Retirement Administration Service Center

UCRS Advisory Board Meeting

December 3, 2021

UNIVERSITY OF CALIFORNIA

Agenda

01 Retirement performance

02 Service Enhancements

03 Let’s look forward

04 Appendix

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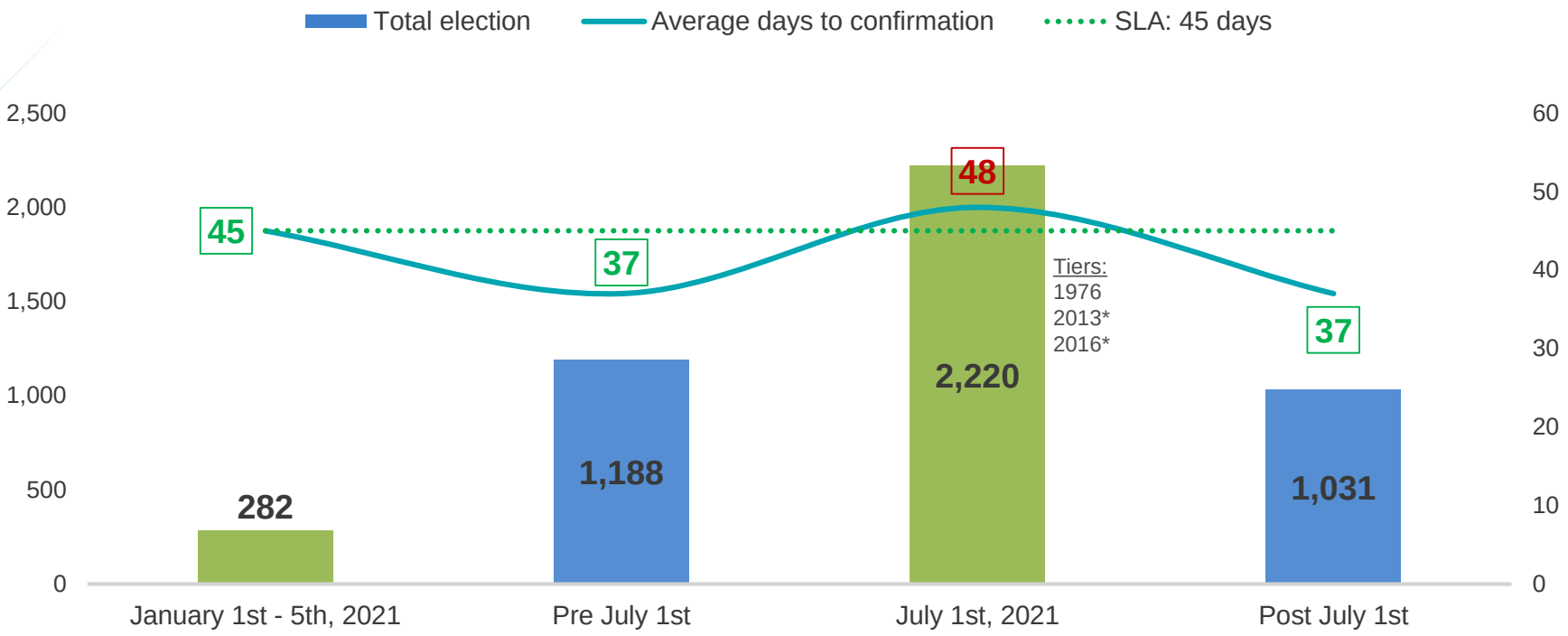
2021 Retirement performance results



Results as of October 31st

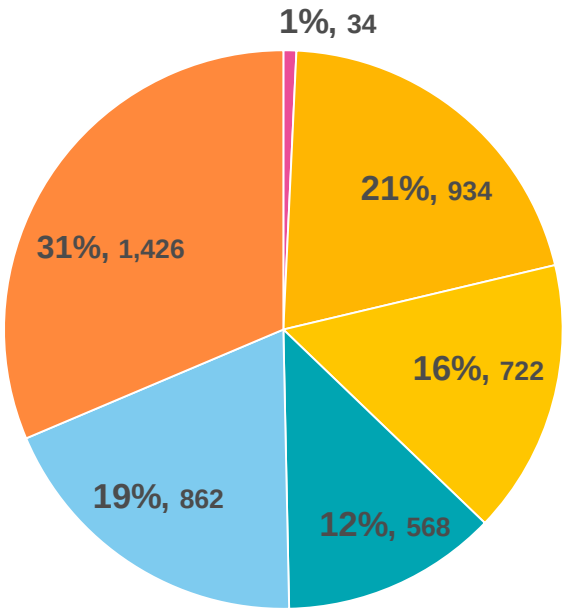
UNIVERSITY OF CALIFORNIA

From the election receipt date to confirmation

All retirements processed 2021

- **Service Level Agreement (SLA) is to provide a confirmation statement within 45 days of receipt of election:**
  - **4,546 retirements processed** through October 31st.
  - Most elections are received **after their retirement date**
  - **1%** submitted **>90 days**
  - **21%** submitted **60 – 89 days**
  - 16% submitted 46 – 59 days
  - 12% submitted 31 – 45 days
  - 19% submitted 30 days or less
  - **31%** submitted **after their retirement date**

# of days from receipt of election to retirement



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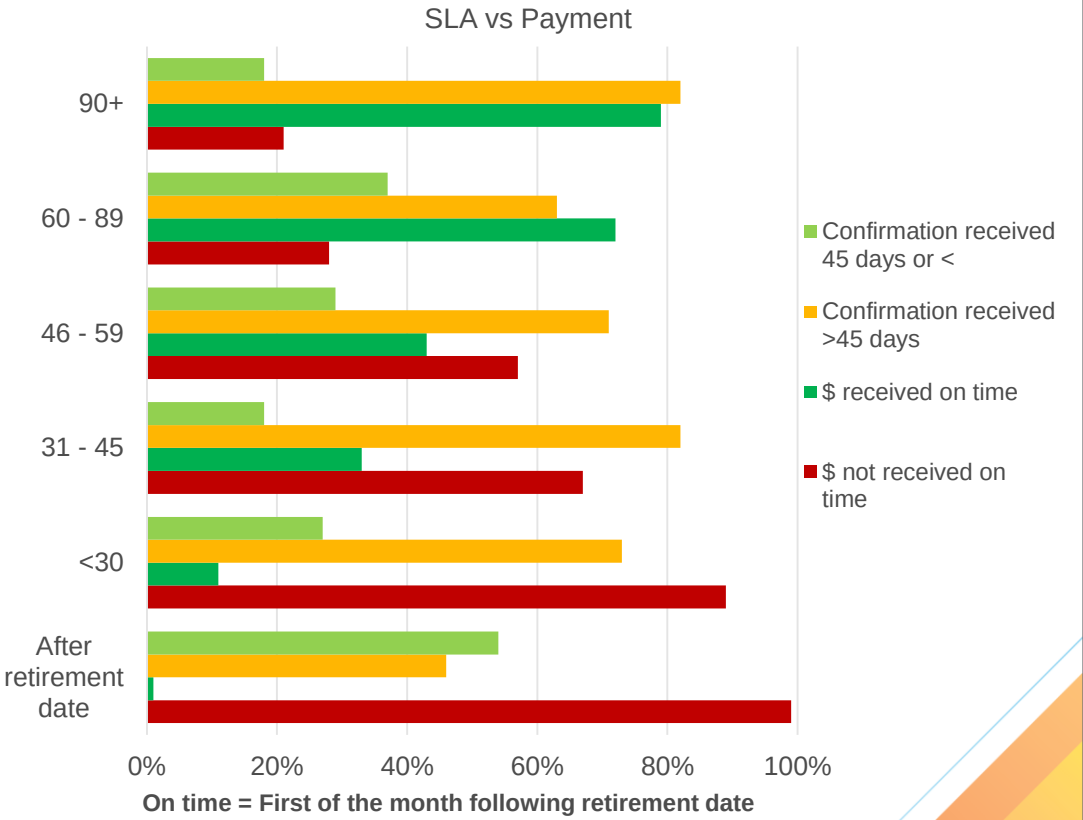
Results as of October 31st and includes July 1st retirements

