The UC Retirement Choice Program

UNIVERSITY OF CALIFORNIA

First & Second Choice Election Summary

UCRS Advisory Board
December 6, 2024

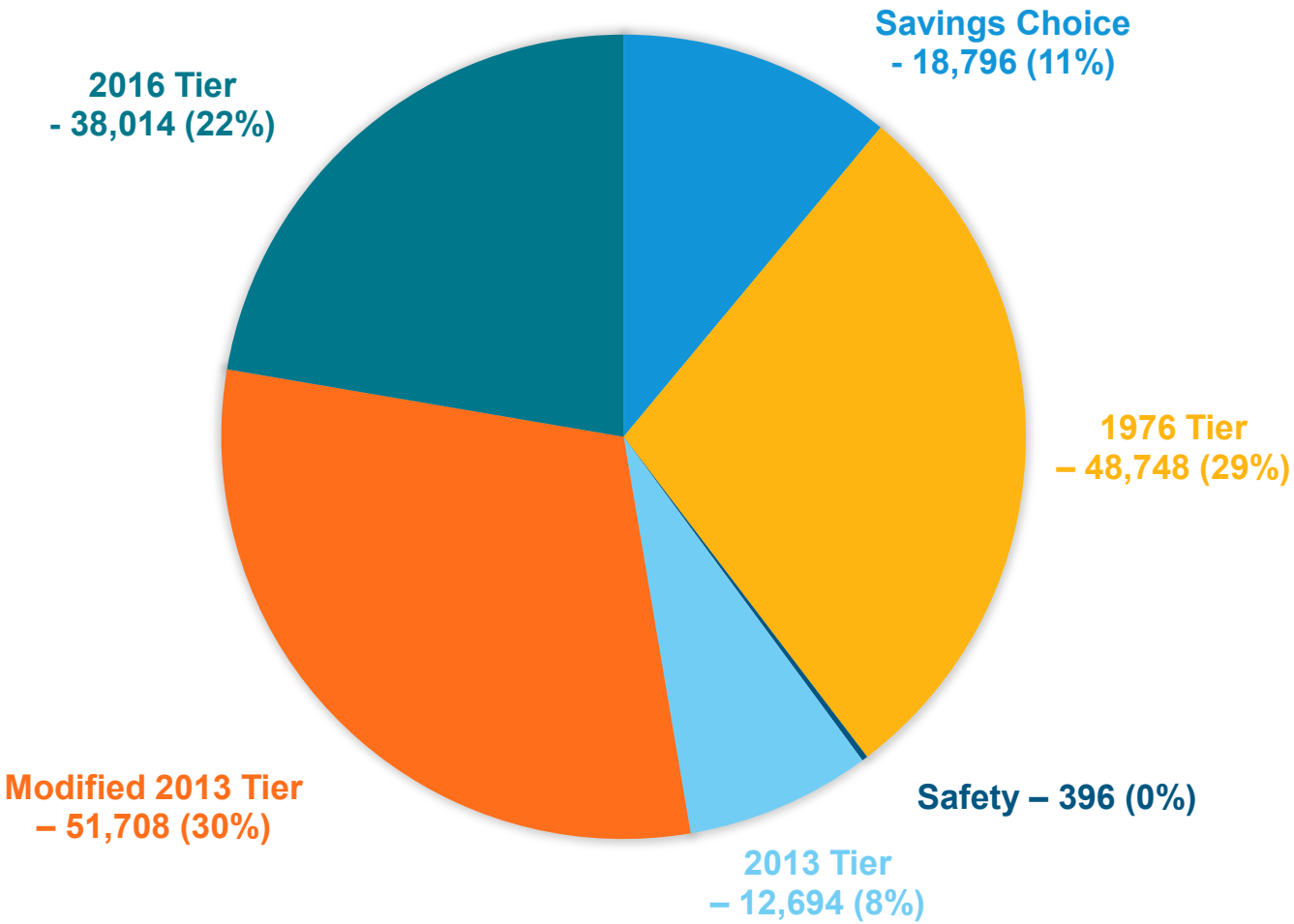
Presented by:
Scott Sylva
Retirement Policy

Active Employees as of June 30, 2024 (all tiers)

UNIVERSITY OF CALIFORNIA

Total Active UCRP Members:
151,560*

Total Savings Choice Participants:
18,796*



*Increase of 10,164 (UCRP) and 1,269 (Savings Choice)

