UCRS Advisory Board

Meeting of June 13, 2025

AGENDA ITEM D

Retirement Saving Program – Enhancements under consideration

Executive Director Swanson will provide the board with a summary of the plan enhancements to the UC Retirement Savings Program currently under consideration.

More specifically, UC is looking to allow in-plan Roth conversions within the 403(b) and 457(b) Plans, to add "super catch up", as permitted by the SECURE Act 2.0, transition loan repayments from UCPath to Fidelity, and allow Trustee-to-Trustee transfers from the Children's Hospital of Oakland 403(b) Plan to UC's 403(b) Plan.

The addition of in-plan Roth conversions would provide participants with the opportunity to pay taxes on all or a portion of their pre-tax contributions, in turn accumulating tax-free earnings and lessening the balance subject to Minimum Required Distributions (age 73).

Participants age 60-63 will see an enhanced contribution limit through the addition of "super catch-up", expanding the maximum voluntary contribution amount from $31,000 to $35,000 (in 2025) in both the 403(b) and 457(b) Plans. In addition, the lifetime catch-up contribution feature currently offered in these plans will be eliminated, as it has been deemed overly complex and administratively burdensome.

In alignment with best industry practice and furthering efforts to lower administration expenses, 403(b) loan repayments would transition from a paycheck deduction (processed through UCPath) to an electronic payment directly to Fidelity. The change in repayment structure would reduce resources needed within UCPath with no increase to Fidelity's recordkeeping fees.

To assist employees transitioning from Benioff Children's Hospital of Oakland to UCSF, trustee-to-trustee transfers would be permitted from the Children's Hospital of Oakland 403(b) Plan to UCs 403(b) and 457(b) Plans. This would provide employees not yet age 59 ½ (minimum age to request a distribution or rollover from a plan) with the ability to combine their retirement savings accumulations and gain access to UC's best-in-class investment line-up.

These changes would require Regental approval. To view the item when presented to the Regents please use the following link; https://regents.universityofcalifornia.edu/meetings/