All retirements processed 2021

- **Service Level Agreement (SLA) is to provide a confirmation statement within 45 days of receipt of election:**
  - **4,546 retirements processed** through October 31st.
  - Election submitted **90 or + days** prior to retirement
    - **82%** received their confirmation statement **outside of the SLA**
    - **79%** received their **payment on time**
  - Election submitted **after retirement date**
    - **46%** received their confirmation statement **outside of the SLA**
    - **1%** received their **payment on time**
    - **47 average workdays to payment**

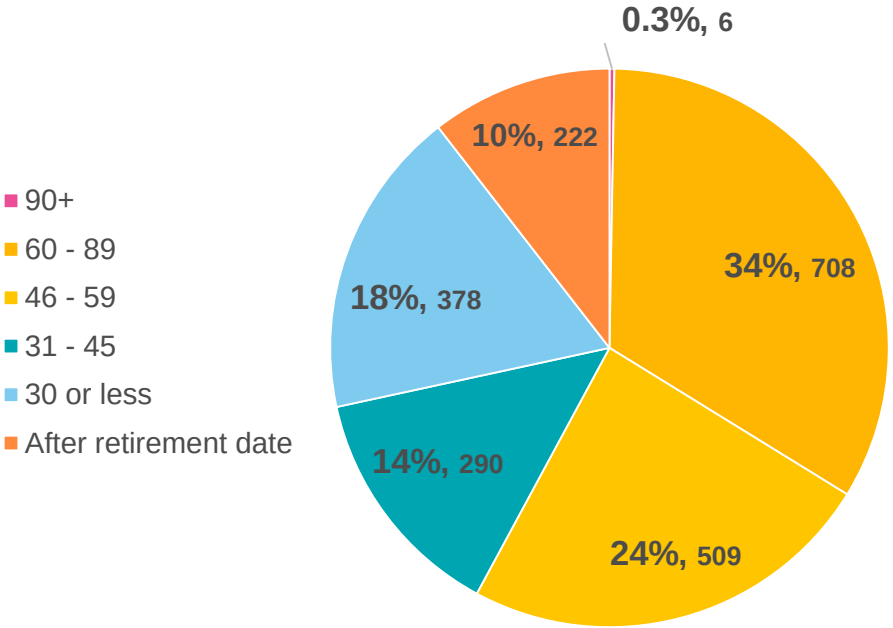


UNIVERSITY OF CALIFORNIA Results as of October 31st and includes July 1st retirements

July 1st retirements processed 2021

- **Service Level Agreement (SLA) is to provide a confirmation statement within 45 days of receipt of election:**
  - **2,113 July 1st retirements processed** through October 31st.
  - Most elections were received within **60 – 89 days**
  - **0.3%** submitted **>90 days**
  - **34%** submitted **60 – 89 days**
  - 24% submitted 46 – 59 days
  - 14% submitted 31 – 45 days
  - 18% submitted 30 days or less
  - **10%** submitted **after their retirement date**

# of days from receipt of election to retirement



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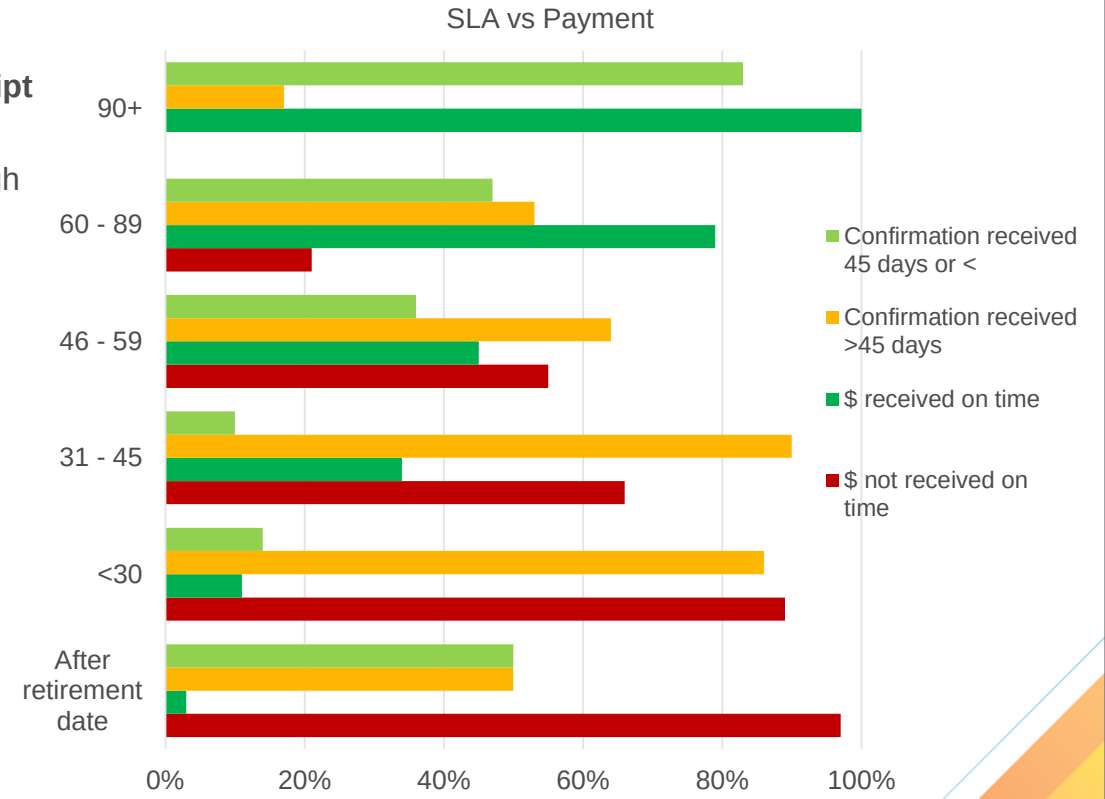
Results as of October 31st

July 1st retirements processed 2021

- **Service Level Agreement (SLA) is to provide a confirmation statement within 45 days of receipt of election:**
  - **2,113 July 1st retirements processed** through October 31st.
  - Election submitted **90 or + days** prior to retirement
    - **17%** received their confirmation statement **outside of the SLA**
    - **100%** received their **payment on time**
  - Election submitted **60 - 89 days** prior to retirement
    - **53%** received their confirmation statement **outside of the SLA**
    - **79%** received their **payment on time**
    - **78 average workdays to payment**



On time = First of the month following retirement date

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Results as of October 31st

July 1st, 2021 retirement season

2021

JANUARY						
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January 4th, 2022 retirement season

