University of California Retirement Plan (UCRP) July 1, 2012 Valuation Presentation

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Highlights of 2012 Actuarial Valuation

- **0.3% market value return for 2011/2012**
  - **Actuarial return of 0.9% due to five-year smoothing of gains and losses**
- **Transfer of $0.9 billion from external financing**

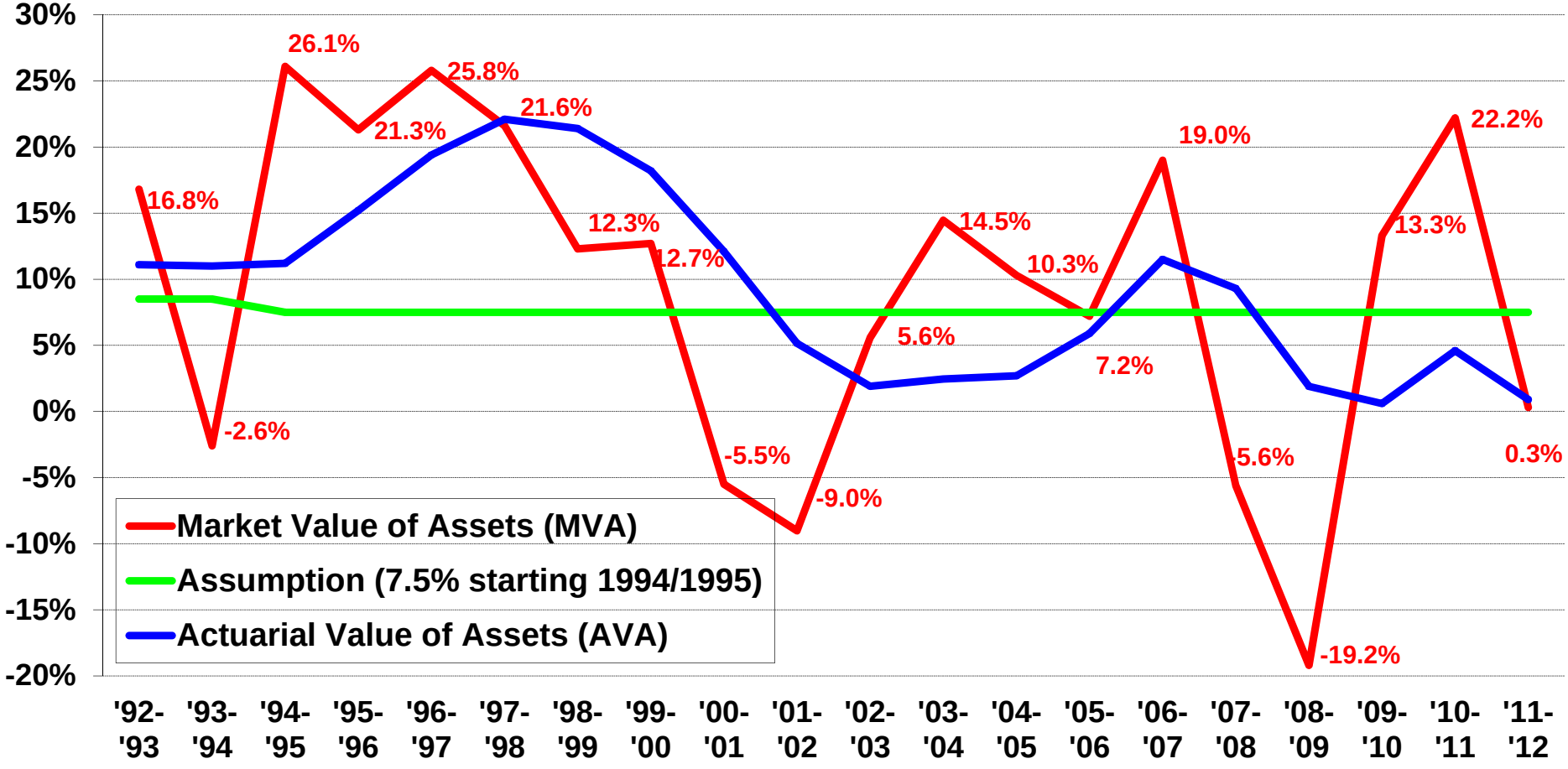
UCRP Demographics

	2012	2011
Active Members	**116,888**	**115,568**
• Average Age	45.0	44.9
• Average Service	9.6	9.6
• Average Compensation	$81,637	$78,264

