Retirement Administration Service Center

UCRS Advisory Board Meeting
UCRP Lump Sum Cashout Report

December 9th, 2022

UNIVERSITY OF CALIFORNIA

Lump Sum Cashout Overview

- To date **4,261 members** have elected to retire this **calendar year**
- Lump Sum Cashout – a high risk complexity – are requiring an **average** of **45 days** to generate a confirmation of benefits statement from the date the election was received.
  - Our current average represents an improvement in processing time from the previous year and **achievement** of our **service level agreement** (6 days)
- As of November 29th, **19%** or 796 **retirement elections requested** a **Lump Sum Cashout**
  - This represents 17% decrease from previous calendar year.
  - Of those, 70% have received distribution
- The **average age**, at the time of retirement, for this population is **60 years** with 51% separating from the University during the 2022 calendar year
  - The remaining **49% separated in previous years**.
- **RASC has not surveyed this population to understand decision trends***

*As previously agreed

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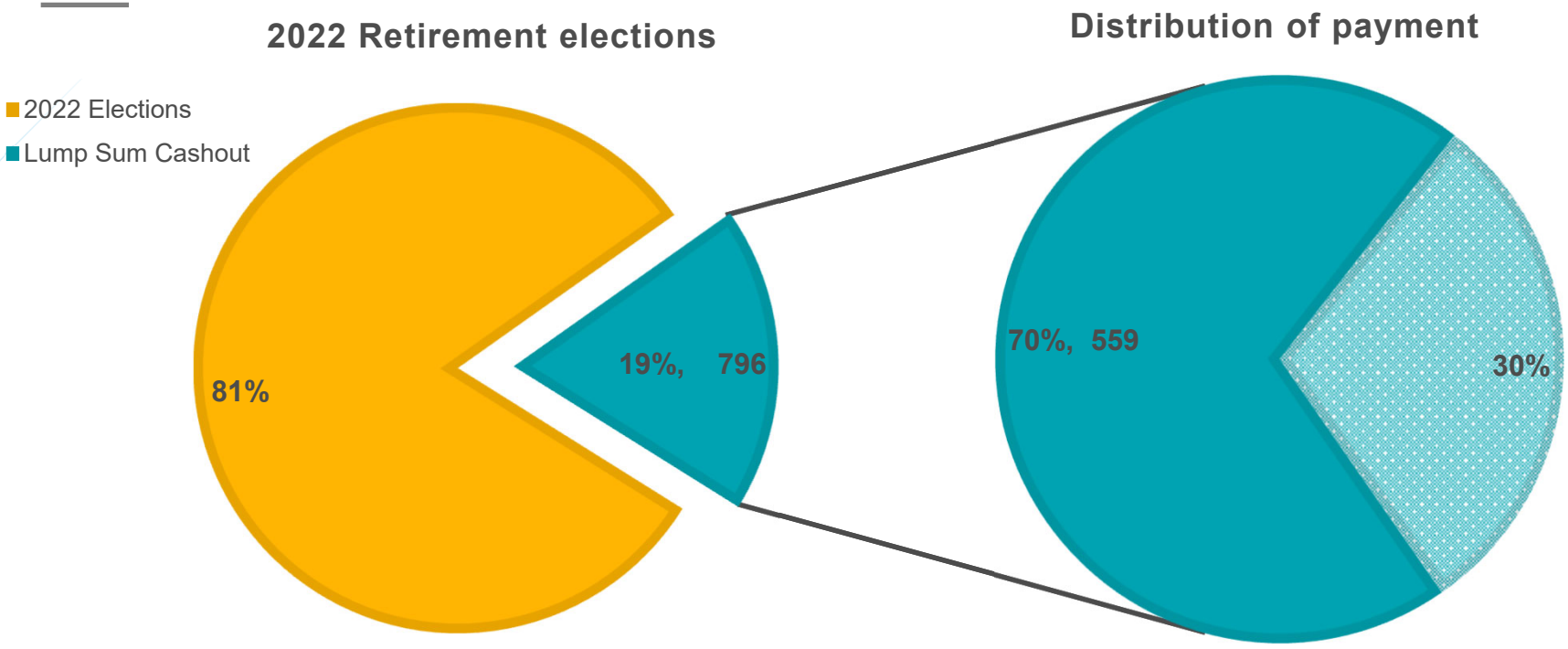
Retirement elections with a Lump Sum Cashout



