or surviving Domestic Partner for the months such person was eligible for benefits shall be paid in a lump sum to the beneficiary(ies) under the Eligible Survivor's or surviving spouse's or surviving Domestic Partner's will, or, if none, to such person's estate.

- C. Recovery of Overpayments Paid on Account of an Eligible Child

1. After notification and agreement to terms with the benefit recipient, the Plan Administrator may begin deductions from Plan benefits payable to recover an overpayment. An overpayment exists in, but is not limited to, the following situations:

- (a) benefits were paid on account of an Eligible Child who no longer meets the eligibility criteria for such status; or
- (b) an overpayment was made due to an error in the calculation of the benefit.

2. Deductions may be applied to any benefits payable from the Plan. If no benefits are payable, the Plan Administrator shall notify the payee in writing of the amount of, and the reason for, the overpayment. If, after following established procedure, the Plan Administrator is unable to recover the overpayment from the payee, the payee's case shall be referred to the Accounting Unit, where the case will be subject to a formal collection process.

- D. For purposes of calculating the benefit payable under Sections 5.16(b), 6.15(b), 7.15(b) and 8.15(b) of the Plan, the deemed Retirement Date shall be the calendar day following the Member's date of death.

- E. Effective June 17, 2008, if an Active or Disabled Member's domestic partnership with an individual continues until the Member and the individual are married to each other, or if an Active or Disabled Member's marriage to an individual continues until the date the individual becomes the Member's Domestic Partner, solely for purposes of determining eligibility to receive Preretirement Survivor Income, the individual shall not be deemed the Member's "former Domestic Partner" or "former spouse," as applicable.
  
- F. The Death While Eligible to Retire benefit described in Sections 5.16(b), 6.15(b), 7.15(b) and 8.15(b) of the Plan will be offset by the value of Plan benefits paid or due to a Designated Payee pursuant to an approved Domestic Relations Order as described in Section 12.07 of the Plan.



## REGULATIONS 5.17, 6.16, 7.16, 8.16 POSTRETIREMENT SURVIVOR CONTINUANCE

- A. Postretirement Survivor Continuance may be payable to a conservator or attorney in fact on behalf of an Eligible Survivor or surviving spouse, or surviving Domestic Partner as approved by the Plan Administrator, as described in Sections 5.17, 6.16, 7.16, or 8.16 of the Plan, as applicable, but not to a trust.

- B. Death of Survivor Prior to Payment of Benefit

If a person eligible for Postretirement Survivor Continuance should die after entitlement, but prior to payment of such benefit, the Postretirement Survivor Continuance due to the person for the months the person was eligible for a benefit shall be paid in a lump sum to the beneficiary(ies) under such person's will, or, if none, to such person's estate.

- C. Payments to Minors

In the event that a monthly benefit is payable under the Plan to a minor, payment shall be made on the minor's behalf to the following persons in the order given:

1. to the minor's living parent(s) to act as custodian; or
2. if the minor's parents are divorced, and one parent is the sole custodian parent, to such custodian parent; or
3. if no parent is living, to the duly appointed and currently acting guardian of the estate of the minor; or
4. if no such representative or person entitled to custody of the minor is available to receive such funds, and no guardian has been appointed, then within a reasonable time after the date the amount becomes payable, the Plan Administrator shall deposit the monies with the court having jurisdiction over the estate of the minor.

- D. Recovery of Overpayments Paid on Account of an Eligible Child

1. After notification and agreement to terms with the benefit recipient, the Plan Administrator may begin deductions from Plan benefits payable to recover an overpayment. An overpayment exists in, but is not limited to, the following situations:

- (a) benefits were paid on account of an Eligible Child who no longer meets the eligibility criteria for such status; or
  - (b) an overpayment was made due to an error in the calculation of the benefit.
2. Deductions may be applied to any benefits payable from the Plan. If no benefits are payable, the Plan Administrator shall notify the payee in writing of the amount of, and the reason for, the overpayment. If, after following established procedure, the Plan Administrator is unable to recover the overpayment from the payee, the payee's case shall be referred to the Accounting Unit, where the case will be subject to a formal collection process.

E. Special Provisions for Retired Members Who Retired Before July 1, 2002

With respect to a Retired Member who retired before July 1, 2002, if the appropriate documentation is submitted as described under Plan Regulation 2.19 to establish the domestic partnership of the Member and an individual, such individual will be eligible for a Postretirement Survivor Continuance Benefit at the Member's death provided:

1. the supporting documentation confirms that the domestic partnership was in existence for at least one year prior to the Member's Retirement Date; and
2. if the Member is alive at the time the appropriate documentation is filed with the Plan Administrator, the Member and the individual continue in the domestic partnership until the date of the Member's death or if the Member is deceased at the time the appropriate documentation is filed with the Plan Administrator, the Member and the individual had continued in the domestic partnership until the Member died.

If an individual's eligibility for the Postretirement Survivor Continuance is established under this Paragraph E, payment will be prospective, beginning January 1, 2005. No retroactive payment will be made.

The Plan Administrator shall be authorized to apply the requirements of this Paragraph E to carry out the intent of the Regents to provide comparable benefits to domestic partners of Members as documented in Minutes of the Regents' Meeting on September 22, 2005.

#### F. Subsequent Marriage or Domestic Partnership

Effective June 17, 2008, the determination of whether a surviving spouse or Domestic Partner of a deceased Active, Disabled, Inactive or Retired Member was married or in a domestic partnership with such Member for at least one full year before the Member's Retirement Date and continuously to the date of the Member's death shall take into account any period such individual was either the Member's spouse or Domestic Partner, provided that the change from domestic partnership to marriage, or from marriage to domestic partnership, occurred immediately following the other without a break or an intervening period of time in which no marriage or domestic partnership existed between the Member and the same individual. This individual shall not be deemed the Member's former spouse or former Domestic Partner, as applicable.

## REGULATIONS 5.18, 6.17, 7.17, 8.17 LUMP SUM PAYMENTS UPON DEATH

- A. Upon the death of a Member, no residual death payment will be issued and the Member's Accumulations will revert to the Plan if both of the following conditions are met:
1. the basic death payment is not payable; and
  2. the Member's Accumulations and Capital Accumulation Credits, if any, in this Plan, when added to his or her Accumulations in both the internally managed funds of the University of California Tax-Deferred 403(b) Plan (403(b) Plan) and the internally and externally managed funds of the University of California Defined Contribution Plan (DC Plan), if any, total less than \$10.00.
- B. If monies from this Plan, the 403(b) Plan and the DC Plan total \$10.00 or more, no residual death payment will be issued and the Member's Accumulations will revert to the Plan if all of the following conditions are met:
1. the basic death payment is not payable; and
  2. the Member did not designate a Beneficiary; and
  3. the Plan Administrator has no knowledge of any living person who is a statutory Beneficiary as defined in Section 2.08 of the Plan; and
  4. the Member's Accumulations and Capital Accumulation Credits, if any, in this Plan, when added to his or her Accumulations in both the internally managed funds of the 403(b) Plan and the internally and externally managed funds of the DC Plan, if any, total less than \$100.00.

If all of the above conditions are not met, or if the Member's Capital Accumulation Credits and Accumulations, if any, in all three Plans total at least \$100.00, the residual death payment will be issued if a Beneficiary can be located.

The Beneficiary(ies) shall have up to nine months from the date the Plan Administrator is notified of the Member's death to provide distribution instructions regarding the residual death payment. If a Beneficiary fails to

submit an election for the residual death payment, the Beneficiary shall be notified by the Plan Administrator that in the absence of an election such payment shall be automatically distributed 30 days after such notice. If such Beneficiary still fails to provide distribution instructions within the 30-day period, such payment will be made in the form of a lump sum as described in Sections 5.18(b), 6.17(b), 7.17(b), or 8.17(b) of the Plan, provided the Plan Administrator has received other necessary documentation from the Beneficiary. Such payment will be deemed an election by the Beneficiary to receive such payment and taxes will be withheld in accordance with federal and state laws.

- C. Following issuance of the residual death payment, if additional Member Contributions are credited via payroll adjustment to the Member's account more than three months after his or her death, the Member's Accumulations will revert to the Plan if the Member's Accumulations and Capital Accumulation Credits, if any, in this Plan, when added to his or her Accumulations, if any, in both the internally managed funds of the 403(b) Plan and the internally and externally managed funds of the DC Plan, total less than \$100.00 if a Beneficiary cannot be located.

D. Payments to Minors

1. In the event that a total lump sum payment of \$10,000 or less is payable under the Plan to a minor, payment shall be made on the minor's behalf to the following persons in the order given:
  - (a) to the minor's living parent(s) to act as custodian; or
  - (b) if the minor's parents are divorced, and one parent is the custodian parent, to such custodian parent; or
  - (c) if no parent is living, to the duly appointed and currently acting guardian of the estate of the minor; or
  - (d) if there is no such guardian, to a legal representative or person entitled to custody of the minor to hold for the minor; or
  - (e) if no such representative or person entitled to custody of the minor is available to receive such funds, and no guardian has been appointed, then within a reasonable time after the date the amount becomes payable, the Plan Administrator shall deposit the monies with the court having jurisdiction over the estate of the minor.

2. In the event that the amount payable exceeds \$10,000 under the Plan to a minor, payment shall be made:
  - (a) to the duly appointed and currently acting guardian of the estate of the minor; or
  - (b) if no guardian has been appointed, then within a reasonable time after the date the amount becomes payable, the Plan Administrator shall deposit the monies with the court having jurisdiction over the estate of the minor.

E. Disposition

1. If after the death of the last person in the following categories:
  - (a) Contingent Annuitant; or
  - (b) surviving spouse or surviving Domestic Partner; or
  - (c) Eligible Survivor; or
  - (d) person who may become an Eligible Survivor; or
  - (e) person who may be eligible for Postretirement Survivor Continuance,

there are Accumulations remaining, they shall be paid to the Member's Beneficiary(ies) as designated at the time of the Member's death. The designation of Beneficiary form must be properly signed by the Member.

2. If no valid designation of Beneficiary form is on file with the Plan as of the date of the Member's death, then the Accumulations shall be paid to the Beneficiary(ies) as defined by Section 2.08 of the Plan.
3. If no designated or statutory Beneficiary(ies) has survived the Member, and due to the passage of time the Member's estate no longer exists, payment will be made in accordance with the Member's last will and testament. A will does not supersede a Beneficiary designation.
4. If no such will exists, or if the estate named in the will no longer exists, then the Accumulations shall be paid to heirs in compliance with Intestate Succession, as provided in California Probate Code 6400 et seq. See Resident Counsel for clarification.

5. If any Beneficiary or heir, as described above, should die after the Member, but prior to payment of the Accumulations, the Accumulations shall be paid pursuant to Section 2.08 of the Plan as if the Beneficiary or heir were the Member.
6. If there is no spouse, Domestic Partner, children or parents, and the estate is not being probated, then the funds may be paid to the County Public Administrator, if that Administrator is distributing the estate.
7. If after two years from the date of death of the person described in E1(a) - (e), a reasonable search (as defined in F of this Regulation) has not uncovered a Beneficiary or heir, the Accumulations shall be paid to the last known survivor's estate.
8. If no party entitled to the payment is located or comes forward the payment forfeits to the Plan until such time as such party comes forward or is located.

F. Definition of Reasonable Search for Beneficiary(ies) or Heir(s)

Upon entitlement of a Beneficiary or heir to benefits or payments due to the death of a Member, the Plan Administrator shall conduct a search for the person(s) entitled to said benefits or payments as follows:

1. Notification shall first be mailed to the last known address of the survivor or executor. If the address is no longer current, or if the address is unknown, then notification shall be mailed to the last known address of the deceased Member.
2. If attempts to notify the survivor or executor by mail are unsuccessful, inquiries as to the address of the survivor or executor shall be made of family members or other known survivors of the member, or third-party location services.

G. Residual Death Payments When There Are Multiple Beneficiaries

Generally, upon the Member's death, the Plan will pay any residual death payment to Beneficiaries as soon as reasonably possible after election forms from all Beneficiaries are received. However, if one or more of the Beneficiaries cannot be located or does not submit proper documentation within 9 months from the date of the Member's death, the Plan will make the lump sum residual death payment to those Beneficiaries who have filed an election before receipt of election forms from all Beneficiaries.

## H. Disclaimers

A Beneficiary may choose to disclaim any basic death payment or residual death payment payable under this Plan in accordance with the applicable provisions of Internal Revenue Code §2518 and California Probate Code §260 et seq.