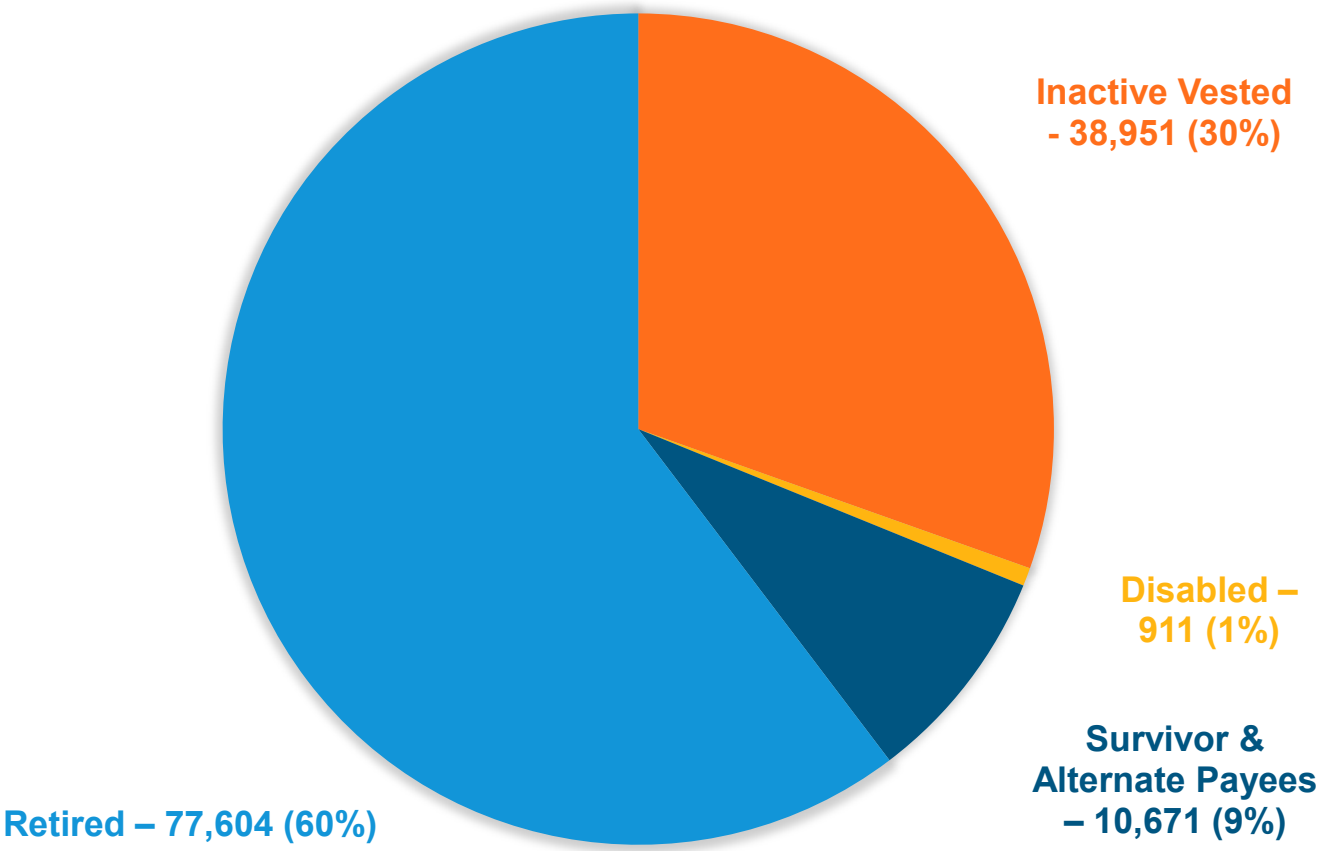
UCRP benefits eligible as of June 30, 2024

UNIVERSITY OF CALIFORNIA

Total Receiving UCRP Benefits:
89,186*

Total Receiving Retiree Health:
51,078*

Total UCRP Inactive Vested Members:
38,951



*Increase of 1,904 benefit recipients and 789 in retiree health

Retirement Choice Program – Executive Summary

UNIVERSITY OF CALIFORNIA

- The UC Retirement Choice Program offers newly hired/eligible employees on/or after July 1, 2016 the option to choose between Pension Choice and Savings Choice for their primary retirement benefit.
  - Covered compensation for Pension Choice is subject to the PEPRA covered compensation limit; **effective 7/1/2024, the PEPRA limit is $151,446; effective 7/1/2025, it will be $155,081**
  - The DC supplement for Pension Choice differs for Faculty and Staff groups.
  - There is a 90-day election window before defaulting into Pension Choice.

- The experience to date shows choice elections remain fairly static:
  - **62% enrolled in Pension Choice** (35% make an active election, 27% default)
  - **38% elect Savings Choice**

- There have been **98,884** employees eligible to choose between Pension Choice and Savings who made their choice, or defaulted, by **September 30, 2024**. And **56,369** remain actively employed.