4,261 total retirement elections

796 Lump Sum Cashout

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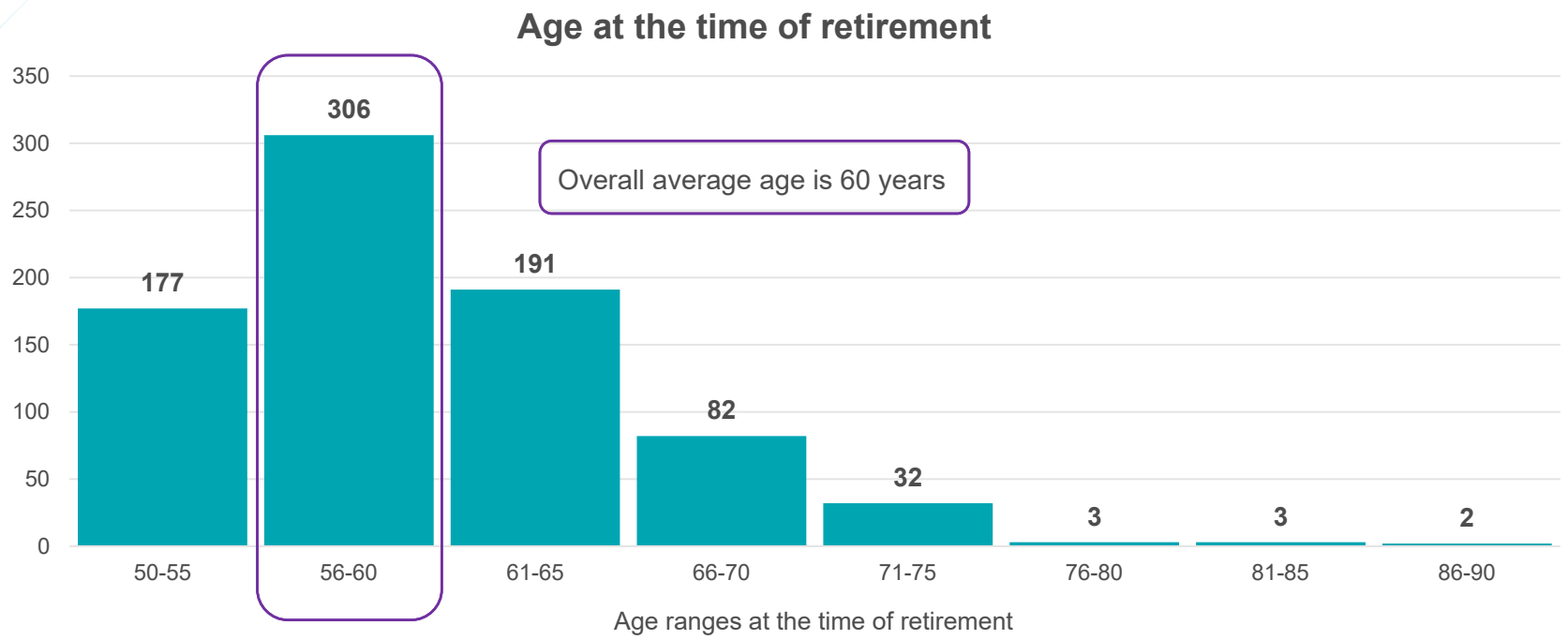
As of November 29th