The Plan will require a disclaimer and a release of liability; both documents must be signed and notarized. Once these validly executed documents are received by the Plan, the benefit will be paid under Beneficiary rules described at Article 2.08 of the Plan as if the named Beneficiary predeceased the Member if there was more than one Beneficiary or as if no Beneficiary had been named if there was only one Beneficiary.

## I. Deduction of Overpayments from the Basic Death Payment

If there has been an overpayment of benefits from the Plan on account of a deceased member and after two written requests and bank deposit reclaim efforts have been unsuccessful in returning such overpayment to the Plan, the Basic Death Payment shall be reduced by the amount of the overpayment if:

1. There is no monthly income payable to an Eligible Survivor, a surviving spouse, a surviving Domestic Partner, and/or a Contingent Annuitant, or
2. The Beneficiary designated to receive all or a portion of the Member's Basic Death Payment is also eligible for monthly income as the Member's surviving spouse, surviving Domestic Partner, first Eligible Survivor and/or Contingent Annuitant.



## REGULATIONS 5.19, 6.18, 7.18, 8.19 DISABILITY INCOME

### A. Eligibility

#### 1. Authorities

The Plan Administrator and the third party administrator (hereafter referred to as TPA) shall have the authority to:

- (a) make initial and subsequent eligibility determinations for Disability Income;
- (b) select physicians to conduct mental or medical examinations of disability applicants and Disabled Members; and
- (c) select vocational professionals for vocational evaluation and rehabilitation.

#### 2. Application for Disability Income

An application for Disability Income shall be submitted to the Plan Administrator by an Active Member prior to separation from University employment. However, an application may be submitted within twelve months of separation from University employment, provided medical evidence indicates that the Member would otherwise have been entitled to Disability Income as of the date of separation and further provided that Member Accumulations have remained on deposit with the Plan. In cases where Member Accumulations have been withdrawn, a former Active Member shall not have the right to submit an application unless it can be clearly established that the cause for withdrawal of Member Accumulations was administrative error and the Member Accumulations are redeposited.

A Member may elect to receive Retirement Income, if eligible, while an application for Disability Income is pending. If the Member's application for Disability Income is subsequently approved and the Member elects Disability Income, the Retirement Income election shall be voided, Retirement Income shall cease, and Disability Income shall be paid retroactive to the Member's Disability Date, less any Retirement Income already paid, subject to the provisions

of Paragraph A3. An application for Disability Income is considered pending under this provision if received by the Plan Administrator at any time prior to the Member's election of Retirement Income becoming irrevocable.

### 3. Disability Date

The Disability Date shall be approved by the Plan Administrator, and shall be the later of:

- (a) the day following the last day on active University payroll status; or
- (b) the first of the month in which the application is received by the Plan Administrator.

If a Member elects to retire as of a Retirement Date, but subsequently submits an application for Disability Income to be effective as of a later date, and the Disability Income application is approved by the Plan Administrator and reconfirmed by the Member, the Member's Disability Date shall be changed to the Retirement Date initially elected by the Member, and the Member's Retirement Income election shall be revoked.

If the Member's application for Disability Income is received after the Member's election of Retirement Income becomes irrevocable, the Member is not eligible to apply for Disability Income unless the application is approved by the Plan Administrator where it can be clearly established that the cause for the delay in submitting the Disability Income application was due to an administrative error or the Member's medical condition.

After the Disability Date has been established, payment of sick leave following a medical leave of absence shall not alter the Disability Date. However, Disability Income may be reduced as provided in A7 of this Regulation.

### 4. Initial Eligibility Review

- (a) In addition to the application form, the applicant shall submit to the Plan Administrator or TPA the following information:
  - (i) a medical report by the applicant's physician, provided without cost to the Plan Administrator or TPA;
  - (ii) related medical or hospital records or appropriate written authorizations for such records to be

requested by the Plan Administrator or TPA, as required;

- (iii) information regarding other disability-related benefits which have been awarded, for which an application has been made, or for which the applicant is eligible; and/or
  - (iv) information as to education, work experience, and daily activities both prior to and after the Disability Date as well as any other pertinent facts demonstrating the effect of the physical or mental impairment upon the applicant's ability to perform work related functions.
- (b) The Plan Administrator or TPA may also require the following information in determining eligibility for Disability Income:
- (i) medical evaluation(s) by a physician(s) selected and paid for by the Plan Administrator or TPA. This evaluation may be omitted if the report of the applicant's physician clearly substantiates that:
    - (A) the medical condition is expected to result in death within 12 months of the Disability Date; or
    - (B) the medical condition meets the eligibility criteria for Disability Income and the condition is permanent and static or progressive; or
    - (C) the applicant is ineligible.
  - (ii) administrative information including, but not limited to, a description of the applicant's current and former University position(s) and prior employment history, including education and skills.
  - (iii) employability assessment by a vocational professional selected and paid for by the Plan Administrator or TPA.

## 5. Reviews Following Approval of Eligibility

- (a) For each Disabled Member, reviews shall be conducted no less frequently than the schedule described in

subparagraphs (c) and (d) below. The Plan Administrator or TPA shall conduct a review at any time it is deemed necessary to determine the continuing eligibility for Disability Income of a Disabled Member. The Disabled Member need not be disabled due to the same disability or disabilities on which entitlement to Disability Income was initially established.

- (b) The Plan Administrator or TPA may require the following information to determine continuing eligibility for Disability Income, including federal and state tax returns:
  - (i) appropriate medical reports by the Disabled Member's physician provided without cost to the Plan Administrator or TPA;
  - (ii) information concerning employment and earnings;
  - (iii) medical evaluation(s) by physician(s) selected and paid for by the Plan Administrator or TPA; and/or
  - (iv) evaluation(s) by a vocational professional(s) selected and paid for by the Plan Administrator or TPA.
  
- (c) For a Disabled Member who became an Active Member on or before March 31, 1980:
  - (i) Based on the definition of a Disabled Member after two years, the Plan Administrator or TPA shall conduct a review one year and nine months following the Disability Date. Initial review may be conducted earlier than one year and nine months, at the discretion of the Plan Administrator or TPA. A case summary and recommendation on the Member's continued eligibility to receive Disability Income shall be prepared based on appropriate new information collected in the course of the review.
  - (ii) Subsequent reviews are to be completed no less frequently than every four years. The Plan Administrator or TPA may approve subsequent eligibility for periods not to exceed four years. However, subsequent review may be waived by the Plan Administrator or TPA if:
    - (A) the Member is eligible to elect Retirement Income; and/or

- (B) the medical information as of the last completed review indicated an impairment that was clearly total and permanent and would not improve.
- (d) For a Disabled Member who became an Active Member on or after April 1, 1980:
  - (i) Based on the definition of a Disabled Member after one year, the Plan Administrator or TPA shall conduct a review approximately one year following the Disability Date. A case summary and recommendation on the Member's continued eligibility to receive Disability Income shall be prepared based on appropriate new information collected in the course of the review.
  - (ii) Subsequent reviews are to be completed no less frequently than every four years. The Plan Administrator or TPA may approve subsequent eligibility for periods not to exceed four years. However, subsequent review may be waived by the Plan Administrator or TPA if:
    - (A) the Member is eligible to elect Retirement Income; and/or
    - (B) the medical information as of the last completed review indicated an impairment that was clearly total and permanent and would not improve.

## 6. Eligibility Determination for New Applicants and Benefit Recipients

- (a) The Plan Administrator or TPA shall review the application and supporting information and shall make the final determination of initial eligibility and of continued eligibility.
- (b) When a licensed physician prescribes a course of treatment that can reasonably be expected to restore the applicant's or recipient's vocational ability, it is expected that the applicant or recipient will follow such course of treatment.
  - (i) A "prescribed course of treatment" is a course of treatment prescribed by a licensed physician for the cure, alleviation or general improvement of a physical or mental impairment that is generally recognized by

qualified medical opinion to have a beneficial effect on similar physical or mental impairments, and is not:

- (A) experimental in nature;
- (B) merely a maintenance of the current status of the physical or mental impairment;
- (C) against the applicant's or recipient's stated religious belief; or
- (D) a surgical procedure.

Such a prescribed course of treatment may include but is not limited to, a drug or alcohol rehabilitation program, weight loss, psychotherapy, physical therapy, or regular care and attendance by a licensed physician.

- (ii) The applicant or recipient shall be considered eligible for Disability Income only if such applicant or recipient is undergoing the prescribed course of treatment and the condition, though medically treated, continues to be disabling.
  - (iii) An applicant or recipient who unreasonably fails or refuses to follow the prescribed course of treatment shall not be eligible for Disability Income unless justifiable cause for such failure or refusal can be demonstrated.
- (c) Regarding vocational rehabilitation, Sections 5.19(b), 6.18(b), 7.18(b), 8.19(b) of the Plan provide the following. Gainful employment referenced herein refers to employment meeting or exceeding the applicable eligibility definition of a Disabled Member.
- (i) Members may be required, as a condition of eligibility for Disability Income, to undergo evaluation by vocational and medical professionals to determine their potential for gainful employment, according to the applicable definition of a Disabled Member, or their potential for vocational training.
  - (ii) Should the Plan Administrator determine, on the basis of qualified vocational and medical opinion, that a program of retraining and vocational rehabilitation can be reasonably expected to return an applicant or benefit recipient to gainful employment under

applicable eligibility criteria, such Member shall be required to participate in such program as a condition of eligibility for Disability Income. Should an individual fail to participate in good faith in such a program, the Plan Administrator shall have the authority to deny, suspend or terminate Disability Income.

- (iii) Should a Disabled Member become gainfully employed while otherwise eligible for Disability Income, such Member's Disability Income may be continued under a trial work period approved by the Plan Administrator.
  - (A) Only one trial work period, for a length of time not to exceed nine months may be approved by the Plan Administrator for each period during which the Disabled Member qualifies for Disability Income.
  - (B) A Disabled Member who engages in gainful employment as part of an approved trial work period shall not be considered as failing to satisfy the Plan's disability eligibility requirements by reason of engaging in this work activity. Loss of future eligibility for Disability Income shall not result should the Disabled Member be unable to continue in such activity during the approved trial work period due to continuing disability if such Member is otherwise qualified for Disability Income.
  - (C) The total amount of Disability Income provided under Articles 5, 6, 7 and 8 of the Plan and the adjustments described in Sections 5.19(f)(i) and (f)(ii), 6.18(f)(i) and (f)(ii), 7.18(d)(i) and (d)(ii), 8.18(d)(i) and (d)(ii), and 8.19(d)(i) and (d)(ii), respectively, of the Plan may not exceed 100% of Final Salary, adjusted by Plan cost-of-living increases, during an approved trial work period. Disability Income will be suspended or reduced during a trial work period when a Disabled Member's earnings and benefits from all sources exceed 100% of Final Salary, adjusted by Plan cost-of-living increases.

- (D) A Disabled Member may cease to be eligible for Disability Income at any time within the trial work period if the Plan Administrator or TPA determines that such Member has recovered from a physical or mental impairment to the extent that such member is no longer prevented from engaging in substantial gainful activity. The Plan Administrator or TPA shall not base such a determination solely on work performed during the trial work period.
- (iv) To the extent that a Disabled Member engages in substantial gainful activity which is not part of a program of rehabilitation approved by the Plan Administrator or TPA, Disability Income may be terminated, suspended, or reduced in accordance with the Plan.
- (v) The following definitions and provisions shall apply with respect to vocational rehabilitation:
  - (A) *Vocational and medical professionals* include individuals qualified by education or experience to assess a Disabled Member's potential for vocational retraining and rehabilitation.
  - (B) *Vocational rehabilitation* includes, but is not limited to, job analysis, vocational assessment, labor market survey, functional capacity evaluation, work hardening program, on-the-job training program, retraining, job placement, and trial work period.
  - (C) *Reasonably be expected to return a Disabled Member to substantial gainful activity* means that retraining and rehabilitation efforts will likely result in the ability of an individual to perform the duties of a position for which the individual can be rehabilitated by reason of his or her background, education and skills, and within the individual's medical restrictions.