2021

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2022

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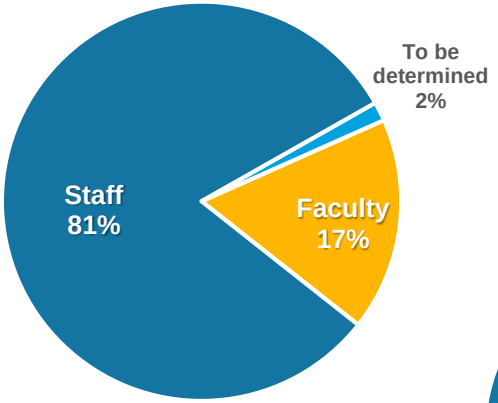
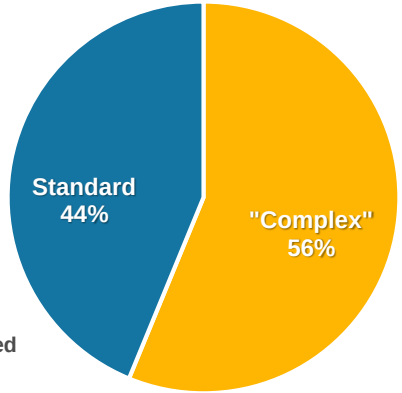
July 1st Retirement population analysis

- We have received **23% more July 1st** retirement applications than the previous year
- To date we've received 2,220 July 1st retirement applications
  - **UC staff** represented **81%** of the population
  - **Faculty** members represented **17%**
- Overall applications are trending towards calculations which required manual processing and/or review
- **56%** of the applications received were identified as **"complex"**
- **Staff** represented **77% of complex** applications

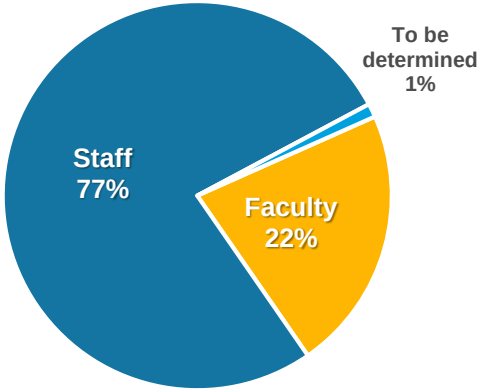
Faculty or Staff



Standard or "Complex"



Faculty or Staff by "Complexity"



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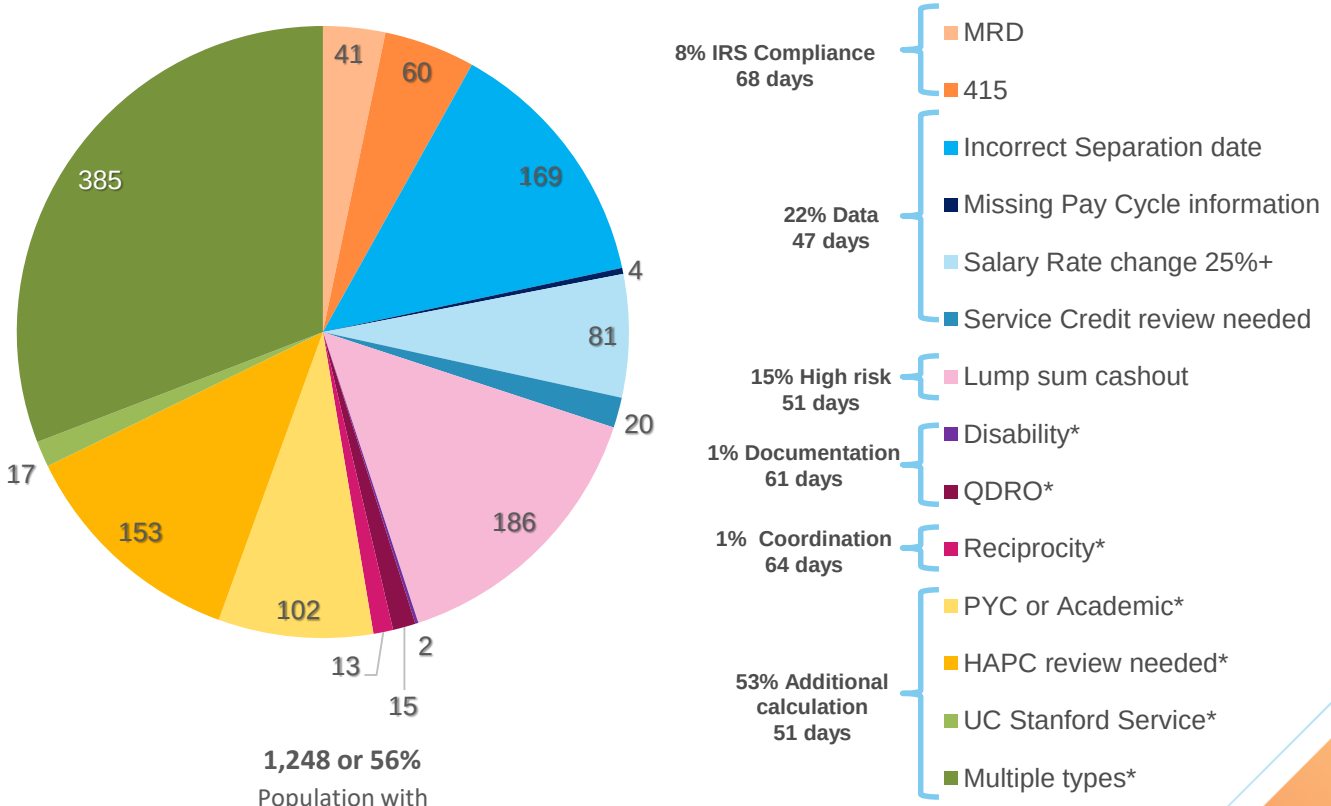
Results as of October 31st

July 1st "Complexities" that require longer processing time

Our focus for future retirements, we are:

- Assessing Redwood capability
- Aligning with other retirements systems
- Partnering with UCPC and campuses
- Validating HAPC where needed
- Building internal skills and capabilities



1,248 or 56%
Population with "complex" retirements

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Results as of October 31st

No Lapse in Pay and Benefit Continuation: Expanded Eligibility

Eligible Retirees/Requirements

- New retiree with a **January 4th** retirement date
- Completed and submitted election documents and any required documentation
- Completed and submitted the No Lapse in Pay Form (UCRS 168) stating they wish to receive a provisional benefit payment between their retirement date and the first date of their fully audited and confirmed MRI

Eligibility now includes:

- UCRP service credit in more than one tier
- PYC (Partial Year Career)
- QDRO with no adverse claims (court approved FL 180 on file, or if accounts have been approved and split)

Ineligible Retirees/Exclusions

- Lump sum cashout
- Eligibility for reciprocity
- Disability Crossover
- Eligibility for Minimum Required Distributions (MRD)
- MDIB
- Multiple Classification (ex: safety)
- UCRP Tier Two
- Rehired Retiree
- Plan 02, 401-a, or 415 Limited
- Qualified Domestic Relations Order (QDRO) **with an adverse claim**
- Incomplete Election Documentation
- Retirement in Calculation, Review, or Confirmation

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Agenda

01 Retirement performance

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04 Appendix

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Principles

Customer-centric, whether a member, survivor, other beneficiary, or stakeholder;

Proactive and transparent end-to-end communication throughout the member/beneficiary lifecycle;

Accountable through a high-touch service delivery model: we will set service standards, deliver on our promises, and meet our commitments within the Service Partnership Agreements.

