

APPENDIX F

Graduate Student Researchers Participation in the Retirement Savings Program

Graduate Student Researchers are required to contribute to the University of California Defined Contribution Plan (DC Plan) as Safe Harbor participants unless they are students whose wages from University employment are exempt from taxation under the Federal Insurance Contribution Act (FICA) ¹ and / or nonresident aliens with F-1 or J-1 visa status or whose wages are subject to foreign (i.e., their home country) taxes or contributions under a Social Security totalization agreement. Graduate Student Researchers contribute 7.5% of gross salary to the University of California Defined Contribution Plan (up to Social Security wage base) in lieu of Social Security taxes, and are not eligible for membership in the University of California Retirement Plan (UCRP). They also contribute 1.45% of total gross earnings to Medicare.

In addition, the University of California's Retirement Savings Program (RSP) provides employees with a way to save voluntarily for their future. The RSP consists of three defined contribution plans: the Tax-Deferred 403(b) Plan, the 457(b) Deferred Compensation Plan, and the DC Plan. Students normally working less than 20 hours per week are not eligible to voluntarily participate in the RSP plans.

Contributions are deposited into individual RSP accounts for each employee and are invested in the fund(s) selected by the participant. This allows participants to manage their account in order to maximize earnings according to their tolerance for risk.

The investment funds include:

- A broad range of professionally managed funds that are monitored by the UC Investments team. Participants may invest outside of the core fund menu through a Fidelity brokerage account.
- If a participant does not actively select a fund(s), contributions are invested in the UC Pathway Fund with a target date near the participant's expected retirement date.

The myUCretirement.com website provides information and resources to help participants make decisions about their investments. Participants may also view their account balances, change their fund selection, designate or change beneficiaries, or request a distribution or rollover. Participants receive quarterly statements from the RSP record keeper, currently Fidelity Retirement Services. Currently, statements are sent to the e-mail address of record, unless mail delivery has been requested or the participant has no e-mail address on record.

¹To qualify for exemption from mandatory contributions made as a Safe Harbor participant into the DC Plan, Academic Student Employees must meet the following criteria:

- Be enrolled in the applicable minimum number of units
- Undergraduates — a minimum of six units.
- Graduate students — the half-time enrollment requirement established at each campus.
- Graduate students enrolled and approved for advancement to doctoral candidacy (i.e., Doctoral II students) are not subject to a units requirement during the academic year, as the preparation of a dissertation satisfies the half-time enrollment requirement.
- Have a total active appointment percentage, including both fixed and variable appointments, of less than 8% time for the month or any partial period within the month.

Participants should designate a beneficiary or beneficiaries for their RSP account(s). If no beneficiary is named, the account is paid to the surviving spouse or domestic partner, children, parents, siblings, or estate.

Given that these accounts are meant to be retirement savings, there are generally early distribution penalties for withdrawing money before age 59 ½, except for 457(b) plan withdrawals. If you leave UC employment, you may keep your money in the RSP provided your plan balance, on an individual plan basis, is \$2,000 or more. Or, you may roll over your RSP balances to another eligible plan or to an IRA. Distributions not rolled over are taxable and, if the recipient is less than 59½, early distribution penalties may apply. For more information, see the Summary Plan Descriptions below.

To ensure you receive plan statements and other important plan information, all participants (including both active employees and those who have left UC employment) should keep their e-mail address and mailing address up-to-date by contacting Fidelity at 866-682-7787 or online at Netbenefits.com.

For more information about the Safe Harbor DC Plan, see:

- The myUCretirement Website: <https://myuc retirement.com/UCRetirementBenefits/Primary>
- The DC Plan Summary Plan Description: <https://ucnet.universityofcalifornia.edu/forms/pdf/defined-contribution-plan-summary-description.pdf>
- Tax-Deferred 403(b) Summary Plan Description: <https://ucnet.universityofcalifornia.edu/forms/pdf/403b-summary-plan-description.pdf>
- 457(b) Deferred Compensation Plan Description: <https://ucnet.universityofcalifornia.edu/forms/pdf/457b-deferred-compensation-plan.pdf>