## 7. Recovery of Overpayments

- (a) After notification and agreement to terms with the Member, the Plan Administrator may begin deductions from Plan



benefits payable to recover an overpayment. An overpayment exists in, but is not limited to, the following situations:

- (i) Disability Income was paid on account of an Eligible Child who no longer meets the eligibility criteria as provided by Section 2.20 of the Plan;
  - (ii) Disability Income was paid during a period when the Disabled Member no longer met the eligibility criteria for Disability Income or was paid a benefit amount to which the Member was not entitled;
  - (iii) sick leave in excess of 80 hours was paid after the Disability Date to the Disabled Member, following a medical leave of absence. Disability Income shall be reduced in the month the sick leave payment was made by the amount of the sick leave payment in excess of 100% of Final Salary.
- (b) Deductions may be applied to Disability Income payable and may be applied in equal monthly installments over a period not to exceed two years. Repayments may be spread over a longer period at the discretion of the Plan Administrator. When the full overpayment has not been recovered, deductions shall be applied to any Retirement Income payable in equal monthly installments over a period not to exceed one year. If no Retirement Income is payable, the total overpayment outstanding shall be applied against any Refund of Accumulations payable by the Plan. Prior to the deduction from any benefits payable, the Plan Administrator shall notify the payee in writing of the amount of, and the reason for, the overpayment. If, after following established procedure, the Plan Administrator is unable to recover the overpayment from the payee, the payee's case shall be referred to the Accounting Unit, where the case will be subject to a formal collection process.

## 8. Duty to Provide Information

Section 12.05 of the Plan requires that:

Each Member or person eligible for benefits from the Plan shall provide such information and evidence and shall sign such

documents as may be required from time to time for the administration of the Plan.

- (a) An Active Member or Disabled Member (or legal representative) shall provide or cooperate in providing information as requested by the Plan Administrator or TPA which is necessary to evaluate eligibility status. Such information includes, but is not limited to:
  - (i) medical examinations and records;
  - (ii) authorization to release medical information;
  - (iii) authorization to release tax or earnings information, provided that such information may be obtained without authorization to the extent permitted by law;
  - (iv) affidavits concerning income or disability benefits received;
  - (v) verification that a child is a full-time student at an educational institution or is disabled;
  - (vi) employment and earnings information and documentation including certified tax returns; and/or
  - (vii) information as required elsewhere in the Plan or Plan Regulations.
  
- (b) Each Disabled Member (or legal representative) is required to promptly advise the Plan Administrator or TPA of any change in circumstance which may affect the amount of, or eligibility for, Disability Income. Such information includes, but is not limited to:
  - (i) change in physical or mental condition;
  - (ii) employment status or income received;
  - (iii) the status and number of Eligible Children;
  - (iv) the amount of disability benefits payable from another retirement system, pension plan or comparable program, including the U.S. Department of Veterans Affairs disability payments;
  - (v) death of the Disabled Member; and/or

- (vi) any other information required in the Plan or Plan Regulations.

The disabled Member (or legal representative) shall be liable for any overpayments made due to failure to report this information.

- (c) The Plan Administrator or TPA shall deny or suspend an application for Disability Income or suspend or terminate Disability Income for the Member's failure to provide or cooperate in providing required information or for the willful provision of erroneous information.

Disability Income may be terminated retroactively and an overpayment created where, in the opinion of the Plan Administrator or TPA, the Member has:

- (i) failed to provide or failed to cooperate in providing information required to confirm prior entitlement to Disability Income; or
- (ii) knowingly provided false information that was a basis for continued payment of Disability Income.

## 9. Notice

- (a) The Plan Administrator or TPA shall notify the Member, in writing, of the following benefit determinations: approval, denial, suspension or termination. In the case of denial, suspension or termination, the notice shall explain the reasons for such action and shall also describe the Member's right to appeal the determination.

Reasons for denial, suspension or termination include, but are not limited to, the following:

- (i) determination that a Member is not eligible or is no longer eligible for Disability Income;
- (ii) failure to provide or to cooperate in providing required information or for willful provision of erroneous information;
- (iii) failure to follow a prescribed course of treatment or undergo medical examination;
- (iv) failure to undergo a vocational rehabilitation evaluation, or to participate in a program of retraining or vocational rehabilitation; or

- (v) failure to inform the Plan Administrator or TPA of any change in employment status or earnings from employment within 60 days of commencement of such change.
- (b) In the case of suspension, benefits shall cease at the end of the month in which the notice is received by the Member. If required information is not received by the Plan Administrator or TPA within the time period specified in the notice, termination of benefits or denial of an application shall be undertaken. In the case of termination without prior suspension, benefit payments shall cease two calendar months following service of the notice.
- (c) If an application for Disability Income is denied or a review of continuing eligibility results in a determination that Disability Income shall be suspended or terminated, the Plan Administrator or TPA shall notify the Member in writing, explaining the reason for denial, suspension or termination and notifying the Member that he or she, or his or her authorized representative, may request a review of the denial, suspension or termination of the Member's claim, as described in Paragraph 10 below.

#### 10. Appeal

A written request for review must be submitted within 60 days after the Member receives notice of the denial, suspension or termination of the Member's claim and must be directed to the Plan Administrator or TPA, according to the instructions in the notice. The request must state the reasons for the Member's belief that the claim should not have been denied, suspended or terminated, and may include any additional information and/or documentation in support of the Member's claim. The Plan Administrator or TPA, as applicable, may require further clarification of such information and/or documentation, and may require additional evidence and/or further medical or vocational evaluations. The Member may request to review pertinent claim file documents upon which the decision on the claim was based.

The Plan Administrator or TPA shall make a full and fair review of each request for review through its internal administrative review process. The Member shall receive a written notice and explanation of the decision on review within 60 days of the receipt of the Member's request for review, unless special circumstances require a longer period, including any extended period needed to receive and review additional information submitted in connection with the Member's appeal. In that event, the Member shall be notified of the

final decision no later than 120 days after the later of receipt of the Member's request for review or the end of any extended period required by special circumstances.

If the Plan Administrator or TPA, as applicable, does not receive the Member's written request for review within 60 days of receipt of the notice of denial, suspension or termination of the Member's claim, the claim decision shall be final and no further review of the claim shall be conducted.

## B. Definitions

1. With respect to an employee who became an Active Member on or before March 31, 1980, the Plan provides that the following definitions shall apply:

*A Disabled Member* means a Member who is prevented from performing the duties of such Member's present position or a comparable position because of a medically determinable physical or mental impairment of permanent and extended and uncertain duration as determined by the Plan Administrator or TPA on the basis of qualified medical opinion. After two years of such disability, a Disabled Member shall be deemed to be disabled only if such Member is prevented by such physical or mental impairment from engaging in any occupation for substantial compensation or profit as determined by the Plan Administrator or TPA on the basis of qualified Medical opinion.

The following definitions and provisions shall apply.

- (a) *Comparable position* means another University position for which the Member is qualified and medically able to perform, whether or not such position is available, and which provides a salary rate of at least 80% of the Member's Final Salary.
- (b) *Any occupation for substantial compensation or profit* means any type of gainful activity, commensurate with age, education, skills, or general background, which could reasonably be expected to result in compensation or profit equivalent to 70% of the Disabled Member's Final Salary, adjusted by Plan cost-of-living increases. Gainful activity includes employment, self-employment, and the rendering of any type of service.
- (c) *Medically determinable physical or mental impairment* means an impairment or incapacity which results from anatomical, physiological, or psychological abnormalities

which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques. Statements of the Member alone are insufficient to establish the presence of a mental or physical impairment.

- (d) *Extended and uncertain duration* means a period of at least 12 continuous months following the Disability Date during which time no recovery is anticipated.
- (e) *Qualified medical opinion* means written reports based on an examination of the Member and furnished by a duly licensed physician qualified by reason of education and experience to assess the Member's capacity to engage in activity as defined above. 'Physician' includes physicians and surgeons holding an M.D. or D.O. degree, psychologists, optometrists, dentists, podiatrists, and chiropractic practitioners as licensed by law and within the scope of their practice as defined by California state law. 'Psychologist' is further defined as a licensed psychologist with a doctorate degree in psychology and has either two years of clinical experience in a recognized health setting or has met the standards of the National Register of the Health Service Providers in Psychology. Where treatment or evaluation is provided by a psychologist, provision shall be made for appropriate medical collaboration.
  - (i) Such opinion shall be based on and include reports of medically acceptable clinical findings and data (such as the Member's medical history, physical or mental status examinations or both, laboratory findings, diagnosis, treatment prescribed, and prognosis). Where appropriate, such reports shall also describe the Member's capacity to perform significant functions such as the capacity to sit, stand or move about, travel, handle objects, hear or speak, and, in cases of mental impairment, the ability to reason or to make occupational, personal or social adjustments.
  - (ii) Any statement by a physician that an individual is "disabled," "totally and permanently disabled," "unable to work," or any statement of similar import, as a conclusion upon the ultimate issue to be decided, shall not in itself be determinative of the question of whether or not an individual would qualify for Disability Income. The weight to be given such statements depends on the extent to which they are

supported by specific and complete clinical findings or data and are consistent with other evidence as to the severity and probable duration of the Member's impairment(s).

2. With respect to an employee who became an Active Member on or after April 1, 1980, the Plan provides that the following definitions shall apply:

*A Disabled Member* means a Member who is prevented from engaging in substantial gainful activity because of a medically determinable physical or mental impairment of permanent or extended and uncertain duration as determined by the Plan Administrator or TPA on the basis of qualified medical opinion.

- (a) *Substantial gainful activity* means a level of work activity that is both substantial and gainful and involves the performance of significant physical or mental activities which are productive in nature.

Substantial gainful activity during the first year of benefit status means a level of work activity which would, if engaged in, result in income of 50% or more of Final Salary.

Following the first year in benefit status, a Member will not be considered disabled if able to engage in substantial gainful activity which would result in earnings in excess of the Social Security Administration's annually published dollar amount used to determine substantial gainful activity.

The following provisions also apply to substantial gainful activity:

- (i) The performance of activity during a period of claimed disability may indicate the ability to engage in gainful activity in the following ways:
  - (A) activities involving skills or experience which constitute a substantial contribution to an enterprise;
  - (B) full- or part-time activity for remuneration or profit (or intended for profit, whether or not such profit is realized) to the Disabled Member performing it or to the persons, if any, for whom it is performed or of a nature generally performed for remuneration or profit.

- (ii) Medical or other evidence of the ability to engage in substantial gainful activity shall demonstrate that the Disabled Member is not disabled even if such Member is not and has not been engaging in any significant, productive, physical or mental activities.
  - (iii) The presence of a physical or mental impairment or a handicap does not in and of itself demonstrate the inability to engage in substantial gainful activity.
  - (iv) Disability Income may be suspended or terminated at such time as the Disabled Member engages in substantial gainful activity unless such Member is involved in a program of rehabilitation approved by the Plan Administrator or TPA.
- (b) *Medically determinable physical or mental impairment* means an impairment or incapacity which results from anatomical, physiological or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques. Statements of the Member alone are insufficient to establish the presence of a physical or mental impairment.
- (c) *Extended and uncertain duration* means a period of at least 12 continuous months from the Disability Date during which time no recovery to the point of ability to engage in substantial gainful activity is anticipated.
- (d) *Qualified medical opinion* means written reports based on an examination of the Member and furnished by a duly licensed physician qualified by reason of education and experience to assess the Member's capacity to engage in substantial gainful activity as defined above. 'Physician' includes physicians and surgeons holding an M.D. or D.O. degree, psychologists, optometrists, dentists, podiatrists, and chiropractic practitioners as licensed by law and within the scope of their practice as defined by California state law. 'Psychologist' is further defined as a licensed psychologist with a doctorate degree in psychology and has either two years of clinical experience in a recognized health setting or has met the standards of the National Register of the Health Service Providers in Psychology. Where treatment of evaluation is provided by a psychologist, provision shall be made for appropriate medical collaboration.
- (i) Such opinion shall be based on and include reports of medically acceptable clinical findings and data (such



as the Member's medical history, physical or mental status examinations or both, laboratory findings, diagnosis, treatment prescribed, and prognosis). Where appropriate, such reports shall also describe such Member's capacity to perform significant functions such as sit, stand or move about, travel, handle objects, hear or speak, and, in the case of mental impairment, the ability to reason or to make occupational, personal or social adjustments.

- (ii) Any statement by a physician that an individual is "disabled," "totally and permanently disabled," "unable to work," or any statement of similar import, as a conclusion upon the ultimate issue to be decided, shall not in itself be determinative of the question of whether or not an individual would qualify for Disability Income. The weight to be given such statements depends upon the extent to which they are supported by specific and complete clinical findings or data and are consistent with other evidence as to the severity and probable duration of the Member's impairment(s).

## REGULATION 5.20 BENEFIT GUARANTEES

### A. Postretirement Survivor Continuance

The following comparison of benefits is made to determine if a guarantees supplement will be paid:

Step 1: The sum of the Postretirement Survivor Continuance provided by Section 5.17 of the Plan, plus the Social Security survivor benefit payable to the survivor is compared to the Postretirement Survivor Continuance payable if the Member had not elected Social Security;

Step 2: If the latter benefit of Step 1 is greater, a guarantees supplement equal to the difference between the two benefits is paid. Otherwise, no guarantees supplement is paid.