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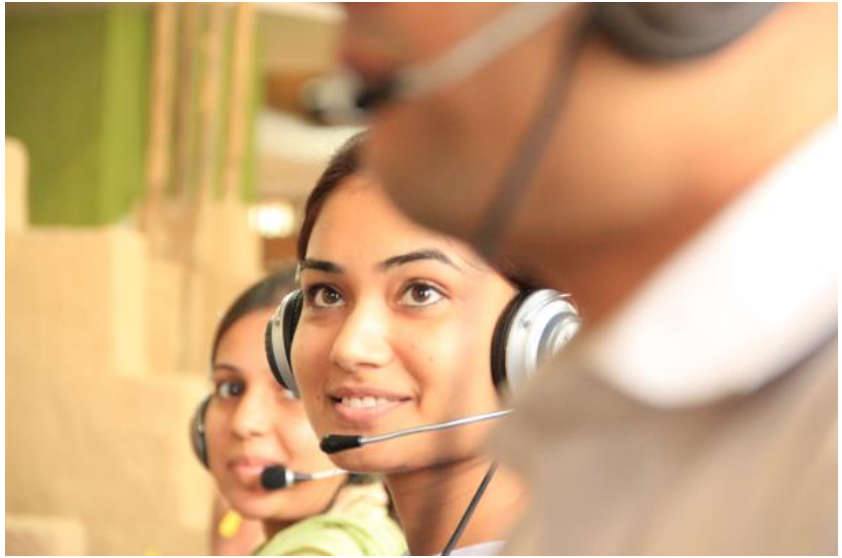
RASC GOAL:

Develop a new **Survivor Intake Process** which will provide a **high-touch level** of engagement and support for survivors. To achieve our goal of proactive follow up to issue timely benefit payments; we will have:

- **Dedicated** survivors-only **telephone line**
- Designated **Survivor Intake team**
- **Ongoing communications via Benet**, the survivor advocate developed by Todd Wipke.
- Launch date – March of 2022



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Retirement Counseling and Member Education (hybrid model)

RASC GOAL:

Reintroduce **Retirement Counseling** with a dedicated team to support prospective retirees as they consider their transition into retirement. We will:

- Build a team of **highly skilled** and **certified** Retirement Counselors
- Provide **one-on-one** scheduled appointments leveraging technology for **personal engagement**
- Provide **Member Education** through webinars and seminars
- Launch date: May of 2022

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RASC GOAL:

Implement direct **contacts for members** in support of their **insurance queries. We will:**

- **Ensure continuity of benefits** as prospective retirees transition from active employment into retirement
- **Strengthen problem solving,** in support of our members, with our carriers
- Continue our efforts to provide **pro-active communications** and **notifications.**

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Agenda

01 Retirement performance

02 Service Enhancements

03 Let’s look forward

04 Appendix

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Let’s look forward

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Leadership Team

Executive Director
Bernadette Green*

Thought Leader
Michael Waldman

Member Correspondence Manager
Jennetta Brown

- Document services
- Messages team
- Specialty Support
  - Survivor Intake
- Retirement Counseling

Call Center Manager
Doug Kanigher

- Member Experience
- Call teams
- Quality Monitoring

Client Relationship Manager
Michelle Estes

- RASC Management
- Research
- Training
- Communications
- Data and Analytics
- Relationship Management

Benefits Administration Manager
Greg Ricks

- Survivors
- Special Claims
- Disability
- Member Records

Disbursements Manager
Janie Berry

- Calculations
- Insurance
- Payroll

Thought Leader
Richard Townsend

Incumbent
Retirement Experts
Scope

*Interim

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New operating model: Department level

Member Services

Member Correspondence
- Document Services
- Secure Messages
- Specialty Support
  - Verification
  - Survivor Intake
- Retirement Counseling

Call Team
- Member Experience
- Call Level 1
- Call Level 2
- Quality monitoring

Fulfillment Operations

Benefits Administration
- Survivor
- Special Claims
- Disability
- Member Records

Disbursements
- Calculations
- Insurance
  - Liaisons
- Payroll
  - Refunds and MRDs

Client Relationship & Continuous Improvement

RASC Management
- Systems and Tools Coordination
- Vendors
- Workforce Management
- Processes
- Project Management
- Special Projects

- Research
- Communications
- Training
- Data & Analytics

Relationship Management
- Retirements Service Centers
- Campuses
- Human Resources
- UCPath Center
- HCF and Benefit Managers
- BIS and TDS

RASC is back!!

- We have a new location
- We have a new hybrid model of working
  - 60% time onsite and 40% time work from home
- Managers and Supervisors returned **November 15**
- Staff return on **December 1**

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Open discussion

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Agenda

01 Retirement performance

02 Service Enhancements

03 Let's look forward

04 Appendix

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Glossary: “Complex” Retirement Scenario Descriptions

- **Lump Sum Cash out:** In lieu of a monthly income option, members can elect a one-time lump sum cash out. Members who elect an LSC forfeit all other benefits including retiree health and survivor income.
- **Partial Year Career:** Employees who work a 9, 10 or 11-month appointment but earn service credit as if they were working a full 12-month year. This is common for campuses where employees are furloughed during the summer months. Certain academics also have 9, 10 or 11 month appointments.
- **Minimum Required Distribution:** Otherwise known as RMDs, these are members who retire after the Internal Revenue Code (IRC) required distribution age (70.5 and 72). They must take a taxable distribution on any lump sum payment from UCRP, including a lump sum cash out or CAP, before any rollover of these funds can be paid.
- **415 Limited:** IRC Section 415 imposes a limit on how much money can be paid from a pension plan, like UCRP. If a member earns more than the limit, we pay the difference out of the 415(m) Restoration Plan. This requires 415 testing of retirements that are close to the limit and can impact monthly income, lump sum cash out and/or CAP.
- **Reciprocity:** UCRP has a reciprocal agreement with CalPERS and a similar concurrent retirement agreement with CalSTRS. Under these provisions, salary earned under CalPERS or CalSTRS can be used in the calculation of a UCRP member’s HAPC. Service from the other system can also be used in vesting. We have to wait to hear from the other system before completing our calculations.
- **Incorrect Separation Date:** Members report their intended separation date to RASC when they retire and calculations are based on the separation date and retirement date (typically the day following). We compare to the actual separation date in UCPATH and any discrepancies can cause delays.
- **Disability:** Members who received UCRP Disability Income and elect to “crossover” into retirement when disability income ends. Service credit earned while receiving Disability Income is factored into the retirement calculations.

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Glossary: “Complex” Retirement Scenario Descriptions

- **UC Stanford Service:** Members who were part of the merger/demerger with UC and Stanford (1997 to 2000). Members have either vesting service only or were credited with UCRP service used in their retirement calculation. There is also a comparison done with the UC salary and salary earned during the UC Stanford period.
- **Qualified Domestic Relations Order (QDRO):** A legal document which describes the community property interest a former spouse or domestic partner has in the UCRP member’s retirement benefits. Former spouses/partners can be awarded service credit and contributions and be eligible for their own retirement income from UCRP.
- **Salary Rate change of 25% or more detected**: An increase in covered comp by 25% or more that needs to be researched with the location (i.e., stipend or settlement) to determine reason, time period, duration so we can calculate HAPC correctly
- **Missing Pay Cycle information:** Missing covered compensation to be researched with the location to determine if an error occurred to ensure that HAPC and service credit are calculated correctly
- **Service Credit review needed:** Exceed plan allotment or correction to an error resulting in adjusted s/c used in the calculation
- **HAPC review needed:** This could be a number of reasons why HAPC needs to be reviewed which often is comprised of pulling data from the old system and RW to gather 36 months of full-time equivalent compensation for 36 months, or an HAPC for less than 36 months calculation is needed, or HAPC calculation for inactive members.
- **Multiple Complex Types:** For example, a member electing a lump sum cash out who is subject to the 415 limit, is MRD age, and has a QDRO.