- **67% of represented staff employees** whose collective bargaining units participate in the choice program **enrolled in Pension Choice**. *CNA, AFSCME and UPTE do not participate in the choice program and new hires in those unions become members of the UCRP Modified 2013 Tier.*

- A five year **"Second Choice Window"** to irrevocably switch to Pension Choice for active Savings Choice participants is offered starting with the 5th calendar year after their initial choice election.
  - **972 employees** have elected to switch through 7/1/2024 effective date

First Retirement Choice Elections

First Choice Election Summary

UNIVERSITY OF CALIFORNIA

Count of Total Elections*:

July 2016 to Sept 2024	Elected Pension Choice	Defaulted to Pension Choice	Elected Savings Choice	Total Elections
Not Subject to PEPRA	9,106	6,390	7,958	23,454
Subject to PEPRA	25,710	20,367	29,353	75,430
Total	**34,816**	**26,757**	**37,311**	**98,884**

Count of Active Employees*:

As of Q3 2024	Elected Pension Choice	Defaulted to Pension Choice	Elected Savings Choice	Total Active
Not Subject to PEPRA	6,042	2,862	3,548	12,452
Subject to PEPRA	17,269	9,903	16,745	43,917
Total	**23,311**	**12,765**	**20,293**	**56,369**

*Elections made through September 2024

First Choice Election Summary

UNIVERSITY OF CALIFORNIA

Percent of Total Elections*:

July 2016 to Sept 2024	Elected Pension Choice	Defaulted to Pension Choice	Elected Savings Choice	Total Elections
Not Subject to PEPRA	9%	6%	8%	24%
Subject to PEPRA	26%	21%	30%	76%
Total	**35%**	**27%**	**38%**	**100%**

Percent of Active Employees*:

As of Q3 2024	Elected Pension Choice	Defaulted to Pension Choice	Elected Savings Choice	Total Active
Not Subject to PEPRA	11%	5%	6%	22%
Subject to PEPRA	30%	18%	30%	78%
Total	**41%**	**23%**	**36%**	**100%**

*Elections made through September 2024

First Choice Elections by Select Bargaining Groups

UNIVERSITY OF CALIFORNIA

Count of Active Employees*:

As of Q3 2024	Elected Pension Choice	Defaulted to Pension Choice	Elected Savings Choice	Total Active
Total	**23,311 (41%)**	**12,765 (23%)**	**20,293 (36%)**	**56,369**
	64% in Pension Choice		**36% In Savings Choice**	

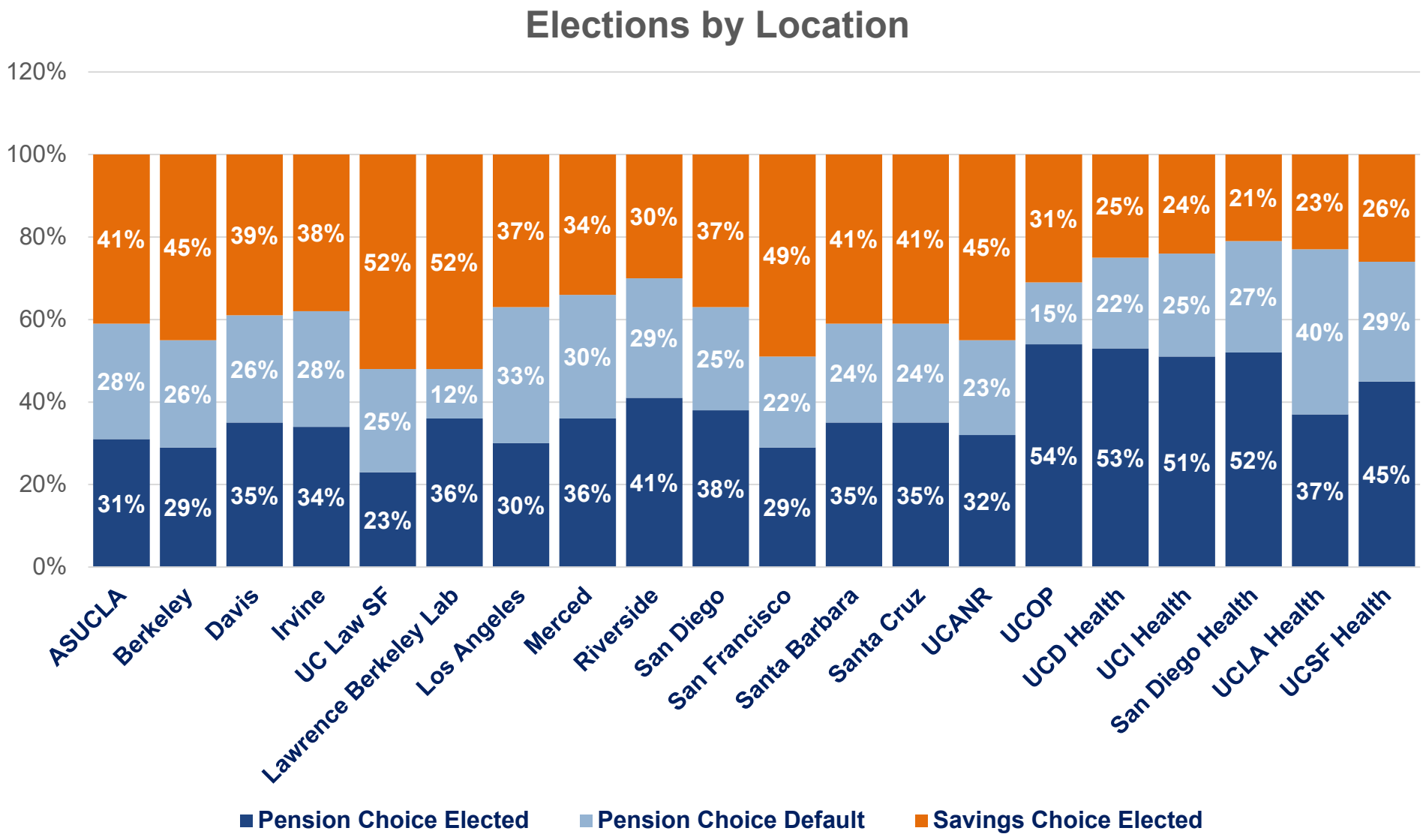
Count by Active Employees in Select Bargaining Units*:

As of Q3 2024	Elected Pension Choice	Defaulted to Pension Choice	Elected Savings Choice	Total Active
Clerical & Allied Services	3,406	3,207	2,135	8,748
Non Senate Instuctional	330	760	520	1,610
Librarians	88	24	57	169
Skilled Crafts	532	267	52	851
Total for all bargaining units	**5,583**	**5,728**	**5,497**	**16,808**
	67% in Pension Choice		**33% in Savings Choice**	

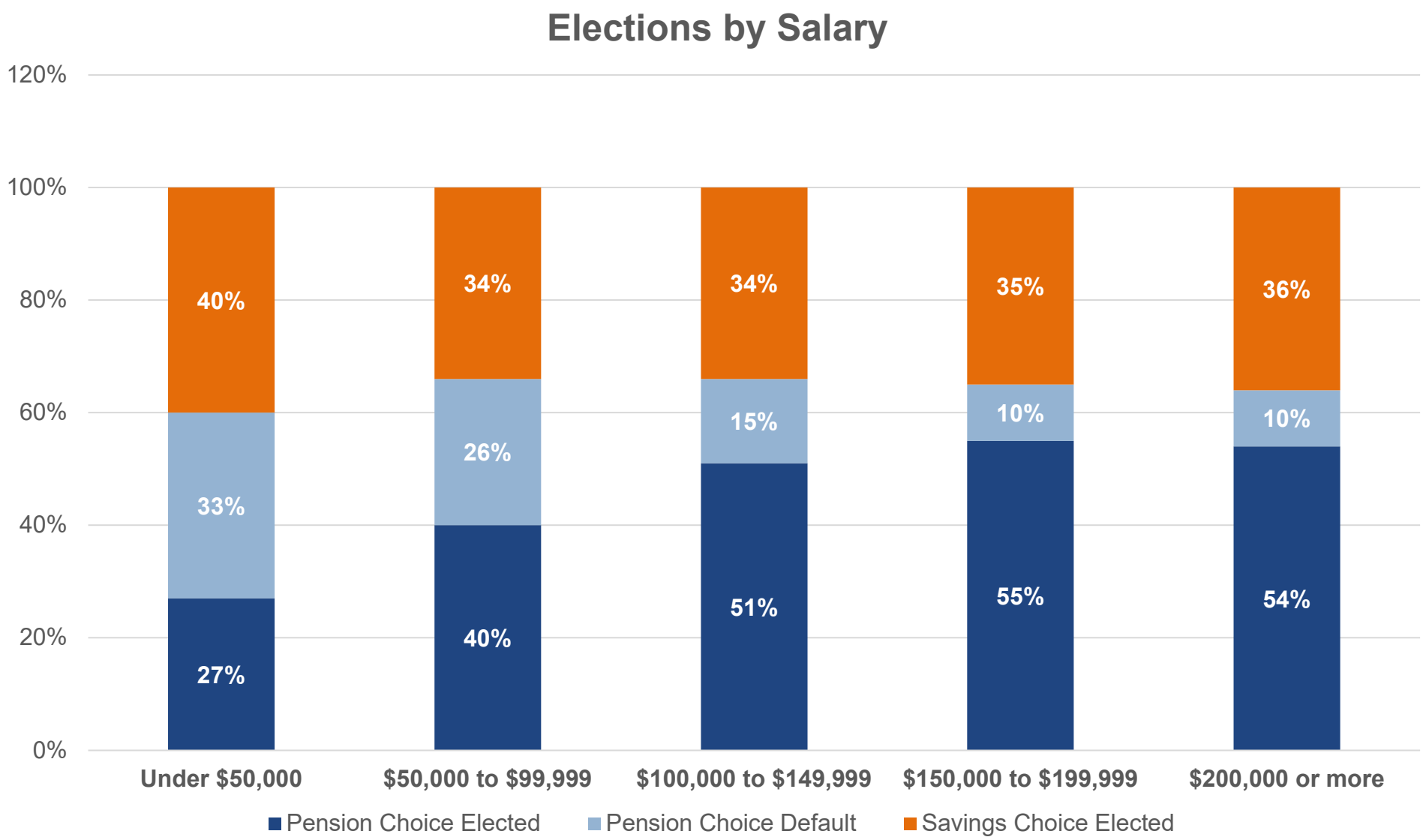
*On active payroll Jul-Sept 2024

Total First Choice Elections by Location

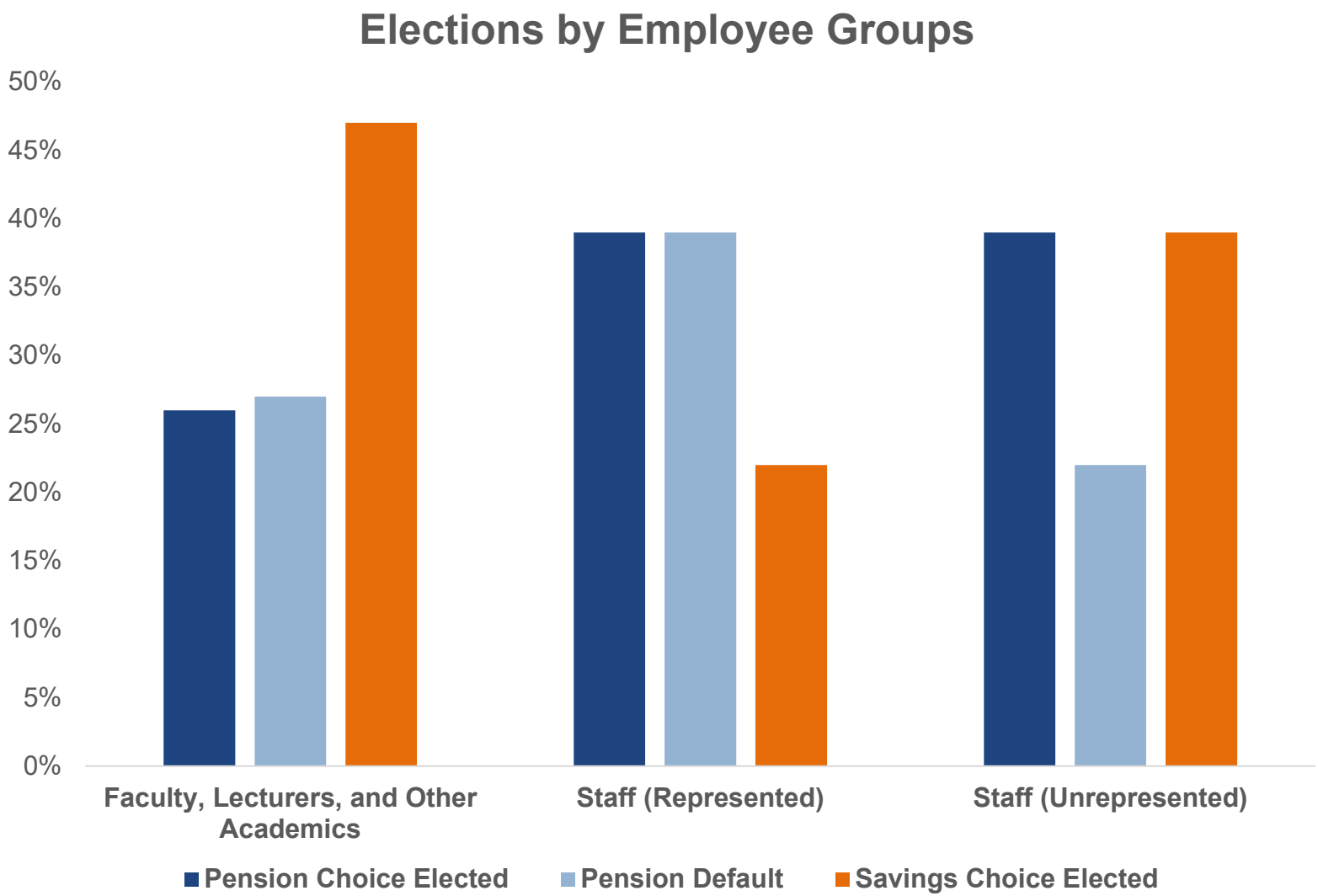
UNIVERSITY OF CALIFORNIA



Total First Choice Elections by Salary



Total First Choice Elections by Employee Groups



Second Choice Elections

Employees Eligible for Second Choice

UNIVERSITY OF CALIFORNIA

Initial Savings Choice Election by Calendar Year	Second Choice Window Opens	Second Choice Window Opens	Total Potential Eligible Population*
2016	Jan 1, 2021	May 31, 2026	1,383
2017	Jan 1, 2022	May 31, 2027	3,914
2018	Jan 1, 2023	May 31, 2028	4,351
2019	Jan 1, 2024	May 31, 2029	5,041
2020	Jan 1, 2025	May 31, 2030	3,614
2021	Jan 1, 2026	May 31, 2031	4,264
2022	Jan 1, 2027	May 31, 2032	5,149
2023	Jan 1, 2028	May 31, 2033	5,424