Lump Sum Cashout average age at retirement



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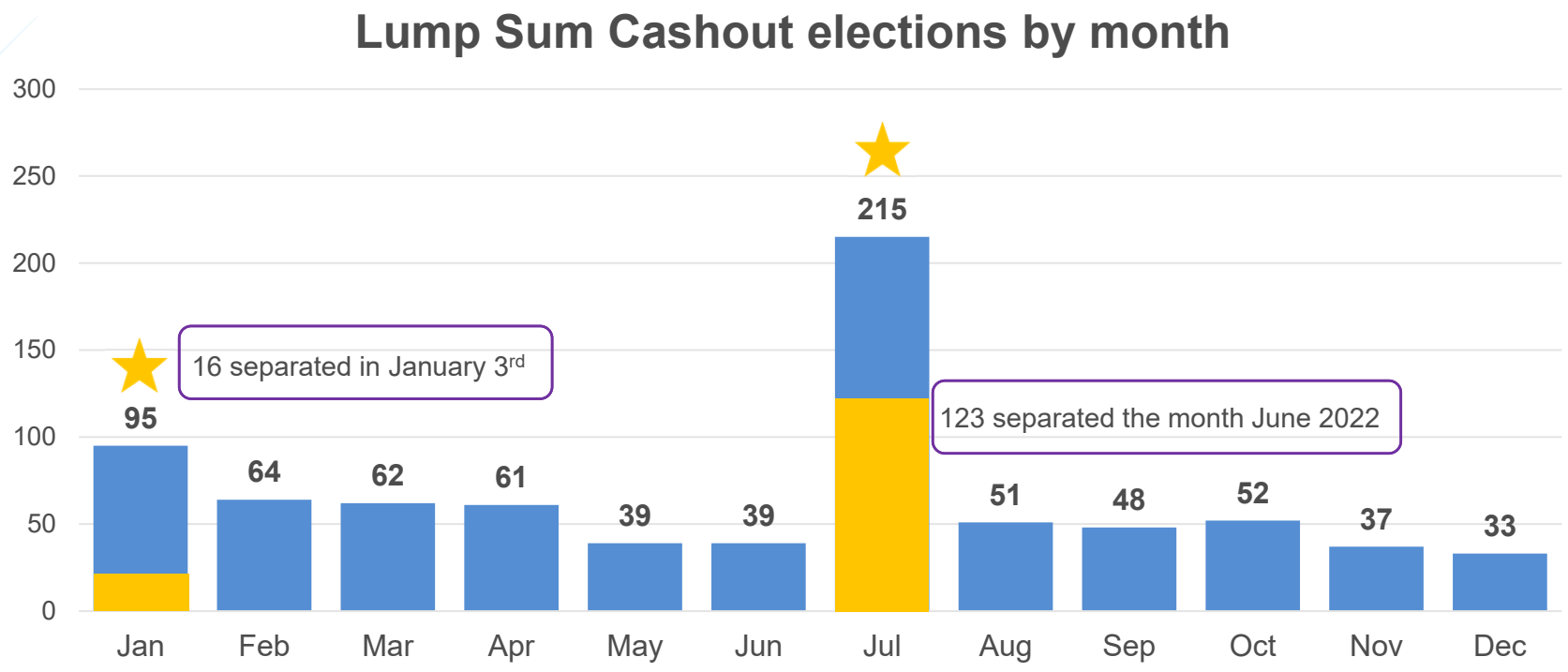
Lump Sum Cashout elections by month of retirement



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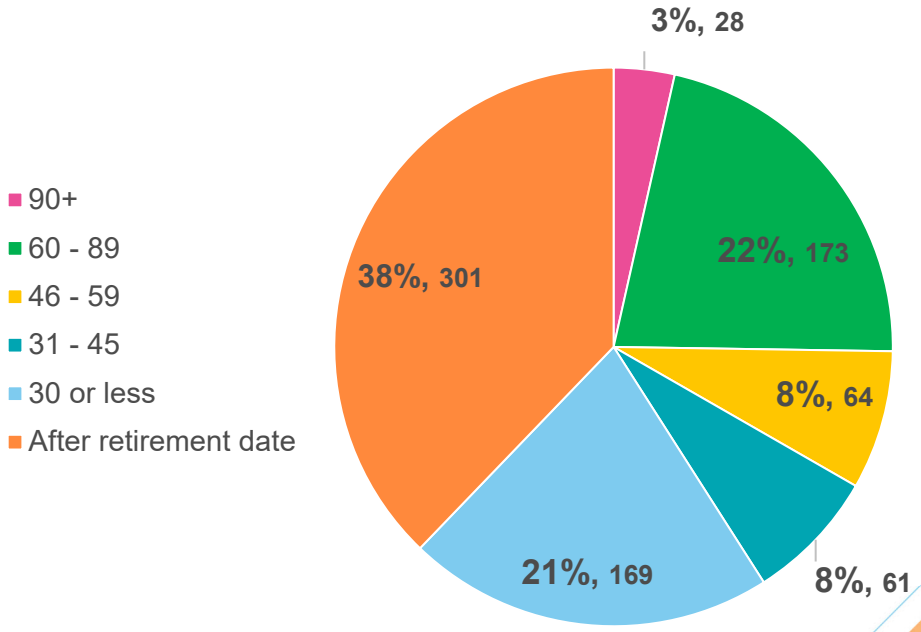
Lump Sum Cashout submittal trends