### B. Preretirement Survivor Income

The benefit guarantees provision is applicable to the situation described in Section 5.16(b) of the Plan, "Death While Eligible to Retire" (DWE).

The following comparison of benefits is made to determine if a guarantees supplement will be paid:

Step 1: The benefits coordinated with Social Security are compared as follows: the DWE benefit under Option A is compared to the Preretirement Survivor Income;

Step 2: The benefits not coordinated with Social Security are compared as follows: the DWE benefit under Option A is compared to the Preretirement Survivor Income;

Step 3: The sum of the greater benefit for Members with Social Security coverage (the DWE benefit under Option A or Preretirement Survivor Income plus the Social Security survivor benefit) is compared to the greater benefit for Members without Social Security coverage (the DWE benefit under Option A or Preretirement Survivor Income);

Step 4: If the latter benefit of Step 3 is greater, a guarantees supplement equal to the difference between the two benefits is paid. Otherwise, no guarantees supplement is paid.

### C. Social Security

With respect to Section 5.20(a) of the Plan, any Social Security benefits that are not attributable to the Retired Member's benefits under Social Security on account of that Retired Member's death are not considered for purposes of this provision. Thus the amount of Social Security benefit taken into account is the total monthly amount, including any family benefits, that is payable from Social Security and is based solely on the Retired Member's benefits under Social Security on account of that Retired Member's death. If a survivor is not eligible for such benefits, or is eligible to receive such benefits from Social Security but does not apply for them, no amount will be considered for purposes of Section 5.20(a) of the Plan. Any Social Security benefit to which the survivor is eligible and which is based on the survivor's own entitlement under Social Security will not be considered for purposes of this Plan Section.

With respect to Section 5.20(b) of the Plan, any Social Security benefits that are not attributable to the Disabled Member's benefits under Social Security on account of his or her disability are not considered for purposes of this provision. Thus the amount of Social Security benefit taken into account is the total monthly amount, including any family benefits, that is payable from Social Security and is based solely on the Disabled Member's benefits under Social Security on account of his or her disability. If the Disabled Member is not eligible for such benefits, or is eligible to receive such benefits from Social Security but does not apply for them, no amount will be considered for purposes of Section 5.20(b) of the Plan.

With respect to Sections 5.20(c), (d), and (e) of the Plan, any Social Security benefits that are not attributable to the Active Member's benefits under Social Security on account of that Active Member's death are not considered for purposes of this provision. Thus the amount of Social Security benefit taken into account is the total monthly amount, including any family benefits, that is payable from Social Security and is based solely on the Active Member's benefits under Social Security on account of that Active Member's death. If a survivor is not eligible for such benefits, or is eligible to receive such benefits from Social Security but does not apply for them, no amount will be considered for purposes of Sections 5.20(c), (d), and (e) of the Plan. Any Social Security benefit to which the survivor is eligible and which is based on the survivor's own entitlement under Social Security will not be considered for purposes of these Plan Sections.

## REGULATION 7.05 SERVICE CREDIT

Upon proper request, a Member who elected retroactive Tier Two membership may reestablish Service Credit for any period of previous membership in the Plan for which the Member previously received a Refund of Accumulations. Such Service Credit shall be reestablished at no cost to the Member and shall be considered Service Credit earned under Article 7 of the Plan.

## REGULATION 7.11 PAYMENT OPTION

Only Members whose Service Credit has been earned entirely under Article 7 of the Plan, or under Articles 5 and 7 of the Plan, may elect the payment option described in Section 7.11(b) of the Plan.

## REGULATION 8.03 ELIGIBILITY (FOR SAFETY MEMBERSHIP)

University campus and laboratory classifications, as amended, shall be eligible for safety membership as described in Article 8 of the Plan:

Classification:	Title Code
Campuses	
Chief of Police - Exec	0121
Chief of Police	0478
Assistant Chief of Police / Police Captain	0479
Police Lieutenant - MSP	0477
Police Lieutenant	5312
Police Sergeant	5313
Police Sergeant Supervisor 2	5314
Police Officer	5323
Police Lieutenant Manager 1	5977
Police Chief Manager 3	5978
Police Captain Manager 2	5979
Fire Chief	0797
Assistant Fire Chief	0785
Assistant Fire Chief	9802
Fire Captain (56 hr./wk)	9801
Fire Captain	9803

Fire Captain (40 hr./wk)	9808
Fire Fighter	9805
Fire Specialist II (56 hr./wk)	9807
Fire Specialist I (56 hr./wk)	9806
Fire Specialist	9804
Fire Specialist II (40 hr./wk)	9810
Fire Specialist I (40 hr./wk)	9809
Fire Specialist I (56 hr./wk) Non Hzmt	9814

#### Lawrence Berkeley Laboratory

Fire Chief	345.1
Assistant Fire Chief	345.0
Fire Captain	644.1
Fire Fighter	644.0
Fire Fighter Trainee	645.0

An Employee holding a police classification shall be eligible only if certified as meeting the Commission on Peace Officer Standards and Training qualifications pursuant to Section 8.03 of the Plan.

An employee who is a Safety Member is ineligible to be a Member with Social Security concurrently.

## REGULATION 8.14

### PRERETIREMENT SURVIVOR INCOME FOR DEATH IN THE COURSE OF DUTY

- A. Preretirement Survivor Income may be payable to a conservator or attorney in fact on behalf of an Eligible Survivor or surviving spouse, or surviving Domestic Partner if approved by the Plan Administrator, but not to a trust.
- B. If an Eligible Survivor or surviving spouse or surviving Domestic Partner should die after entitlement to Preretirement Survivor Income, but prior to payment of such benefit, the Preretirement Survivor Income due to the Eligible Survivor or surviving spouse or surviving Domestic Partner for the months such person was eligible for benefits shall be paid in a lump sum to the beneficiary(ies) under the Eligible Survivor's or surviving spouse's or surviving Domestic Partner's will, or, if none, to such person's estate.
- C. Recovery of Overpayments Paid on Account of an Eligible Child
  - 1. After notification and agreement to terms with the benefit recipient, the Plan Administrator may begin deductions from Plan benefits payable to recover an overpayment. An overpayment exists in, but is not limited to, the following situations:
    - (a) benefits were paid on account of an Eligible Child who no longer meets the eligibility criteria for such status; or
    - (b) an overpayment was made due to an error in the calculation of the benefit.
  - 2. Deductions may be applied to any benefits payable from the Plan. If no benefits are payable, the Plan Administrator shall notify the payee in writing of the amount of, and the reason for, the overpayment. If, after following established procedure, the Plan Administrator is unable to recover the overpayment from the payee, the payee's case shall be referred to the Accounting Unit, where the case will be subject to a formal collection process.



## REGULATION 8.18 DUTY DISABILITY INCOME

- A. With respect to Active Members of the Plan who hold eligible safety classifications as set forth in Plan Regulations, the Plan provides that the following definitions shall apply:

*A Duty Disabled Member* means a Member who is prevented from performing the duties of such Member's present position, because of a medically determinable physical or mental impairment of permanent and extended and uncertain duration as determined by the Plan Administrator or TPA on the basis of qualified medical opinion, arising out of and in the course of duty.

1. *Arising out of and in the course of duty* means resulting primarily from the duties of an employee in a safety classification. A physical or mental impairment as the result of trauma, cumulative injury or exacerbation of a preexisting condition will be considered to meet this definition, if it can be shown that service in a safety classification was the primary cause of the impairment. "Primarily" shall be defined as arising out of and in the course and scope of duties associated with protection of life and property in active safety service. Exclusions to this include but are not limited to:
  - (a) where injury or illness is caused by intoxication of the Member;
  - (b) where injury or illness has been intentionally self-inflicted;
  - (c) where injury or illness arises out of an altercation in which the Member was the primary physical aggressor; and
  - (d) injury or illness occurring as the result of off duty voluntary recreational, social, athletic, or daily living activities except where such activities are a reasonable expectancy of or are expressly or implicitly required by the University to remain physically fit.
2. *Such Member's present position* means not only the specific position the Member holds, but any safety classification for which the Member is qualified, whether at another University campus or at

a police or fire department or public or private safety organization outside the University.

3. *Medically determinable physical or mental impairment* means an impairment or incapacity which results from anatomical, physiological, or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques. Statements of the Member alone are insufficient to establish the presence of a mental or physical impairment.
4. *Extended and uncertain duration* means a period of at least 12 continuous months following the Disability Date during which time no recovery is anticipated.
5. *Qualified medical opinion* means written reports based on an examination of the Member and furnished by a duly licensed physician qualified by reason of education and experience to assess the Member's capacity to engage in the duties of his or her safety classification as the result of an illness or injury arising out of and in the course of duty as defined above. 'Physician' includes physicians and surgeons holding an M.D. or D.O. degree, psychologists, optometrists, dentists, podiatrists, and chiropractic practitioners as licensed by law and within the scope of their practice as defined by California state law. 'Psychologist' is further defined as a licensed psychologist with a doctorate degree in psychology and has either two years of clinical experience in a recognized health setting or has met the standards of the National Register of the Health Service Providers in Psychology. Where treatment of evaluation is provided by a psychologist, provision shall be made for appropriate medical collaboration.
  - (a) Such opinion shall be based on and include reports of medically acceptable clinical findings and data (such as the Member's medical history, physical or mental status examinations or both, laboratory findings, diagnosis, treatment prescribed, and prognosis). Where appropriate, such reports shall also describe such Member's capacity to perform significant functions such as the capacity to sit, stand or move about, travel, handle objects, hear or speak, and, in cases of mental impairment, the ability to reason or to make occupational, personal or social adjustments.
  - (b) Any statement by a physician that an individual is "disabled," "totally and permanently disabled," "unable to work," or any statement of similar import, being a conclusion upon the ultimate issue to be decided, shall not in itself be

determinative of the question of whether or not an individual would qualify for Duty Disability Income. The weight to be given such statements depends on the extent to which they are supported by specific and complete clinical findings or data and are consistent with other evidence as to the severity and probable duration of the Member's impairment(s).

- B. The Disability Date for Duty Disabled Members shall be the later of the following three dates but in no case later than four months from the date of separation from University employment:
1. the first of the month following the date upon which the Member's entitlement indemnity under Sections 4804.1 or 4806 of the California Labor Code terminates;
  2. the day following the last day on active University payroll status after sick leave and vacation benefits accrued under Sections 4804.1 or 4806 have been paid; or
  3. if Sections 4804.1 or 4806 entitlements have not been awarded as of the date Plan benefits are awarded, the Disability Date may be temporarily set at the first of the month in which the application is received by the Plan Administrator.
- C. Periodic reviews shall be conducted to determine whether a Duty Disabled Member continues to meet the eligibility criteria for Duty Disability Income. Such reviews may include information concerning employment, earnings and appropriate medical evaluation by the Member's physician (provided without cost to the Plan Administrator or TPA) and by a physician selected by the Plan Administrator or TPA. Such reviews will occur at intervals of no less than 2 years.

However, subsequent reviews may be waived by the Plan Administrator or TPA if the medical evidence as of the last completed review indicated that an impairment was clearly total and permanent and would not improve.

D. Duty to Provide Information

Section 12.05 of the Plan requires that:

Each Member or person eligible for benefits from the Plan shall provide such information and evidence and shall sign such documents as may be required from time to time for the administration of the Plan.

1. An Active Member or Duty Disabled Member (or legal representative) shall provide or cooperate in providing information as requested by the Plan Administrator or TPA which is necessary to evaluate eligibility status. Such information includes, but is not limited to:
  - (a) medical examinations and records;
  - (b) authorization to release medical information;
  - (c) authorization to release tax or earnings information, provided that such information may be obtained without authorization to the extent permitted by law;
  - (d) affidavits concerning income or disability benefits received;
  - (e) verification that a child is a full-time student at an educational institution or is disabled;
  - (f) employment and earnings information and documentation including certified tax returns; and/or
  - (g) information as required elsewhere in the Plan or Plan Regulations.
  
2. Each Duty Disabled Member (or legal representative) is required to promptly advise the Plan Administrator or TPA of any change in circumstance which may affect the amount of, or eligibility for, Duty Disability Income. Such information includes, but is not limited to:
  - (a) change in physical or mental condition;
  - (b) employment status or income received;
  - (c) the status and number of Eligible Children;
  - (d) the amount of disability benefits payable from another retirement system, pension plan or comparable program, including the U.S. Department of Veterans Affairs disability payments;
  - (e) death of the Duty Disabled Member; and/or
  - (f) any other information required in the Plan or Plan Regulations.

The Duty Disabled Member (or legal representative) shall be liable for any overpayments made due to failure to report this information.