*You must be an active Savings Choice participant to switch

Second Choice Election Summary

UNIVERSITY OF CALIFORNIA

Active Savings Choice Participants who elected to switch:

	Election Effective 7/1/2021	Election Effective 7/1/2022	Election Effective 7/1/2023	Election Effective 7/1/2024	Remain Eligible to Switch*
2016 Cohort	60	22	23	13	233
2017 Cohort	0	130	87	61	935
2018 Cohort	0	0	229	98	1,185
2019 Cohort	0	0	0	249	1,654
Total	**60**	**152**	**339**	**421**	**4,007**
Average Savings Choice Service	4.4962	4.7202	5.0444	5.1781	5.7144

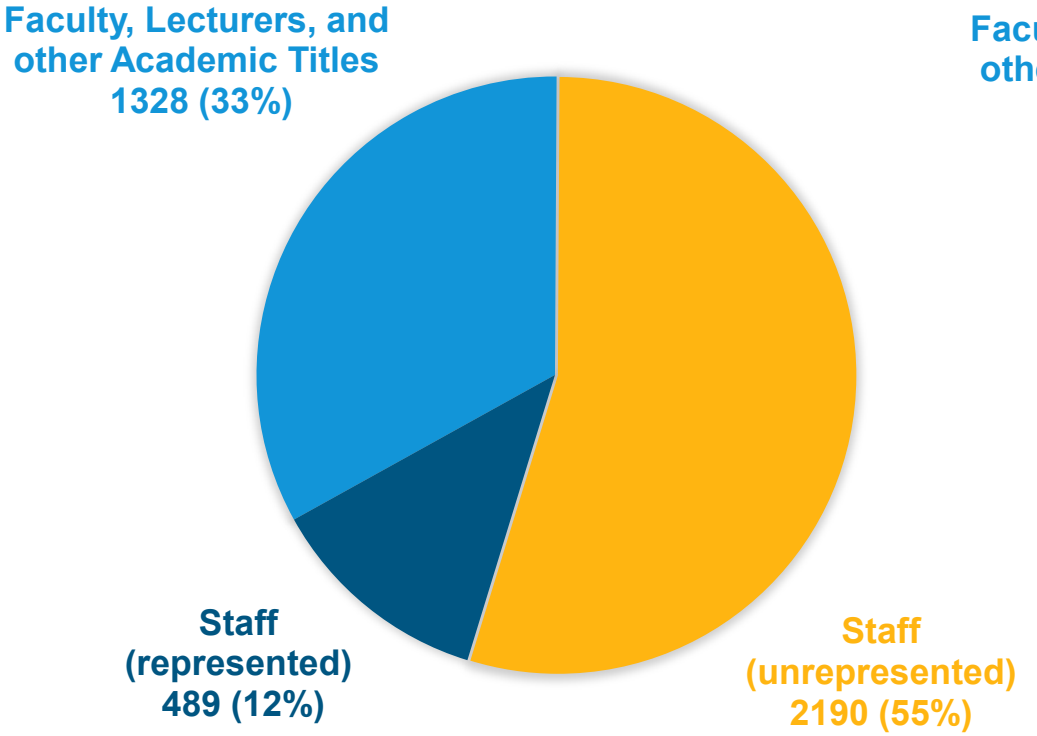
Approximately 1,618 potentially newly eligible January 1, 2025 (2020 cohort)*