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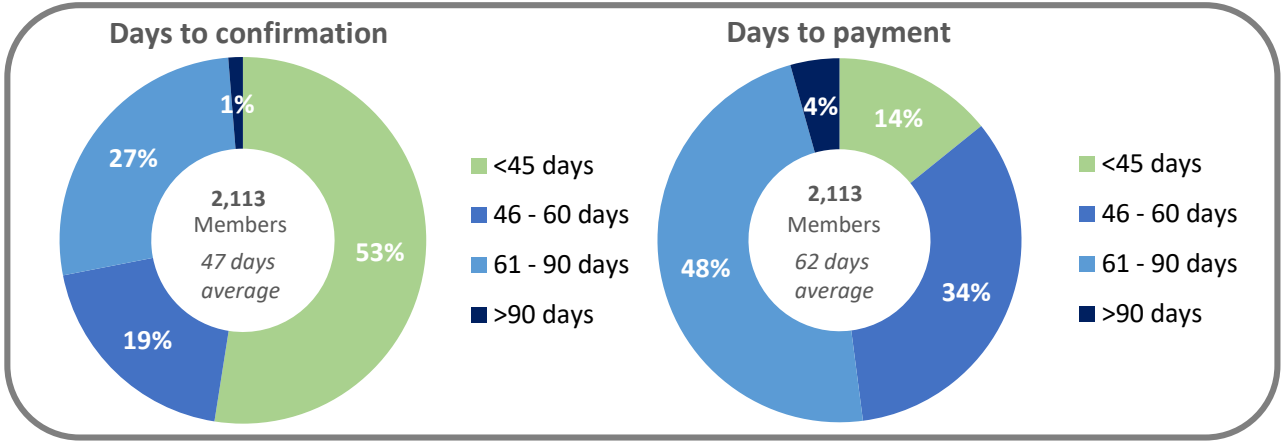
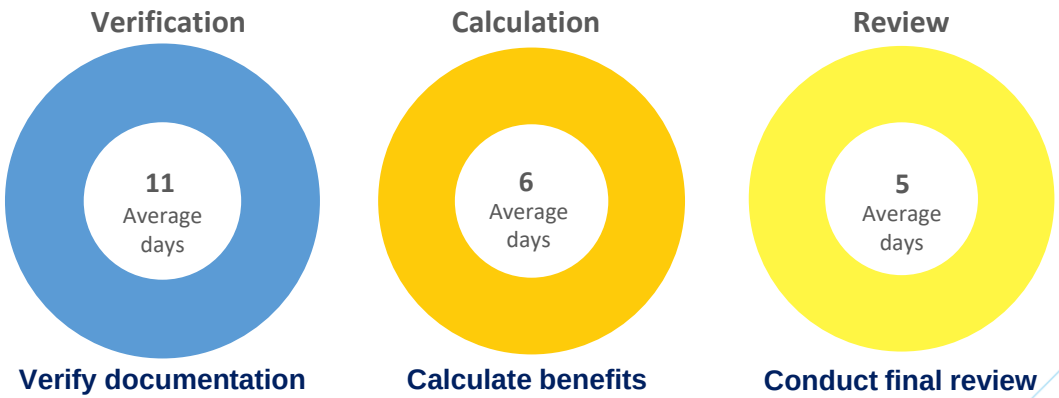
July 1st retirements processed

- Our overall **average** to provide a **confirmation statement** is **47 days**
  - **53%** received their **confirmation statement <45 days**
- Our overall **average** to provide a **payment** is **62 days**
  - **48%** received their **payment** within a **61 – 90 day** timeframe





This data includes No Lapse in Pay and Benefit Continuation program

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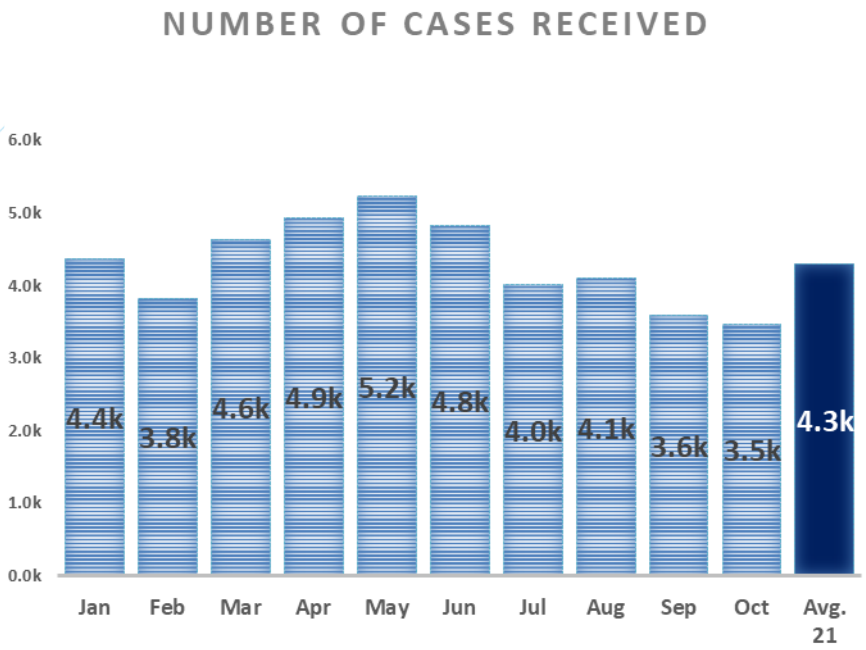
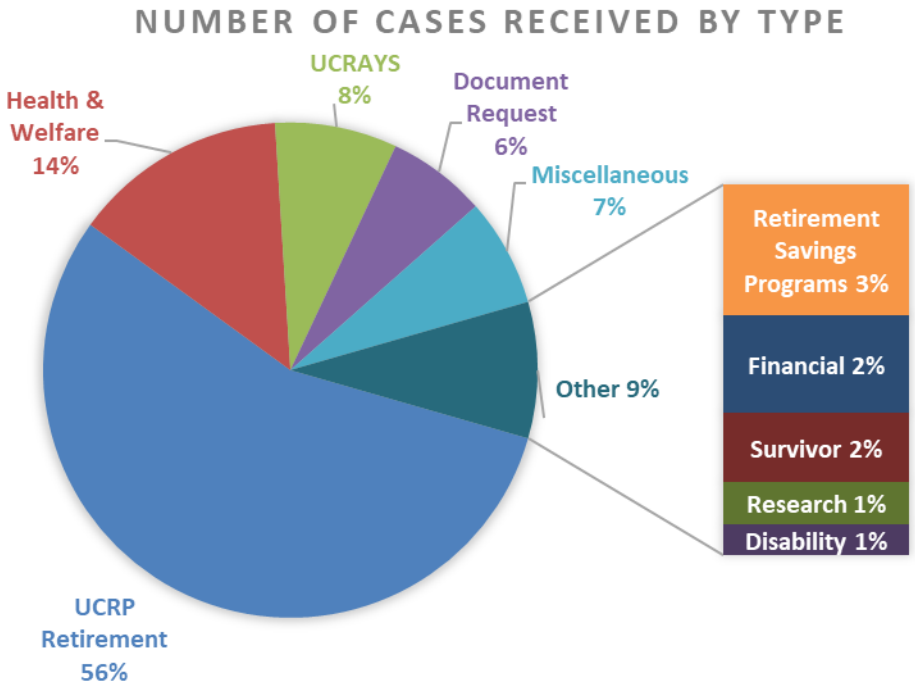
Performance metrics: Secure messages