3. The Plan Administrator or TPA shall deny or suspend an application for Duty Disability Income or suspend or terminate Duty Disability Income for the Member's failure to provide or cooperate in providing required information or for the willful provision of erroneous information.

Duty Disability Income may be terminated retroactively and an overpayment created where, in the opinion of the Plan Administrator or TPA, the Member has:

- (a) failed to provide or failed to cooperate in providing information required to confirm prior entitlement to Duty Disability Income; or
- (b) knowingly provided false information that was a basis for continued payment of Duty Disability Income.

#### E. Notice

1. The Plan Administrator or TPA shall notify the Member, in writing, of the following benefit determinations: approval, denial, suspension or termination. In the case of denial, suspension or termination, the notice shall explain the reasons for such action and shall also describe the Member's right to appeal the determination.

Reasons for denial, suspension or termination include, but are not limited to, the following:

- (a) determination that a Member is not eligible or is no longer eligible for Duty Disability Income;
  - (b) failure to provide or to cooperate in providing required information or for willful provision of erroneous information;
  - (c) failure to follow a prescribed course of treatment or undergo medical examination;
  - (d) failure to undergo a vocational rehabilitation evaluation, or to participate in a program of retraining or vocational rehabilitation; or
  - (e) failure to inform the Plan Administrator or TPA of any change in employment status or earnings from employment within 60 days of commencement of such change.
2. In the case of suspension, benefits shall cease at the end of the month in which the notice is received by the Member. If required information is not received by the Plan Administrator or TPA within

the time period specified in the notice, termination of benefits or denial of an application shall be undertaken. In the case of termination without prior suspension, benefit payments shall cease two calendar months following service of the notice.

3. If an application for Duty Disability Income is denied or a review of continuing eligibility results in a determination that Duty Disability Income shall be suspended or terminated, the Plan Administrator or TPA shall notify the Member in writing, explaining the reason for denial, suspension or termination and notifying the Member that he or she, or his or her authorized representative, may request a review of the denial, suspension or termination of the Member's claim, as described in Paragraph F below.

#### F. Appeal

A written request for review must be submitted within 60 days after the Member receives notice of the denial, suspension or termination of the Member's claim and must be directed to the Plan Administrator or TPA, according to the instructions in the notice. The request must state the reasons for the Member's belief that the claim should not have been denied, suspended or terminated, and may include any additional information and/or documentation in support of the Member's claim. The Plan Administrator or TPA, as applicable, may require further clarification of such information and/or documentation, and may require additional evidence and/or further medical or vocational evaluations. The Member may request to review pertinent claim file documents upon which the decision on the claim was based.

The Plan Administrator or TPA shall make a full and fair review of each request for review through its internal administrative review process. The Member shall receive a written notice and explanation of the decision on review within 60 days of the receipt of the Member's request for review, unless special circumstances require a longer period, including any extended period needed to receive and review additional information submitted in connection with the Member's appeal. In that event, the Member shall be notified of the final decision no later than 120 days after the later of receipt of the Member's request for review or the end of any extended period required by special circumstances.

If the Plan Administrator or TPA, as applicable, does not receive the Member's written request for review within 60 days of receipt of the notice of denial, suspension or termination of the Member's claim, the claim decision shall be final and no further review of the claim shall be conducted.

## REGULATION 9.03 COST OF LIVING ADJUSTMENT

- A. Cost of living adjustments applied to monthly payments of Retirement Income, Disability Income, and Preretirement Survivor Income will be administered as follows:
1. The Cumulative Consumer Price Index (CPI) Movement, as defined in Section 9.02(b) of the Plan, cannot be a value less than zero when applied as a cost of living adjustment (COLA) to Retirement Income, Disability Income, or Preretirement Survivor Income; therefore, a Cumulative CPI Movement which reflects a period of deflation will not cause the amount of monthly benefit payments to decrease;
  2. Payment of a COLA related to a Social Security Supplement, as provided for in Section 5.07 of the Plan, will be contingent upon the continued payment of the supplement. Discontinuance of the Social Security Supplement, in accordance with the Plan, and of the COLA related to the supplement will not constitute an adjustment which decreases the monthly amount payable on the adjustment date under Section 9.03(d) of the Plan.
  3. In the case of the subsequent retirement of a reinstated Active Member described in Sections 5.15, 6.14, 7.14, or 8.13 of the Plan, the first adjustment for the COLA described in Section 9.03(a) of the Plan for the monthly Retirement Income attributable to the Service Credit earned in the recently completed period as a reinstated Active Member shall be made for the July 1, which coincides with or next follows one full year from the subsequent Retirement Date.
  4. In the case of a member receiving Disability Income who commences monthly Retirement Income, the first adjustment for the COLA described in Section 9.03(a) of the Plan for the monthly Retirement Income shall be made for the July 1, which coincides with or next follows one full year from the date for which the monthly Retirement Income was initially payable, even if there is no gap between the end of the Disability Income period and the commencement of monthly Retirement Income.

5. The first adjustment for the COLA described in Section 9.03(a) of the Plan applicable to the 2013 Tier Benefit of a Multi-tier Member with a Retirement Date prior to age 55 shall be made as of the July 1 which coincides with or next follows the one-year anniversary of the Member's 55th birthday. This adjustment applies whether the Multi-tier Member elected a Lump Sum Cashout or Retirement Income for his or her 1976 Tier Benefit.
- B. Preretirement Survivor Income which is suspended and subsequently restored will be recalculated upon reinstatement to include any applicable annual and ad hoc COLAs granted during the period the income was suspended.



## REGULATION 10.03 CAPITAL ACCUMULATION CREDITS - ELIGIBILITY

- A. If an Eligible Employee was not a Member of the Plan but should have been pursuant to Section 2.23 of the Plan, such Eligible Employee shall become a Member of the Plan retroactive to the original eligibility date. Such Member shall be eligible to receive retroactively a Capital Accumulation Credit under Section 10.04 of the Plan if the Member meets the eligibility requirements in Section 10.03 of the Plan.
- B. If an employee is a Member of the Plan but should not be pursuant to Section 2.23 of the Plan, such employee's membership in the Plan shall be rescinded and any Capital Accumulation Credits accrued under Section 10.04 of the Plan shall be cancelled.
- C. A Member's separation date shall not be changed solely for the purpose of qualifying such Member for eligibility to receive a Capital Accumulation Credit under Section 10.04 of the Plan.
- D. Establishing or reestablishing Service Credit pursuant to Section 5.04, 6.04, 7.05, or 8.04 of the Plan shall have no effect on a Member's eligibility to receive a Capital Accumulation Credit under Section 10.04 of the Plan.

## REGULATION 10.05 ACCRUAL CREDIT(S)

- A. Retroactive adjustments to Covered Compensation that are not paid within the time periods specified under Section 10.05 of the Plan shall not be taken into account when determining the amount of the Accrual Credit(s).
- B. Covered Compensation attributable to Service Credit established or reestablished pursuant to of the Plan 5.04, 6.04, 7.05, or 8.04 shall not be taken into account when determining the amount of the Accrual Credit(s) under Section 10.05 of the Plan.

## REGULATION 10.06 INTEREST CREDITS

Notwithstanding Section 10.08, 10.09 and 10.10, in the event of the death of an Active, Inactive, or non-vested former Member who has Accrual Credits in such Member's account on or after February 2019, or a Designated Payee who has been awarded such credits as part of a QDRO or DRO, Interest Credits will cease on the last day of the calendar month preceding the date such individual's death is confirmed, or the actual date if the death is confirmed on the last day of a calendar month.

## REGULATION 10.08 DISTRIBUTION EVENTS

- A. Members who are not vested and who have no Plan Accumulations must elect to receive the Capital Accumulation Payment upon separation from service. Subject to the default rule in Section 10.08 of the Plan, if such Members fail to submit an election for the Capital Accumulation Payment, they will be notified by Plan Administration that if the Plan Administrator does not receive an election within 30 days of the date of the final notification letter the payment will be automatically distributed. If such Members still fail to provide distribution instructions within the 30-day period, such payment will be made only in the form of a lump sum as described in Section 10.09. Such payment will be deemed an election by the Member to receive such payment and taxes will be withheld in accordance with federal and state laws.
  
- B. Members who elect Retirement Income, Lump Sum Cashout, or Refund of Accumulations, must simultaneously elect to receive the Capital Accumulation Payment. If such Members fail to submit an election for the Capital Accumulation Payment, they will be notified by Plan Administration that if the Plan Administrator does not receive an election within 30 days of the date of the final notification letter the payment will be automatically distributed subject to the default rule in Section 10.08 of the Plan. If such Members still fail to provide distribution instructions within the 30-day period, such payment will be made only in the form of a lump sum as described in of the Plan 10.09. Such payment will be deemed an election by the Member to receive such payment and taxes will be withheld in accordance with federal and state laws.
  
- C. Members who are reemployed with UC are subject to the following provisions with respect to Capital Accumulation Payments:

	UCRP-Eligible Position Plans 44, 71-76	Non-UCRP Eligible Position Plans 45, 81-86
Capital Accumulation Payment	<ul style="list-style-type: none"> <li>• payment must be issued prior to reemployment*</li> <li>• CAP cannot be paid if there is payroll activity in Plans 44, 71-76</li> </ul>	<ul style="list-style-type: none"> <li>• if Retirement Income is elected, the Capital Accumulation Payment may be issued while reemployed (payroll activity in Plans 45, 81-86).</li> <li>• if Lump Sum Cashout or Refund of Accumulations is elected and issued prior to reemployment, the Capital Accumulation Payment may be issued while reemployed. (If LSC or Plans 03/05 issued prior to reemployment, the Capital Accumulation Payment may be issued even if there is payroll activity in Plans 45, 81-86).</li> </ul>

\* A minimum 90 day separation from service preceding reemployment is required to ensure that any requests for Capital Accumulation Payments will not violate Internal Revenue Code in-service distribution laws. Such requests will be canceled if the Plan Administrator discovers that a rehire has occurred within the 90 day period and the check has not been issued.

D. Disabled Members with a Disability Date of July 1, 1994 or later

Upon approval of Disability Income for a Member, the Plan Administrator will notify the Disabled Member that the Capital Accumulation Payment is available for distribution and request distribution instructions. The following provisions apply if the Plan Administrator does not receive distribution instructions within 30 days of the date of the notification: The Capital Accumulation Payment will be paid as a Direct Rollover to the University of California Defined Contribution Plan to be held for the benefit of the Disabled Member, provided the Member's Accumulations in the Defined Contribution Plan will not be less than \$2,000 following the rollover. If the Member's Accumulations in the University of California Defined Contribution Plan would be less than \$2,000 following the rollover, the payment will be distributed to the Disabled Member or transferred to an IRA custodian or trustee, as described in Section 10.08 of the Plan.

E. Disabled Members with a Disability Date prior to July 1, 1994

The Capital Accumulation Payment will be distributed upon receipt of the distribution request form and proof of separation from University service.

## REGULATION 10.10 DEATH BENEFITS

The Member's Beneficiary(ies) shall have up to nine months from the date the Plan Administrator is notified of the Member's death to provide distribution instructions regarding the Capital Accumulation Payment. If a Beneficiary fails to submit an election for the Capital Accumulation Payment, the Beneficiary shall be notified by the Plan Administrator that in the absence of an election such payment shall be automatically distributed 30 days after such notice. If such Beneficiary still fails to provide distribution instructions within the 30-day period, such payment will be made in the form of a lump sum as described in Section 10.10 of the Plan, provided the Plan Administrator has received other necessary documentation from the Beneficiary. Such payment will be deemed an election by the Beneficiary to receive such payment and taxes will be withheld in accordance with federal and state laws.

## REGULATION 11.01 AUTHORITIES

The Plan Administrator may discuss the formulation of goals and objectives, long range improvements, the development of policy, and the setting of priorities for the Plan with groups representing Eligible Employees and Participants.



## REGULATION 11.08 CORRECTION OF ERRORS

When it has been determined that an overpayment has occurred, efforts will be made to recoup monies due the Plan, taking into account the circumstances of the particular case.

### A. Recovery of Overpayment

1. The Plan may recover an overpayment or prevent additional overpayments through applicable electronic banking or electronic fund transfer (EFT) mechanisms, including EFT stop/cancel payment, reversal or reclaim processing.
2. Prevention of additional overpayments via electronic mechanisms may be initiated prior to making written request for the recovery of any overpayments, but only after due notice.

### B. No Payment of Interest

1. If an overpayment is recouped by the Plan, no interest will be charged to the recipient for the period that the overpayment was possessed.
2. Conversely, a recipient of an underpayment will not receive interest on the underpaid funds for the period before the underpayment is corrected.