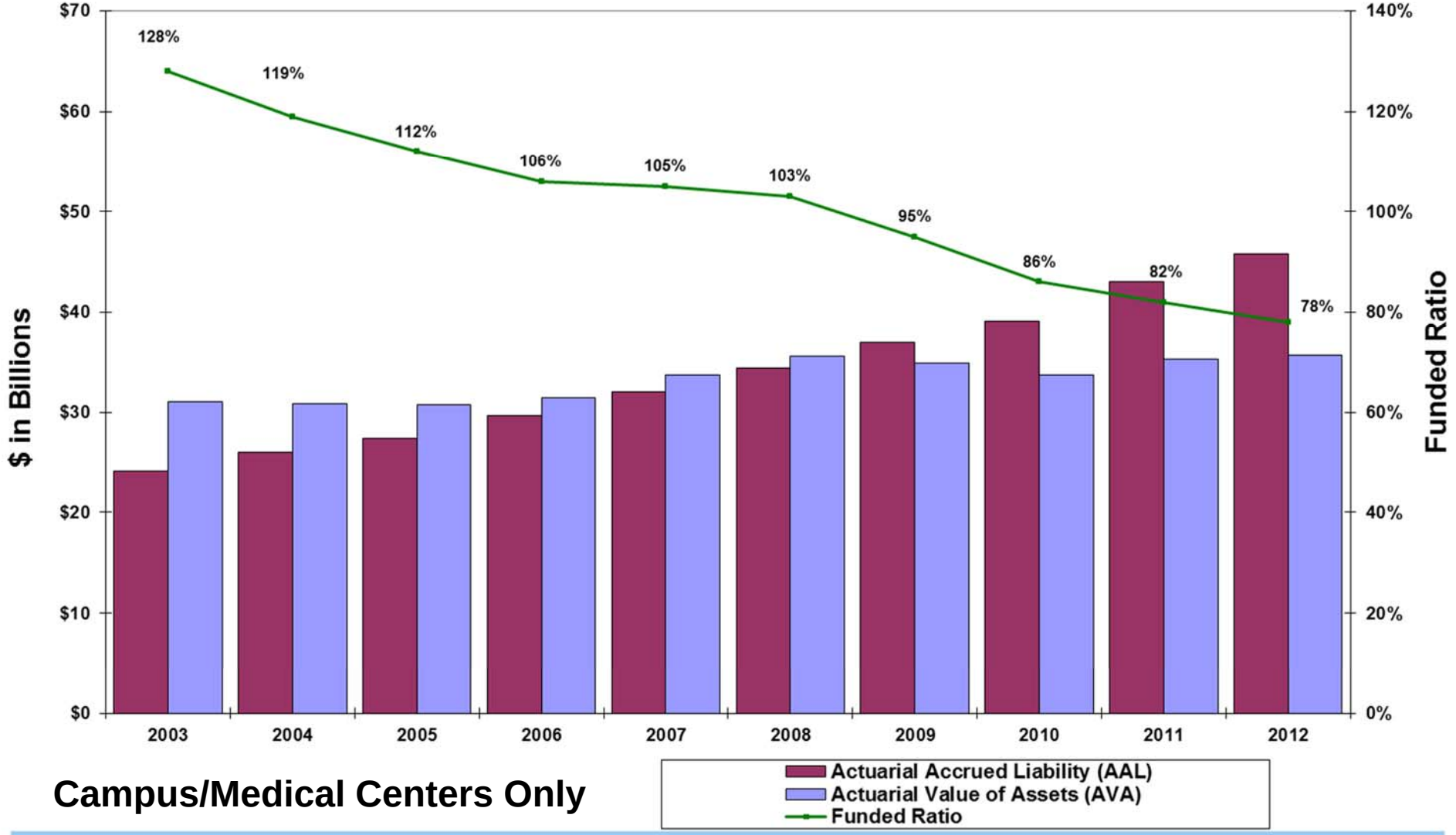
	2012	2011
Retired Members (in Pay Status)	**58,934**	**56,296**
• Average Age	70.4	70.2
• Average Annual Benefit	$35,959	$34,814

	2012	2011
Terminated Vested Members	**32,873**	**32,159**

UCRP Investment Rates of Return



UCRP Historical Funded Status and Funded Ratio (5 year smoothing) as of July 1



Campus/Medical Centers Only

UCRP Valuation Results ($ in billions)

	07/01/2012	07/01/2011
Market Value of Assets (MVA)	$41.8	$41.9
Actuarial Value of Assets (AVA)	$43.0	$42.7
Actuarial Accrued Liability (AAL)	$54.6	$51.8
Unfunded AAL (AAL less AVA)	$11.6	$9.1
Funded Percentage (AVA Basis)	79%	82%
Funded Percentage (MVA Basis)	77%	81%
Normal Cost (beginning of year)	$1.5	$1.4
Normal Cost (% of pay, middle of year)	18.09%	17.83%
Funding Policy Contribs (% of pay)	28.56%	26.35%

Regents Approved Contributions

- **Employer – all funding sources, uniform across all tiers**
  - **FY 12/13 – 10%**
  - **FY 13/14 – 12%**
- **Member**
  - **1976 Tier (for most members)**
    - **FY 12/13 – 5% less $19 per month**
    - **FY 13/14 – 6.5% less $19 per month**
  - **2013 Tier**
    - **FY 13/14 – 7%**

  Member contributions subject to collective bargaining for represented employees
- **Approved contributions lower than funding policy contribution**