Results as of October 31st

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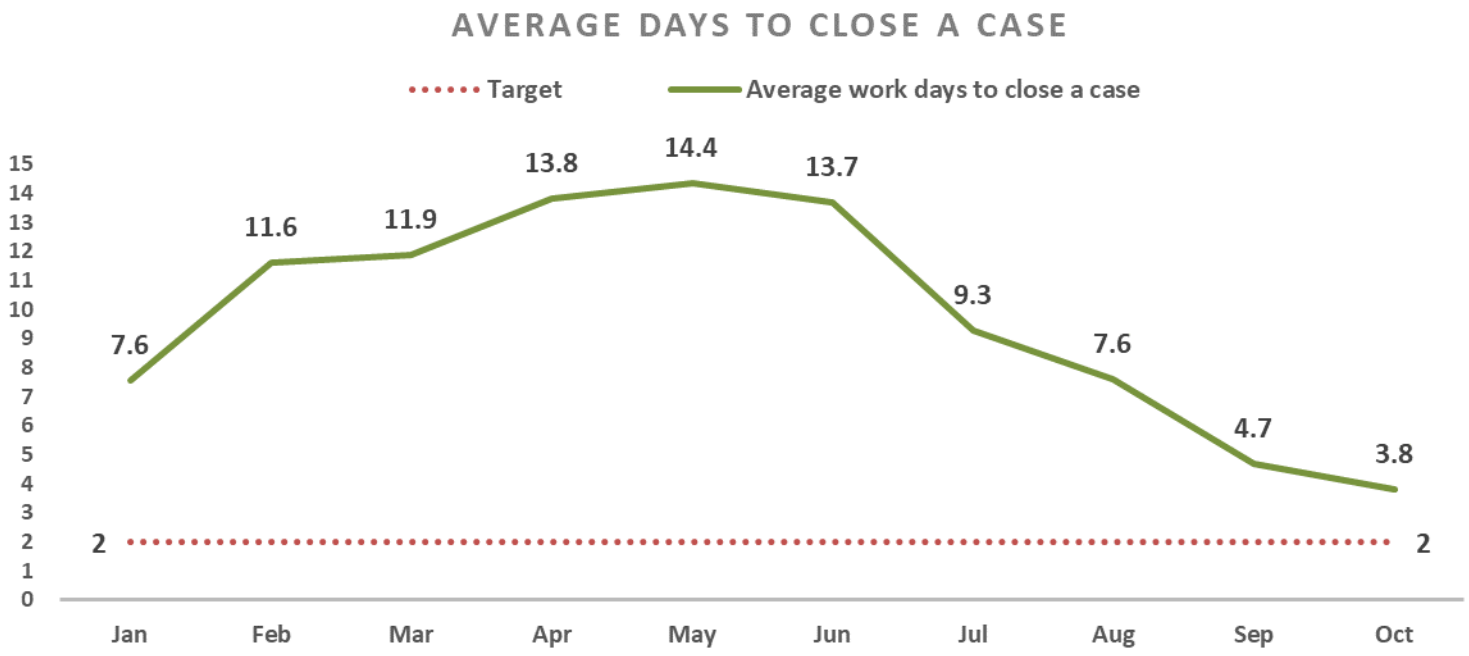
Performance metrics: Secure messages



Results as of October 31st

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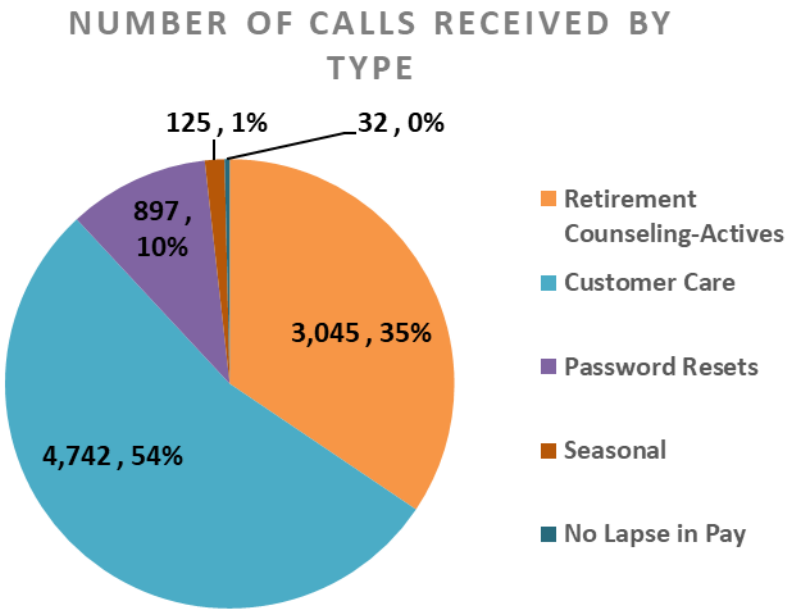
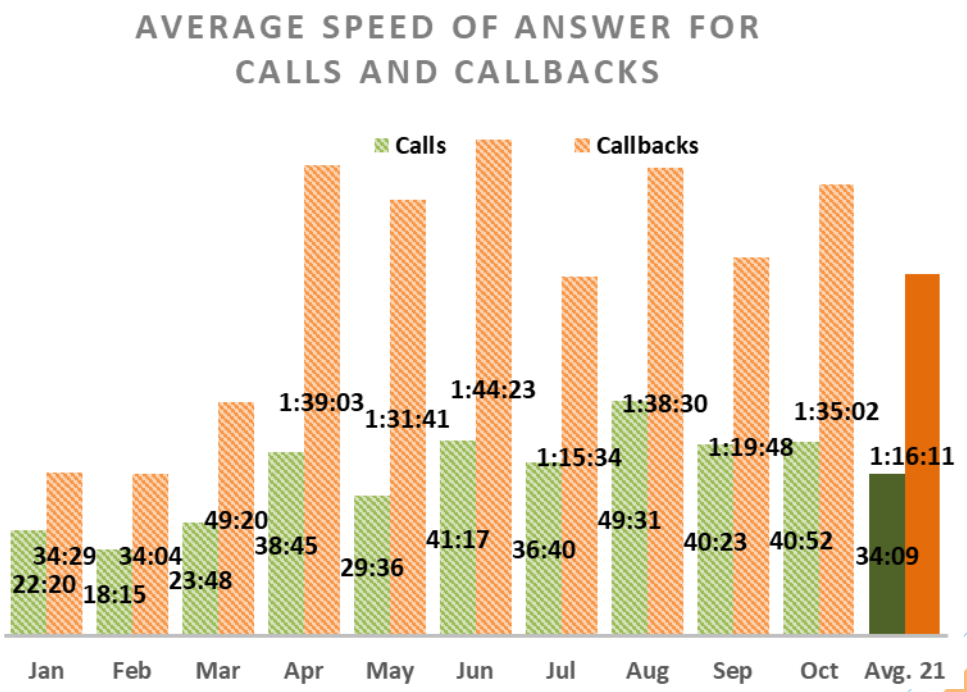
Performance metrics: Call Center