## REGULATION 11.10 REVISION AND TERMINATION OF THE PLAN

With respect to Section 11.10 of the Plan, the phrase “accrued benefit” shall not include the Actuarially Equivalent Lump Sum Cashout, defined in Section 2.34 of the Plan or, the Actuarially Equivalent payment options, defined in Sections 5.12, 6.11, 7.11 and 8.10 of the Plan.

## REGULATION 12.03 ELECTIONS AND DESIGNATIONS

Every election for a Plan benefit, every election for a benefit payment option, and every designation of a Beneficiary or Contingent Annuitant which a Member is required or permitted to make shall be in accordance with procedures established and approved by the Plan Administrator. Such election or designation shall become effective only if the benefit election form and/or the designation of Beneficiary or Contingent Annuitant is received by the Plan Administrator prior to the Member's date of death and is subsequently approved as complete by the Plan Administrator.

A Member may elect to receive Retirement Income, if eligible, while an application for Disability Income is pending. If the Member's application for Disability Income is subsequently approved, then Retirement Income shall cease, and Disability Income shall be paid retroactive to the Member's Disability Date, less any Retirement Income paid during such period. A new election shall be required for any future Retirement Income.

## REGULATION 12.06 PROHIBITION AGAINST ASSIGNMENT

Payment to a conservator, a guardian, or a trustee of the trust shall not be considered a prohibited assignment of the benefit if the payment is made on behalf of a disabled person who is eligible to receive periodic payments under the Plan but is incapable of managing his or her own affairs. The conservator, guardian, or trustee shall have the authority to change the address and make the tax withholding election for such disabled person and shall be responsible for demonstrating to the Plan the continuing eligibility of the disabled person and for notifying the Plan in the event of the death of the disabled person.

## REGULATION 12.07 DOMESTIC RELATIONS ORDERS

### A. Scope and Authority

1. *Scope.* These regulations are effective January 1, 2018 and shall apply to domestic relations orders filed with the Plan Administrator in connection with a marital dissolution, legal separation, domestic partnership termination, or family or child support.
2. *Authority.* The Plan Administrator shall have the authority to make initial and subsequent determinations regarding whether a domestic relations order filed with the Plan Administrator under the requirements of Section 12.07 of the Plan is approved.

### B. Definitions

In addition to the definitions in Sections 2 and 12.07 of the Plan the following definitions apply to this Regulation 12.07:

1. *Community Property Event* means a marital dissolution, legal separation, or domestic partnership termination.
2. *Designated Payee's Basic Retirement Income (BRI)* means a monthly benefit payable over the life of the Member based on the Designated Payee's share of the Member's Service Credit, including any early retirement subsidy for which the Designated Payee may be entitled, and/or any portion of an adjustment required due to the 100% limit that is allocated to the Designated Payee.
3. *Distribution Event* means:
  - (a) for an Alternate Payee who has been awarded part of the UCRP benefits of an Active, Inactive, or Disabled Member pursuant to an approved DRO, such Member's attainment of the applicable ERD as defined in subparagraph 4 below.
  - (b) for an Other Payee who has been awarded part of the UCRP benefits of an Active, Inactive or Disabled Member pursuant to an approved DRO, the following events:

- (i) the Member's attainment of the applicable NRD as defined in subparagraph 7 below;
  - (ii) the Member's separation from University service after attaining the applicable ERD;
  - (iii) the Member's attainment of the applicable ERD after separation from University service;
  - (iv) the Member's death after attaining the applicable ERD; and
  - (v) if the Member dies before attaining the applicable ERD, the date on which the Member would have reached the applicable ERD.
- (c) If a Member is a Multi-tier Member, for purposes of determining whether the Small Benefit Exception described in Paragraph H5 applies, the value of the Designated Payee's portion of the Member's 2013 Tier and/or 2016 Tier Benefit will be included with the value of the Designated Payee's portion of the Member's other Plan retirement benefits at the ERD applicable to such other benefits.
4. *ERD* means the earliest date on which an Active, Inactive or Disabled Member can retire. To the extent the Designated Payee's benefit is based on Service Credit accrued as a 1976 Tier, Modified 2013 Tier, Tier Two or Safety Member, ERD means the date on which the Member has attained age 50 and accrued not less than five years of Service Credit. To the extent the Designated Payee's benefit is based on Service Credit accrued as a 2013 Tier or 2016 Tier Member, ERD means the date on which the Member has attained age 55 and accrued not less than five years of Service Credit.
5. *Lump Sum Payment* means a single sum payment that is the greater of (a) and (b):
- (a) the Designated Payee's share of the Member's Accumulations; or
  - (b) the actuarial present value of the Designated Payee's BRI as of the cashout date; a projection of future cost-of-living increases is included.

If a Member is a Multi-tier Member, and the Alternate Payee elects, or pursuant to Paragraph H5, is required, to receive a Lump Sum

Payment on a date prior to the date the Member attains age 55, the Lump Sum Payment payable on the earlier date will include the actuarial present value of the Alternate Payee's portion of the Member's benefits that would otherwise have been required to commence on the Member's 55<sup>th</sup> birthday.

6. *MPO* means a monthly payment payable over the life of a Designated Payee. The MPO amount is the Actuarially Equivalent of the Designated Payee's BRI. Designated Payee mortality is the same as described for Eligible Survivors or Contingent Annuitants in Plan Section 2.05.
  7. *NRD* means the date on which an Active, Inactive or Disabled Member can retire with no actuarial reduction to his or her pension benefits. For 1976 Tier Benefits, Modified 2013 Tier Benefits and Tier Two Member benefits, NRD means the date on which the Member has attained age 60 and accrued not less than five years of Service Credit. For Safety Member benefits, NRD is the same date as the ERD. For 2013 Tier and 2016 Tier Benefits, NRD means the date on which a Member has attained age 65 and accrued not less than five years of Service Credit.
  8. *Separate Account* means a non-Member UCRP account as described in Paragraph H(2) of this Regulation established in the name of a Designated Payee and in which amounts awarded to the Designated Payee pursuant to an approved DRO are held for the benefit of the Designated Payee.
  9. *Temporary Social Security Supplement* means the Designated Payee's portion of the monthly benefit described in Plan Section 2.61, payable to a Designated Payee who commences a MPO prior to age 65, pursuant to the Member's election of Retirement Income or death prior to Member age 65. The Temporary Social Security Supplement is payable through the month the Designated Payee attains age 65 or dies, if earlier.
- C. Upon Receipt of Notice of an Adverse Claim for Community Property Interest
1. Upon receipt of a written notice of an adverse claim for community property interest in a Member's UCRP benefits by a Designated Payee, the Plan Administrator will place a community property flag on the Member's UCRP account to indicate for Plan recordkeeping purposes that the determination of the status of the DRO is pending. The Member's retirement will be restricted until the community interest is resolved.

2. When all required documents have been received, including a certified copy of the approved DRO, copy of judgment/decreed showing that the parties' marriage or domestic partnership has been terminated or judgment/decreed of legal separation, and joinder (if the proceeding is in a California court), the non-Member's Separate Account will be established.

D. Upon Receipt of a Domestic Relations Order

1. If the DRO is issued by a California court, UCRP must be joined as a party to the domestic relations proceeding. Upon joinder of the UCRP, the University Counsel will file an appropriate response to the court.
2. Upon receipt of a draft DRO, the Plan Administrator shall:
  - (a) review the DRO to determine if it pertains to the rights of a Designated Payee of a Member;
  - (b) notify the Member and the Designated Payee named in the DRO of the receipt of such order and the Plan's procedures for determining whether the DRO is approved; and
  - (c) place a community property flag on the Member's UCRP account to indicate for Plan recordkeeping purposes that the determination of the status of the DRO is pending.
3. If the DRO has already been filed with the court, upon receipt of the DRO, the Plan Administrator shall make the determination as to whether the DRO is approved under the Plan and if there are any objections, provide them to the parties within 18 months.

E. Procedures for the Period During Which the Determination of the Status of the Domestic Relations Order is Being Made

*In general.* After receipt of a DRO, joinder to the dissolution proceeding, written notice of an adverse claim against a Member's UCRP account pursuant to California Family Code Section 755, or similar written notice of claim from a party outside of California, and during any period in which the status of the DRO is being determined by the Plan Administrator, by a court of competent jurisdiction, or otherwise, the Plan Administrator shall:

1. place a community property flag on the Member's UCRP account to indicate for Plan recordkeeping purposes that the determination of the status of the DRO is pending; and
2. if the Member is receiving monthly Retirement Income, the Plan



Administrator will withhold 50% of the Member's monthly benefits pending resolution of the community property issues under Paragraph I below, unless the Plan Administrator receives a notarized statement from the Designated Payee or his or her legal representative instructing the Plan Administrator not to withhold from the Member's benefits.

F. Determination of the Approved Status of the Domestic Relations Order

The Plan Administrator shall perform the following within a period not to exceed 18 months after the receipt of a DRO to determine the status of the order with respect to the Plan.

1. The Plan Administrator shall determine if the DRO clearly specifies the facts necessary to execute the order, including but not limited to:
  - (a) the name and last known mailing address of the Member and the name and address of each Designated Payee covered by the DRO;
  - (b) the Social Security number and birth date of each Designated Payee covered by the DRO (which information may be provided in a separate letter to the Plan Administrator if not stated in the DRO);
  - (c) the amount or percentage of the Member's benefits to be paid to each Designated Payee, or the manner in which such amount or percentage is to be determined; and
  - (d) the period to which such DRO applies.
2. The Plan Administrator shall determine if the DRO alters the amount or form of benefit payments under the Plan or otherwise is in conflict with the provisions of UCRP, including but not limited to whether:
  - (a) the order requires the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan or Plan Regulations (e.g., the Plan does not provide Preretirement Survivor Income or Postretirement Survivor Continuance to former spouses or former Domestic Partners);
  - (b) the form and timing of payment provided in the DRO is in accordance with the form and timing of payments available under the Plan or Plan Regulations on the date of the DRO;

- (c) the DRO requires the Plan to provide increased benefits, determined on the basis of actuarial present value;
  - (d) the DRO requires the payment of benefits to a Designated Payee where such benefits, are required to be paid to another Designated Payee under terms of another DRO previously determined to be approved as described in Section 12.07 of the Plan; and
  - (e) the order requires the Plan to pay to a Designated Payee any portion of a Disabled Member's Disability Income (to which a Designated Payee is not entitled), unless the Disabled Member is a Member with Safety Benefits as described in Section 3.06.
3. The Plan Administrator shall determine if the DRO is in the proper legal form, including but not limited to whether:
- (a) the DRO is a properly executed and filed judgment or decree;
  - (b) the DRO is in accordance with a state domestic relations law and all Plan requirements;
  - (c) the DRO clearly creates or recognizes the Designated Payee's right to receive all or a part of the Member's benefits.
4. The Plan Administrator shall notify the Member and each Designated Payee covered by this DRO of any objections to the DRO, work to resolve the issues and notify the Member and each Designated Payee of the final affirmative determination.
5. If the DRO is received prior to or coincident with the Member's Retirement Date and the Community Property Event precedes the Member's Retirement Date, the Plan Administrator shall process the approved DRO as outlined in Paragraph H below. If the DRO is received after the Member's Retirement Date and the Community Property Event occurs after the Member's Retirement Date, the Plan Administrator shall process the approved DRO as outlined in Paragraph I below.