*As of Oct 2024 active payroll

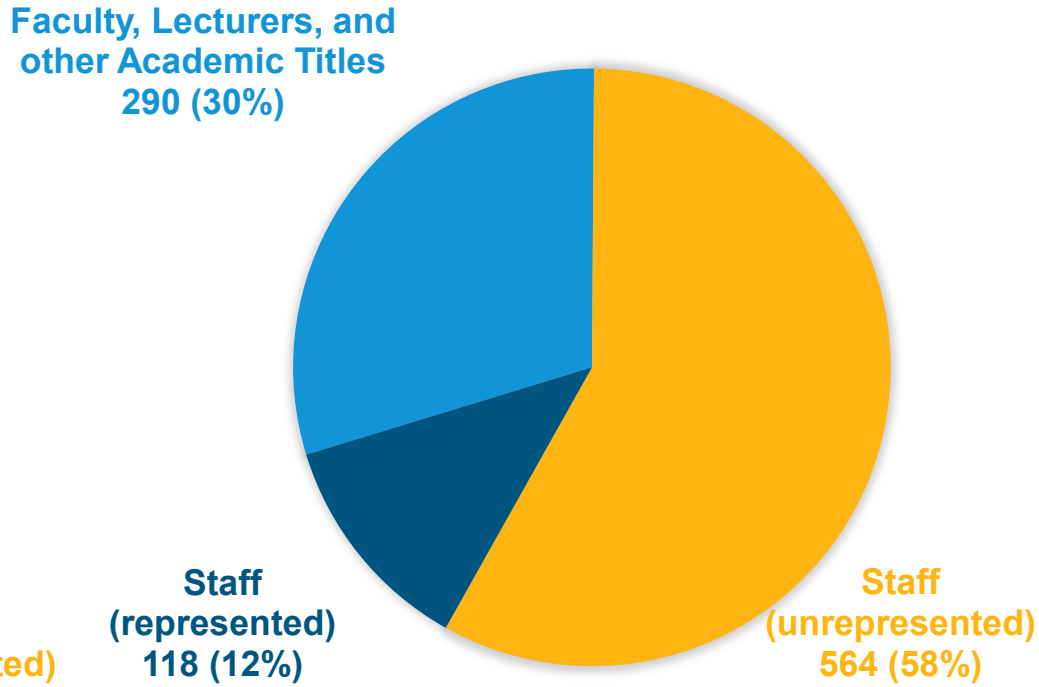
Second Choice - Employee Groups

UNIVERSITY OF CALIFORNIA

ELIGIBLE EMPLOYEES*



SECOND CHOICE ELECTIONS

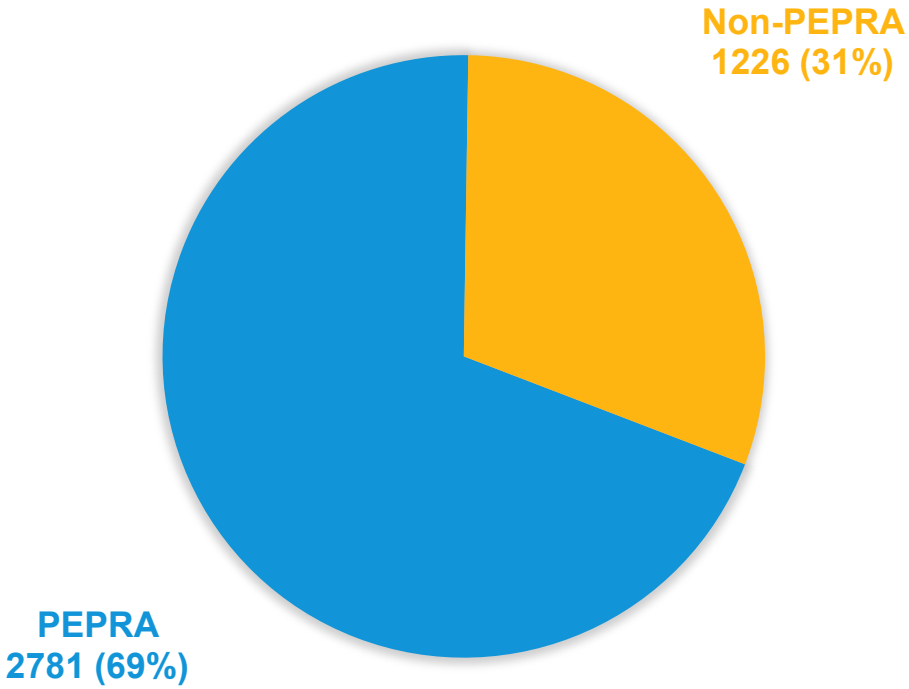


*Data through October 2024

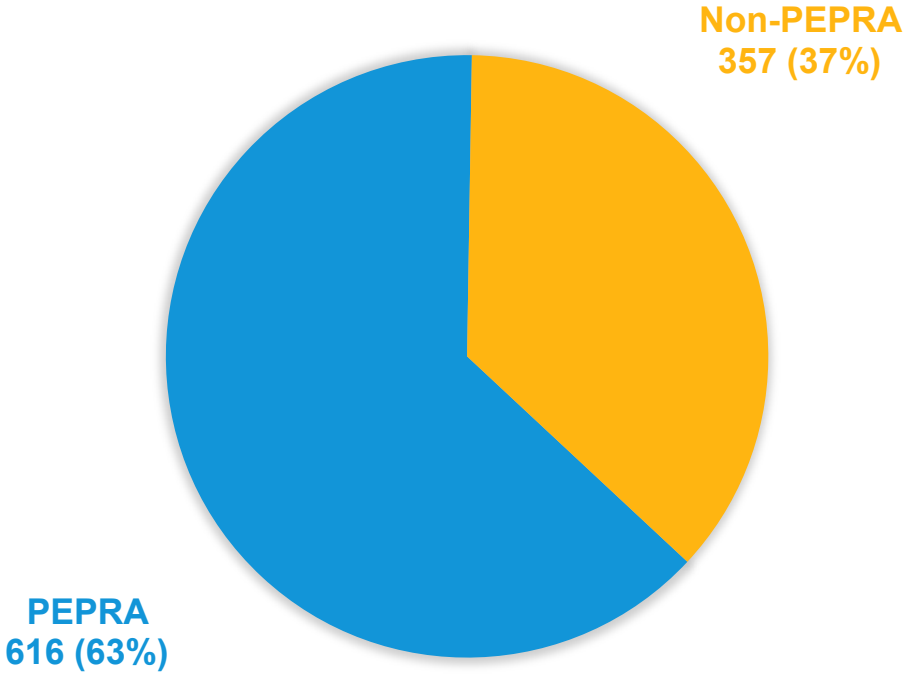