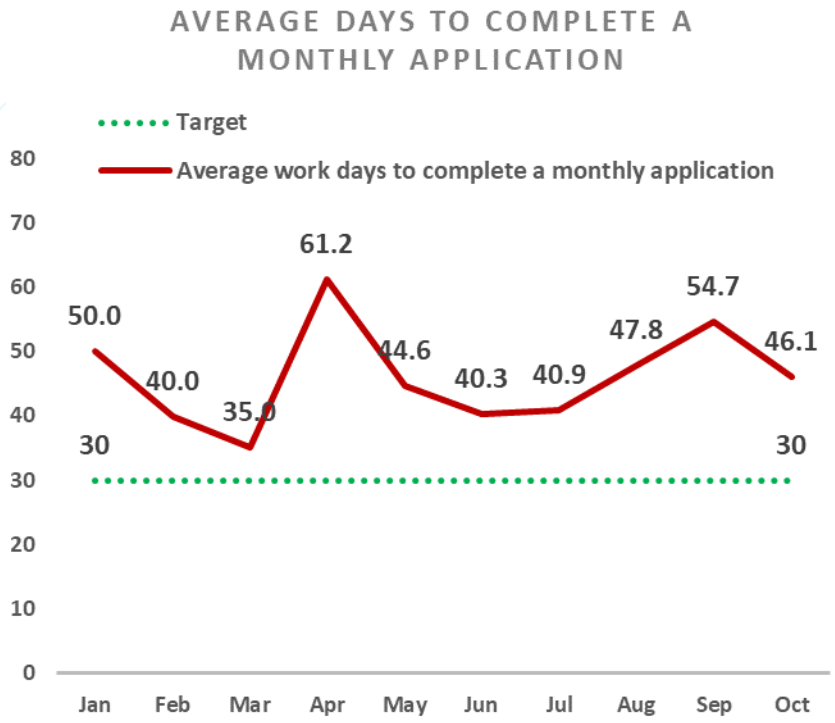


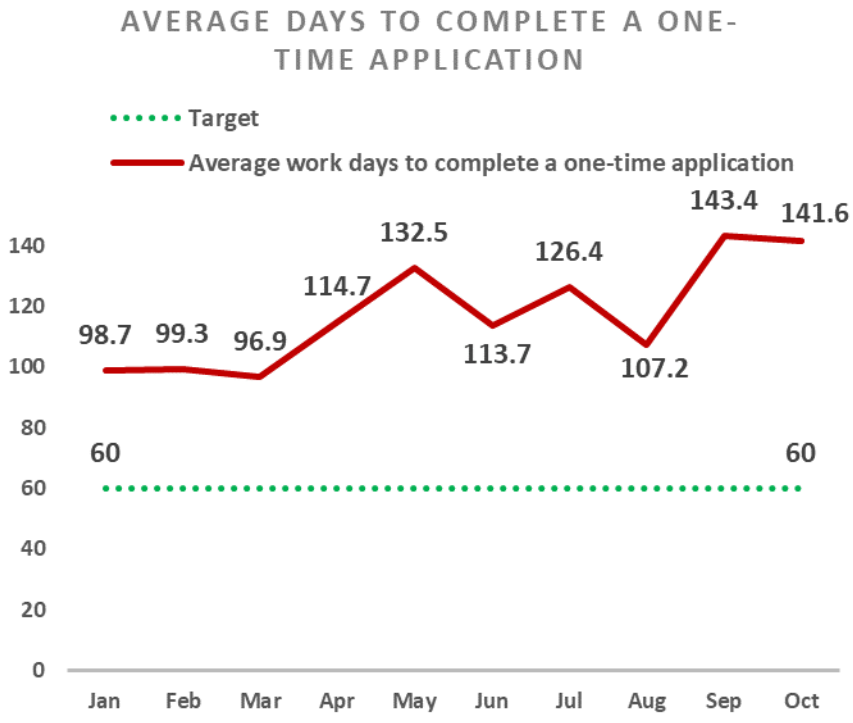


Results as of October 31st

UNIVERSITY OF CALIFORNIA

Performance metrics: Survivor processing

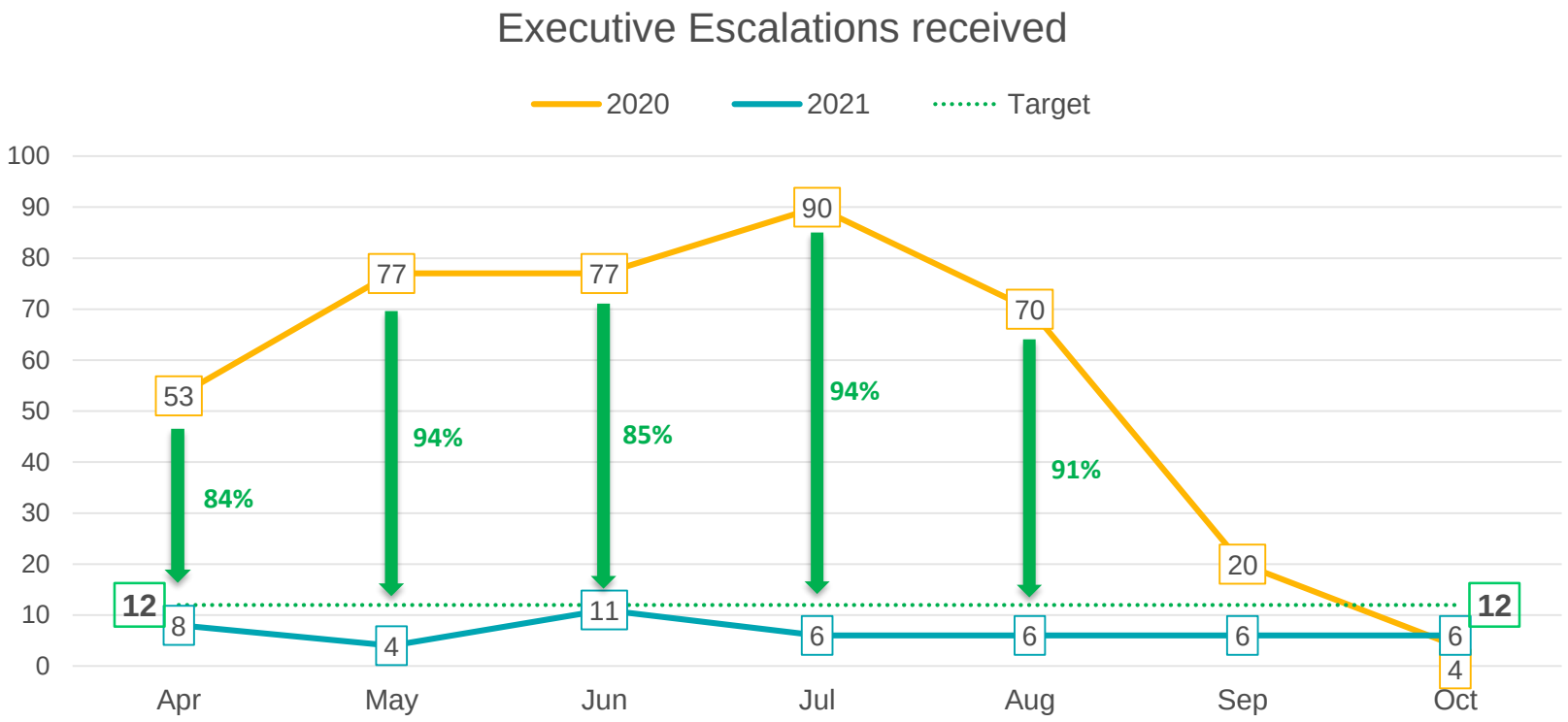




Results as of October 31st

UNIVERSITY OF CALIFORNIA

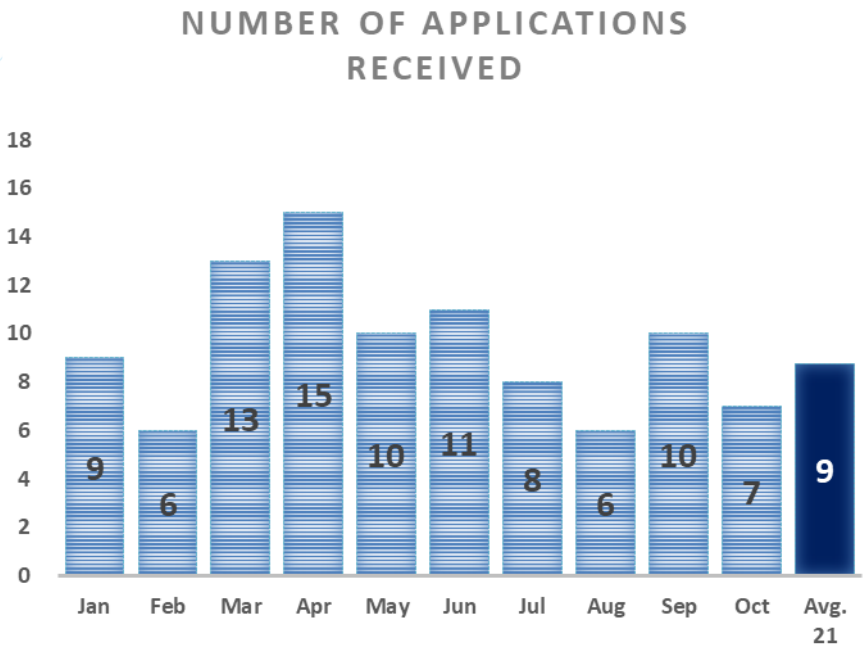
Performance metrics: Executive Escalations