G. Failure to Approve Domestic Relations Order

If, after twelve (12) months have elapsed from the receipt of the DRO by the Plan, the Plan Administrator determines that progress is not being

made toward the approval of the DRO, the Plan Administrator may determine that the DRO is not approved under the requirements of Section 12.07 of the Plan. If the Plan Administrator, in his or her discretion, determines that a DRO is not approved, the following shall occur:

1. The Plan Administrator shall promptly notify, by mail, the Member and each Designated Payee named in the DRO of:
    - (a) the negative determination; and
    - (b) the specific reasons for the negative determination.
  2. The Plan Administrator will retain the community property flag on the Member's UCRP account pending resolution of the community property interest.
- H. Administrative Procedures for Community Property Events Occurring Prior to or Coincident with the Member's Retirement Date
1. *In general.* When all required documents (as described in Paragraph C2 above) have been received, the Member's UCRP retirement benefits will be reduced in accordance with the approved DRO and the community property flag will be removed from the Member's UCRP account.
  2. *Separate Account.* A Separate Account will be established for the Designated Payee to record his or her interest in the Member's retirement benefits as follows:
    - (a) a non-Member account, reflecting the Member's UCRP membership classification and Member Tier, as applicable, will be established for the Designated Payee;
    - (b) the Separate Account will be credited with the share of the Member's Accumulations awarded to the Designated Payee according to the formula or ratio set forth in the approved DRO, allocated by account type, including Plan 02 or leave offsets, and Member Tier, if applicable, attributable to the period covered by the approved DRO;
    - (c) the Separate Account will be credited with the share of the Member's Service Credit according to the formula or ratio set forth in the approved DRO;

- (d) no Preretirement Survivor Income or Postretirement Survivor Continuance benefits will be payable from Designated Payee's Separate Account;
  - (e) no claim will be recognized against a Designated Payee's Separate Account unless required pursuant to Plan Section 12.06; and
  - (f) the Designated Payee may designate a beneficiary for his or her Separate Account.
3. *Before Distribution Event Has Occurred.* If an Active, Inactive or Disabled Member has not experienced a Distribution Event with respect to a benefit at the time the DRO is approved, the Designated Payee will have the following options:
- (a) take an immediate refund of the Accumulations allocated to his or her Separate Account, thereby waiving all rights to future UCRP benefits; or
  - (b) maintain his or her Separate Account until the date a Distribution Event occurs (options available at that date are described in subparagraph 4 below).
4. *After Distribution Event Has Occurred.* If an Active, Inactive or Disabled Member has experienced a Distribution Event for all or part of his or her UCRP benefits when a DRO is approved, the Designated Payee will have 90 days, or until the date the Member retires or dies, if earlier, to choose from the following options:
- (a) take a refund of the Accumulations allocated to his or her Separate Account, thereby waiving all rights to future UCRP benefits; or
  - (b) make a benefit election with regard to the applicable Distribution Event:
    - (i) elect a Lump Sum Payment; or
    - (ii) elect a MPO (unless the Small Benefit Exception described in Paragraph H5 applies); or
  - (c) elect to maintain a Separate Account until the Member separates from University service (in the case of an Other Payee only), or retires or dies at which time the Designated Payee will have 90 days to elect (unless the Small Benefit

Exception described in Paragraph H5 applies) to take his or her benefit in the form of:

- (i) Lump Sum Payment; or
- (ii) a MPO plus the Designated Payee's share of any Temporary Social Security Supplement for which the Designated Payee is eligible, payable until the Designated Payee's attainment of age 65 or death, if earlier.

If the Member is a Multi-tier Member, but has not attained age 55, the commencement date of the portion of the benefit based on Service Credit accrued in the 2013 Tier or 2016 Tier as a 2013 Tier or 2016 Tier Member will be deferred until the Member's 55th birthday.

If the Small Benefit Exception described in Paragraph H5 applies, the Designated Payee shall be required to receive a Lump Sum Payment of the entire Designated Payee's BRI, including the actuarial present value of the Designated Payee's share of any temporary Social Security Supplement for which the Designated Payee is eligible.

The option allowing an Alternate Payee to elect a MPO described in subparagraph (b)(ii) above, regardless of whether the Member actually retires, became effective May 1, 2014. The option allowing an Alternate Payee to elect a Lump Sum Payment described in subparagraph (b)(i) and (c)(i) above became effective March 1, 2017 with respect to a 2013 Tier Benefit and/or a 2016 Tier Benefit.

5. *Small Benefit Exception.* If the actuarial present value of the MPO is less than \$50,000, the Designated Payee shall be required to receive a Lump Sum Payment, unless the Designated Payee has elected a separate account or is required to make a benefit election in the event the Member retires or dies, while eligible to retire.
6. *Designated Payee's 90-Day Election Period.* If the Member retires or dies during the 90-day period described at the beginning of subparagraph 4, the Designated Payee shall have the remainder of the 90 days to choose from the options described in subparagraphs 4(a) and 4(b).
7. *Member Dies or Separates Before Vesting.* If an Active Member or Disabled Member dies or separates from University employment prior to becoming vested for UCRP retirement benefits, the Designated Payee will be entitled to a refund of the Accumulations

in his or her Separate Account, thereby waiving all rights to future UCRP benefits, and (if the Member has died) the basic death payment, if applicable.

8. *Member Dies or Elects Refund After Vesting, Before ERD.* If the Member dies or elects a Refund of Accumulations after vesting in UCRP retirement benefits, but prior to reaching his or her ERD, the Designated Payee shall receive:
  - (a) a refund of the Accumulations in his or her Separate Account, thereby waiving all rights to future UCRP benefits; and
  - (b) in the case of the Member's death, the divided portion of the basic death payment, if so provided in the DRO.
9. *Minimum Required Distribution (MRD).* Retirement benefits payable to the Designated Payee must separately meet the minimum distribution requirements of the Internal Revenue Code based on the Member's MRD requirement and be made over a period not to exceed the joint lives of the Member and the Designated Payee.
10. *Designated Payee Dies Before Making Benefit Election.* If a Designated Payee dies prior to receiving a refund of the Accumulations in his or her Separate Account or electing a Lump Sum Payment or a MPO, the designated beneficiary of the Designated Payee will be required to accept a refund of the Accumulations in the Designated Payee's Separate Account. If the Designated Payee has named no beneficiary, the proceeds shall be distributed pursuant to Section 2.08 of the Plan as if the Designated Payee were the Member.

If the Small Benefit Exception applies, the Lump Sum Payment will be paid to the Designated Payee's Beneficiary.

11. *Designated Payee Dies After Making Benefit Election or While Receiving Benefits.* If a Designated Payee dies after the Plan Administrator has received and approved a MPO or Lump Sum Payment election but before distribution has commenced or while receiving MPO benefits,
  - (a) For MPO elections, the remaining Accumulations in his or her Separate Account, if any, will be refunded to the beneficiary designated by the Designated Payee.

- (b) For Lump Sum Payment elections, the entire payment will be made to the beneficiary designated by the Designated Payee.

If the Designated Payee has named no beneficiary, the proceeds shall be distributed pursuant to Section 2.08 of the Plan as if the Designated Payee were the Member.

12. *Member Receiving Duty Disability Income.* For purposes of this Paragraph H12 addressing DROs that purport to divide the UCRP benefits of a Member who is receiving Duty Disability Income, the following definitions will apply:

*“Calculation Date”* means the first day of the month following the date on which the Plan Administrator notifies the Designated Payee of the amount of the Member’s UCRP benefits to which the Designated Payee is entitled pursuant to an approved DRO.

*“Duty Disability Income Benefit”* means the monthly amount payable to a Safety Member who becomes disabled on account of a disability arising out of and in the course of duty as described in Section 8.18 of the Plan.

*“Duty Disability Member”* means a Safety Member who is receiving a Duty Disability Income Benefit.

*“Retirement Eligible”* refers to a Safety Member who has satisfied the requirements for early retirement as set forth in Section 8.05 of the Plan.

- (a) If the Plan Administrator receives a DRO purporting to divide a Duty Disability Member’s UCRP retirement benefits accrued under Article 8 of the Plan, and the DRO is determined to be approved, the Plan Administrator will establish a Separate Account to record the Service Credit awarded to the Designated Payee and flag the Duty Disability Member’s UCRP records to reflect the existence of an approved DRO.
- (b) If a DRO is approved as described in Paragraph (a) above, and the Duty Disability Member is or becomes Retirement Eligible, but does not elect to retire, the Designated Payee will have the options described in (b)(i) below, unless the option described in subparagraph (d) below is chosen, provided the Designated Payee makes an election within 90 days of the Calculation Date:

- (i) The Designated Payee may elect to receive a MPO or a Lump Sum Payment. The MPO or the Lump Sum Payment will be calculated as if the Member had retired as of the Calculation Date.
- (ii) Notwithstanding subparagraph (i) above, if the actuarial present value of the Designated Payee's MPO is less than \$50,000, the Designated Payee will automatically be paid the Lump Sum Payment and will have no further claim against the Plan based on the approved DRO except to the extent Paragraph (e) below may apply.

- (iii) The Member's Duty Disability Income Benefit will be adjusted effective as of the Calculation Date as follows:

First, the lump sum actuarial value of the Member's Duty Disability Income Benefit will be determined, based on the Member's life expectancy as of the Calculation Date.

Second, that amount will be reduced by the lump sum actuarial value calculated for the Designated Payee as of the same date.

Third, the remaining amount will be converted to a single life annuity providing monthly payments over the life of the Member, which will constitute the Member's adjusted Duty Disability Income Benefit.

- (c) If the Designated Payee does not submit an election to receive his or her MPO or Lump Sum Payment within the election period described in Paragraph (b) above, the Designated Payee will be deemed to have elected a MPO.
- (d) At any time and regardless of whether the Member is Retirement Eligible, the Designated Payee may elect to receive his or her share of the Member's Refund of Accumulations, if any, awarded pursuant to an approved DRO instead of a MPO or a Lump Sum Payment. A Designated Payee who elects to receive his or her share of the Member's Accumulations will have no further claim against the Plan based on the approved DRO except to the extent Paragraph (e) below may apply.



- (e) Any share of a Member's CAP benefit that is awarded to a Designated Payee pursuant to an approved DRO is payable to the payee at any time upon the Designated Payee's request. Any share of the Duty Disability Member's CAP benefit awarded to the Designated Payee pursuant to an approved DRO shall be determined and paid to the Designated Payee.
  - (f) No portion of a Duty Disability Member's Basic Retirement Income benefit will be payable to the Designated Payee in any form pursuant to an approved DRO before such Member is Retirement Eligible.
  - (g) If, before a Duty Disability Member's UCRP retirement benefits are divided pursuant to a DRO, the Member again becomes an Active Member or becomes an Inactive Member or dies, this Paragraph H12 will cease to apply and the division will be determined under the other applicable provisions of Plan Regulation 12.07. If a Duty Disability Member returns to work, becomes inactive or dies after his or her UCRP retirement benefits have been divided pursuant to an approved DRO consistent with this Paragraph H12, the Member's adjusted Duty Disability Income Benefit payments will cease. Any subsequent calculations of the Member's Retirement Income, Lump Sum Cashout or Refund of Accumulations will reflect the offset for the benefits awarded to the Designated Payee pursuant to the approved DRO.
- I. Administrative Procedures for Community Property Events Occurring After the Member's Retirement Date
- 1. The Member's election made at retirement from UCRP is a binding contract as to the payment option elected and the Member's designation of the Contingent Annuitant, if any. The form of payment elected at retirement and the payment stream may be divided but may not be altered pursuant to an approved DRO.
  - 2. All retirement benefits being paid to the Member at the time the DRO is determined to be approved, including the Temporary Social Security Supplement, if any, may be divided between the Member and the Designated Payee as set forth in the approved DRO.
    - (a) The Designated Payee's share of the Member's monthly Retirement Income shall be converted to an Actuarially Equivalent monthly annuity payable over the Designated Payee's lifetime.

- (b) If the Member is receiving a Temporary Social Security Supplement and the Designated Payee has not yet attained age 65 at the time the DRO is determined to be approved, the Designated Payee's share of the Temporary Social Security Supplement shall be converted to an Actuarially Equivalent monthly annuity payable until the Designated Payee's attainment of age 65, or death if earlier.
3. Any Plan or ad hoc cost of living adjustments and future benefit improvements that are payable on the Member's UCRP retirement benefits will be divided between the Member and the Designated Payee based on the ratio or formula set forth in the approved DRO.
4. Any amounts withheld from the Member's monthly Retirement Income benefits under Paragraph E2 above shall be paid to the Member, if applicable, and to the Designated Payee in accordance with the approved DRO.
5. The basic death payment payable upon the Member's death may also be subject to division pursuant to a DRO that is determined to be approved under the Plan.
6. The Designated Payee may designate a beneficiary on his or her Separate Account. If a Designated Payee dies, the Designated Payee's beneficiary shall receive a refund of the Designated Payee's share of any Member Accumulations remaining as of the Designated Payee's date of death.

If the Designated Payee has not named a beneficiary, the remaining Accumulations will be distributed pursuant to Section 2.08 of the Plan as if the Designated Payee were the Member.

7. Upon the death of the Member, if the Designated Payee was designated the Member's Contingent Annuitant at the time of the Member's UCRP retirement election, the surviving Designated Payee will also commence monthly income as the Contingent Annuitant.

#### J. Administrative Rules for Support DROs

In order for the Plan Administrator to approve a family or child support DRO:

1. the Member must have elected to receive, or be receiving, Retirement Income or have elected a lump sum cashout (LSC) that has not yet been paid; and

2. the DRO must be in the form of California judicial form FL-460 (Qualified Domestic Relations Order For Support).