Second Choice - PEPRA / Non-PEPRA

UNIVERSITY OF CALIFORNIA

ELIGIBLE EMPLOYEES*

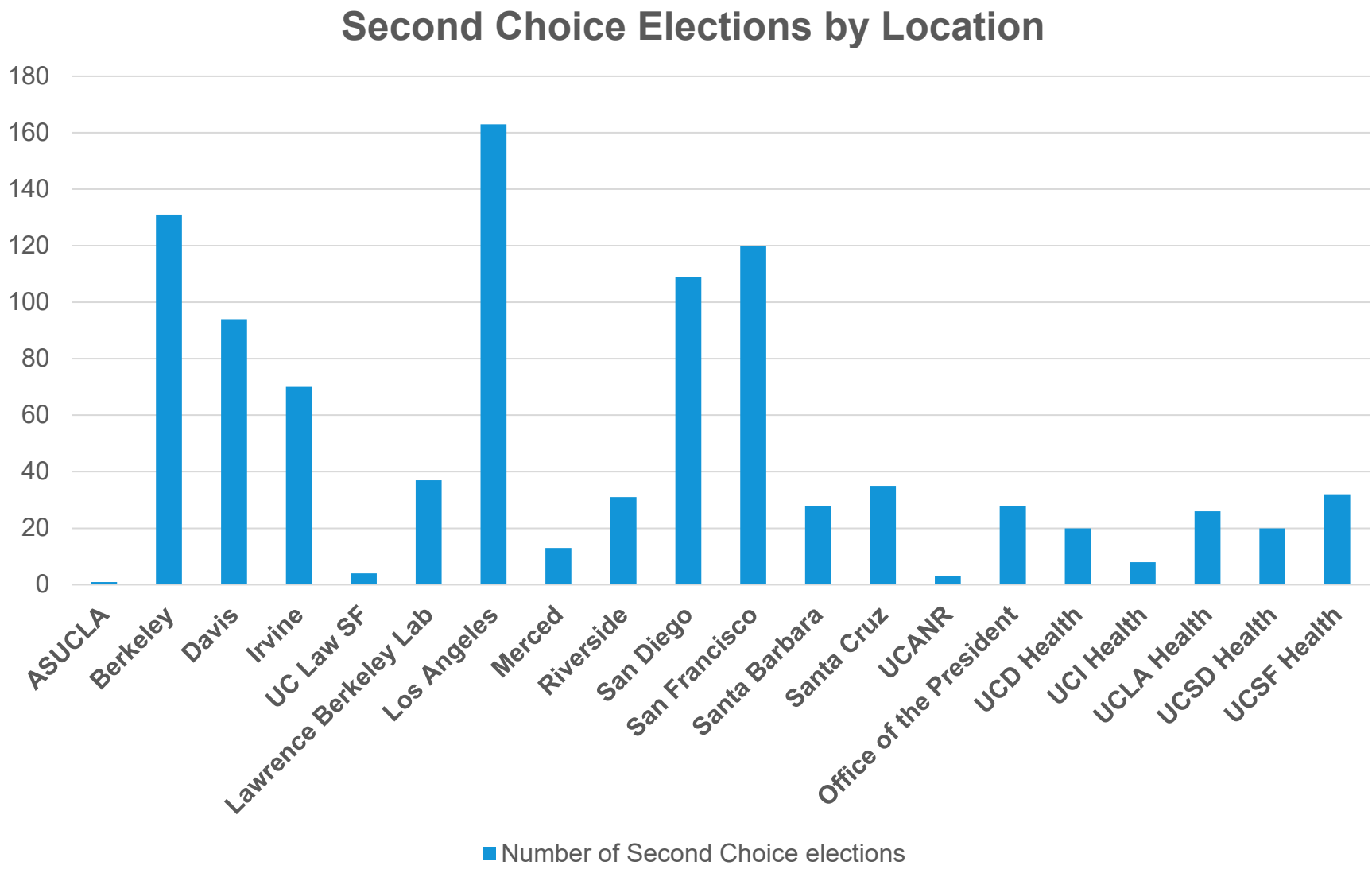


SECOND CHOICE ELECTIONS



*Data through October 2024

Summary of all Second Choice Elections



With elections through July 1, 2024 effective date