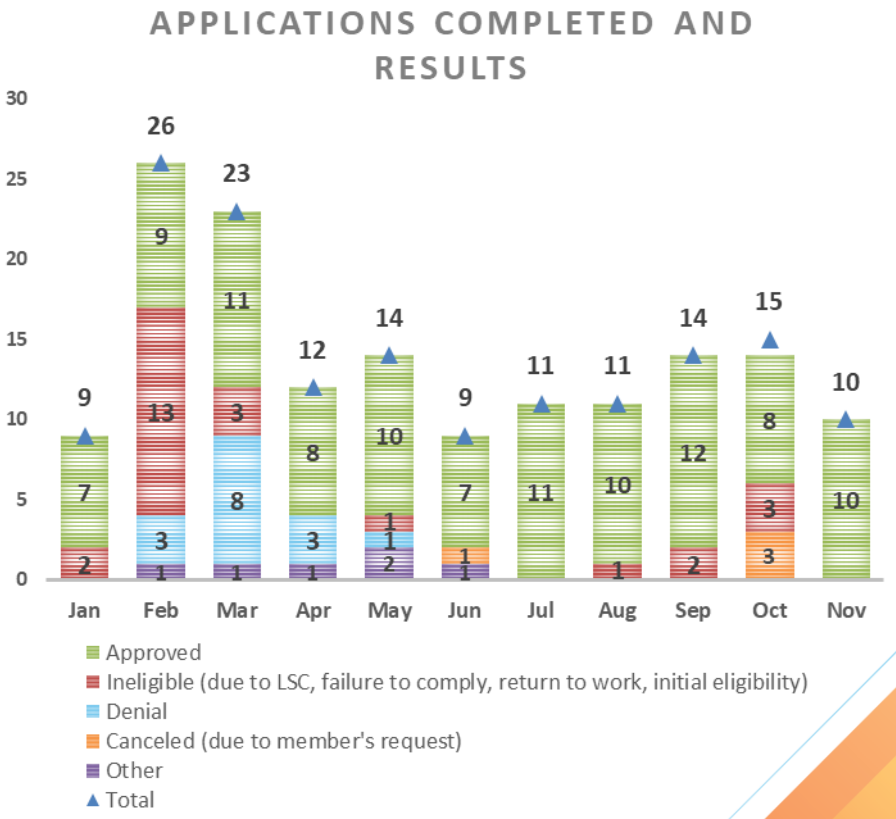


Results as of October 31st

UNIVERSITY OF CALIFORNIA

Performance metrics: Disability processing

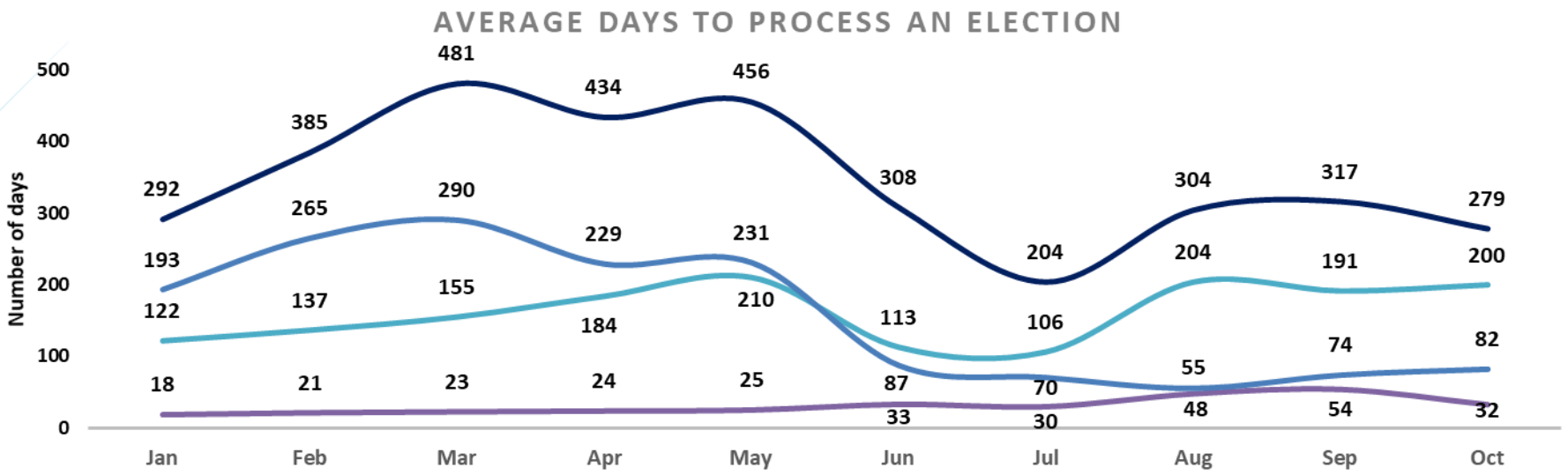




Results as of October 31st

UNIVERSITY OF CALIFORNIA

Performance metrics: Disability processing



Average work days from the time the application is received by RASC to the point where the case is forwarded to Lincoln Financial Group (LFG).

Average work days in Lincoln Financial Group (LFG).

Average work days from Lincoln Financial recommendation to RASC to the point when the case is completed.

Average work days to complete a disability application

UNIVERSITY OF CALIFORNIA

Results as of October 31st

Changes at the Department level

We have:

1. Redefined role and **hired Member Correspondence Manager**

We will:

1. Move **Verify step** into Member Correspondence under Specialty Support
2. Develop **Survivor Intake process** with a dedicated phone line
3. Reintroduce and **formalize Retirement Counseling** with team under Member Correspondence
4. Hire **Secure Message Supervisor**
5. Formalize **Quality monitoring process**
6. Expand the **Member Experience**
7. Develop a **level 2 Call Team**
8. Distinguish **member facing research activities** resulting in the **New Member Records Team**
9. Hire **Disability and Member Records Supervisor**

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Changes at the Department level

10. Implement **key contact for insurance carriers** - Insurance Liaisons
11. Hire **Insurance Supervisor**
12. Move the **Refunds process** into Payroll
13. Consider **MRDs** as a refund
14. Hire **Payroll Supervisor** prior to beginning the transition of work
15. Extract **Disability work** from Member Correspondence and move to Benefits Administration
16. Extract **Refunds work** from Call Team and move to Disbursements
17. Account Management will become **RASC Management**
18. The CRCI Team will **manage relationships**
19. Focus on **root cause analysis and resolutions** within Research
20. Communications and Outreach will become **Communications** (Internal and External)
21. The CRCI Team will focus on **Training**
22. Leverage **Data & Analytics** to move our business forward

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