- **Service Level Agreement (SLA) is to provide a confirmation statement within 45 days of receipt of election:**
  - **796** retirement elections requested a **Lump Sum Cashout**
  - Most elections were received **after their retirement date**
  - 3% submitted >90 days
  - **22%** submitted **60 – 89 days**
  - 8% submitted **46 – 59 days**
  - 8% submitted 31 – 45 days
  - **21%** submitted **30 days or less**
  - **38%** submitted **after their retirement date**

# of days from receipt of election to retirement



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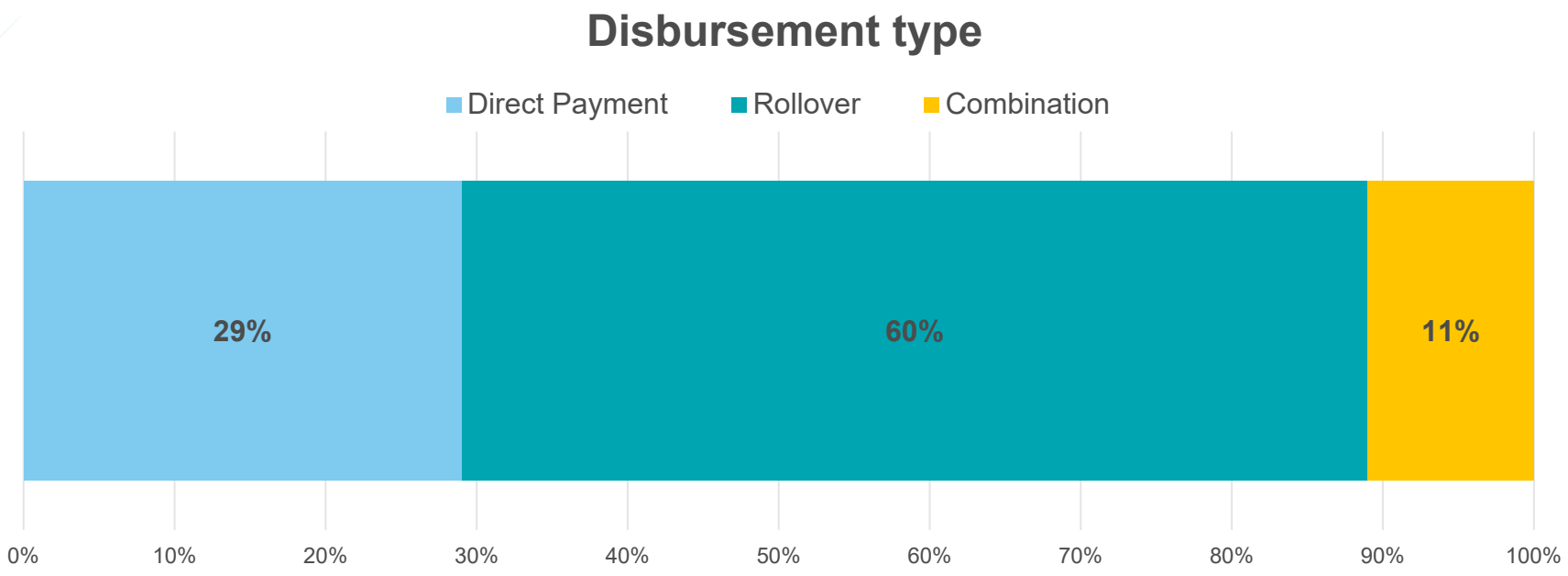
Payments by disbursement type



- **Direct Payment** – Paid to member
- **Rollover** – Rolled over to another employer's plan or Individual Retirement Account (IRA) (external rollover), or having the pretax portion rolled over to the UC DC Plan, 403(b) Plan or 457(b) Plan (internal rollover).
- **Combination** – Direct payment and rollover

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As of November 29th

Thank you

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