K. Adjustments to Member's Service Credit, CAP and Accumulations

If the Member is not retired, his or her Service Credit, CAP and Member Accumulations, including any offsets, will be reduced by the amount awarded to a Designated Payee under an approved DRO. The Service Credit awarded to the Designated Payee is included when calculating the Member's maximum Plan benefit. (See also Plan Regulation 5.06, 6.06, 7.07, 8.06, Paragraph B.2 - 100% of HAPC limit). A Member may not purchase Service Credit awarded to a Designated Payee, nor may the Member earn back this Service Credit by working longer than the number of years otherwise required to achieve his or her maximum benefit.

L. Direct Rollovers for Alternate Payees

A spouse or former spouse who is an Alternate Payee under an approved DRO may elect a Direct Rollover of all or any portion of an Eligible Rollover Distribution.

## REGULATION 12.08 RECIPROCITY

- A. If a Member of the Plan reestablishes service credit under the California Public Employees' Retirement System (PERS) or UCRP for a period which could entitle such Member to reciprocity for such period, then the Member will be allowed to establish reciprocity between PERS and UCRP under the rules of PERS or UCRP, as applicable. Any contributions redeposited in UCRP to reestablish UCRP Service Credit will be treated as if the contributions had remained on deposit.

Once a Member has elected reciprocity between the Plan and PERS, Plan Accumulations may not be refunded to the Member until such time as the Member has separated from service which entitles the Member to PERS membership.

At the time of a request for Refund of Accumulations, and upon verification of separation from PERS-covered service, the Member will be advised that a refund will break the reciprocal agreement between the Plan and PERS, and all rights under the Plan are forfeited.

- B. If a Member applies for Disability Retirement under PERS and has established reciprocity, or is eligible to establish reciprocity, the Member will be entitled to apply for Retirement Income under UCRP at any age within nine months of the PERS Disability Retirement Allowance date. If Retirement Income is payable under Section 12.08 of the Plan, such Member's Retirement Date under UCRP will be retroactive to the PERS Disability Retirement Allowance date provided reciprocity has been established, and reciprocal benefits comparable to those enacted in California Government Code 21253(b) will be provided.

If Retirement Income is payable under Section 12.08 of the Plan to an Inactive Member who retired because of disability under PERS, and such Member elects a Lump Sum Cashout under UCRP, the amount of Retirement Income used in the calculation of the Lump Sum Cashout shall not exceed the amount that would be necessary (when added to the single life annuity payable from PERS) to provide a total benefit equal to the Retirement Income that would have been payable under UCRP if the total service of the Member had been accrued under UCRP.

- C. If a UCRP Member elects a Lump Sum Cashout, and if the cashout date as provided in Section 2.34 of the Plan coincides with the Member's service or disability retirement date under PERS, then such Member will

be entitled to the provisions in (a), (b), (c), and (d) of Plan Section 12.08, provided the Member is otherwise entitled to establish reciprocity.

- D. The Plan document states that an employee who becomes a UCRP Member within 180 days of terminating PERS-covered service, or a former Member who becomes a member of PERS within 180 days of terminating University service, will be entitled to the benefits of reciprocity.

If a Member has concurrent active membership in UCRP and PERS, the measurement of 180 days does not apply, and reciprocity may not be established until:

1. the Member has separated from University service, provided the PERS-covered service continues; or
2. the Member has separated from PERS-covered service, provided the University service continues.

- E. The final determination of whether or not a Member is entitled to reciprocity between PERS and UCRP will be made when a Member applies to receive Retirement Income or a Lump Sum Cashout under UCRP.

- F. Each movement between UCRP membership and PERS membership is separate, and reciprocity must be established for each membership period. A period during which a Member has multiple periods of employment under only one of the two systems is considered one membership period regardless of the length of the interval between the periods of employment under that system. Service credit and compensation accrued as a member of PERS during periods for which the individual did not establish reciprocity with UCRP shall not be considered for reciprocity as provided in UCRP Section 12.08 of the Plan.

- G. The Highest Average Plan Compensation (HAPC) for a Member entitled to reciprocity under Section 12.08 of the Plan is determined by using the highest average monthly full-time equivalent compensation during 36 continuous months, taking into account continuous service as an Active Member of UCRP and as a member of PERS for periods for which reciprocity was established.

## REGULATION 12.09 CONCURRENT RETIREMENT

- A. The Highest Average Plan Compensation (HAPC) for a Member eligible for concurrent retirement as provided by Section 12.09 of the Plan is calculated by using the highest average monthly Full-Time Equivalent Compensation during 36 continuous months as an Active Member of UCRP or as a member of the California State Teachers Retirement System (STRS). For any pay period during which the Member earned service credit concurrently under UCRP and STRS, only Full-Time Equivalent Compensation as an Active Member of UCRP is used.
  
- B. A Member who is eligible for concurrent retirement as provided by Section 12.09 of the Plan shall be eligible for retirement under Sections 5.05, 6.05, 7.06 or 8.05 of the Plan as applicable, with less than five years of Service Credit if eligible for service retirement from STRS, unless such eligibility is dependent upon retiring concurrently under the Plan or any other public retirement plan as described in Section 22000 et seq. of the California Education Code.

## REGULATION 12.10 UNCLAIMED BENEFITS AND ACCUMULATIONS

At the beginning of the Plan Year in which payment of a Refund of Accumulations or a Capital Accumulation Payment have reverted to the Plan because a search to ascertain the whereabouts of the Member, Survivor, or Beneficiary has been unproductive and the payments due could not be made, the unclaimed funds will remain in the Member's account and accrue earnings as appropriate to the specific investment vehicles therein. The Member's status will be redesignated to reflect that the Member's account has unclaimed funds by placing a "U" Member status on the account.

## REGULATION 14.01 ESTABLISHMENT

- A. The fund balances of the Trust shall be accounted for separately and in accordance with University accounting procedures and include the following accounts:
  - 1. Member accounts, including all required Member Contributions to the Plan and credited interest.
  - 2. The Regents' Benefit Reserve, including all University Contributions to the Plan, all investment income, and all realized gains and losses, less all administrative costs of the Plan.
- B. A Member account shall be transferred to The Regents' Benefit Reserve at the time the Member enters benefit status.

Contributions specified in this Regulation include contributions made to the University of California Retirement Plans which preceded UCRP.



## APPENDIX A - PHASED RETIREMENT

### REGULATIONS A(7), A(8), A(9), A(10) RETIREMENT INCOME UPON FULL RETIREMENT

- A. If the date of full retirement for a phased retiree is July 1, the cost-of-living adjustment (COLA) for that July 1 will be included in the Member's total Retirement Income when applying benefit limitations under Section 415(b) of the Internal Revenue Code.
- B. If the date of full retirement for a phased retiree who received no Basic Retirement Income (BRI) while participating in phased retirement is July 1, that July 1 COLA shall be included in the BRI for calculating the Lump Sum Cashout amount to which the Member is entitled.

## APPENDIX A - PHASED RETIREMENT

### REGULATION A(15) RETIREMENT ACCELERATION OPPORTUNITY PROGRAM (RAOP) VIOLATION OF REHIRE RESTRICTIONS

A Member who violates Section 15(a)(ii), (iii), or (iv) of Appendix A of the Plan must repay the entire amount of the transition assistance payment. No interest will be charged to the Member on this amount. The payment must be made in a lump sum by check made payable to UC Regents and remitted to the Plan Administrator prior to the rehire date. Upon violation of the rehire restrictions, the Service Credit described in Section 15(e) of Appendix A of the Plan, and provided as an incentive to participate in this Retirement Acceleration Opportunity Program (RAOP), shall be applied solely for the purpose of determining the Member's Basic Retirement Income and Social Security Supplement, if any, for each month preceding the violation. Any such Service Credit incentives are thereafter permanently forfeited. If a Member violates Section 15(a)(ii) of Appendix A of the Plan, Retirement Income and any Social Security Supplement shall cease upon rehire and any overpayment must be returned.

## APPENDIX B - VOLUNTARY EARLY RETIREMENT INCENTIVE PROGRAM-I

### REGULATION B VIOLATION OF REHIRE RESTRICTIONS

If a Member violates Section 2(d) and (e) of Appendix B of the Plan, the Service Credit described in Section 5 of Appendix B of the Plan, and provided as an incentive to participate in this Voluntary Early Retirement Incentive Program-I (also known as Plus 5), shall be applied solely for the purpose of determining the Member's Basic Retirement Income and Social Security Supplement, if any, for each month preceding the violation. Any such Service Credit incentives are thereafter permanently forfeited. If a Member violates Section 2(d) of Appendix B of the Plan, Retirement Income and any Social Security Supplement shall cease upon rehire and any overpayment must be returned.

### REINSTATEMENT PROVISIONS

A Member who elected to retire under the Voluntary Early Retirement Incentive Program-I (Plus 5) and wishes to return to work in a career eligible position after the 5 year restriction has passed, is not considered in violation of the Plus 5 rehire restrictions, and the following reinstatement provisions shall apply:

A. Plan Sections 5.15(a), 6.14(a), 7.14(a) and 8.13(a)

The individual's UCRP Member Contributions account will be reestablished upon rehire and shall include the Member Contributions, if any, plus interest as of the Plus 5 Retirement Date less the total amount of the Retirement Income and any Social Security Supplement already received. This amount will include the portion attributable to the Plus 5 Service Credit and Plus 5 Average Pay. Service Credit as of the Retirement Date would be reestablished including the Plus 5 Service Credit incentive.

B. Plan Sections 5.15(b)(i)(A), 6.14(b)(i)(A), 7.14(b) and 8.13(b)(i)(A)

The amount of the initial Basic Retirement Income payable shall include the Plus 5 Average Pay and Plus 5 Service Credit.

C. Plan Sections 5.15(b)(ii)(A), 6.14(b)(ii)(A) and 8.13(b)(ii)(A)

The Service Credit in these sections include Plus 5 Service Credit. However, the Plus 5 Average Pay is not included, unless the actual HAPC is lower, then the Plus 5 Average Pay will be substituted for the actual HAPC.

D. Plan Sections 5.15(b)(ii)(B), 6.14(b)(ii)(B) and 8.13(b)(ii)(B)

The amount of Basic Retirement Income in these sections that is Actuarially Equivalent to the total amount of payments previously received shall include the portion attributable to Plus 5 Service Credit and Plus 5 Average Pay. The Actuarial Equivalent of the transition assistance and Social Security Supplement shall not be included.

E. Plan Section 5.15(c)(i)

The amount of the Social Security Supplement, if any, shall be calculated to include the Plus 5 Service Credit.

F. Plan Sections 5.15(d)(i) & (e), 6.14(c)(i) & (d), 7.14(c) & (d) and 8.13(c) & (d)

The amount of initial Retirement Income payable shall include the amount attributable to Plus 5 Service Credit and Plus 5 Average Pay.

## APPENDIX C - VOLUNTARY EARLY RETIREMENT INCENTIVE PROGRAM-II

### REGULATION C VIOLATION OF REHIRE RESTRICTIONS

A Member who violates Section 2(d) and (e) of Appendix C of the Plan must repay the entire amount of the transition assistance payment. No interest will be charged to the Member on this amount. The payment must be made in a lump sum by check made payable to UC Regents and remitted to the Plan Administrator prior to the rehire date. Upon violation of the rehire restrictions, the Service Credit described in Section 5 of Appendix C of the Plan, and provided as an incentive to participate in this Voluntary Early Retirement Incentive Program-II (also known as Take 5), shall be applied solely for the purpose of determining the Member's Basic Retirement Income and Social Security Supplement, if any, for each month preceding the violation. Any such Service Credit incentives are thereafter permanently forfeited. If a Member violates Section 2(d) of Appendix C of the Plan, Retirement Income and any Social Security Supplement shall cease upon rehire and any overpayment must be returned.

## APPENDIX D - VOLUNTARY EARLY RETIREMENT INCENTIVE PROGRAM-III

### REGULATION D VIOLATION OF REHIRE RESTRICTIONS

A Member who violates Section 2(d) and (e) of Appendix D of the Plan must repay the entire amount of the transition assistance payment. No interest will be charged to the Member on this amount. The payment must be made in a lump sum by check made payable to UC Regents and remitted to the Plan Administrator prior to the rehire date. Upon violation of the rehire restrictions, the age credit and Service Credit described in Section 5 of Appendix D of the Plan, and provided as an incentive to participate in this Voluntary Early Retirement Incentive Program-III (VERIP 3), shall be applied solely for the purpose of determining the Member's Basic Retirement Income and Social Security Supplement, if any, for each month preceding the violation. Any such age credit and Service Credit incentives are thereafter permanently forfeited. If a Member violates Section 2(d) of Appendix D of the Plan, Retirement Income and any Social Security Supplement shall cease upon rehire and any overpayment must be returned.