UNIVERSITY OF CALIFORNIA Retirement Savings Program

The University of California **Retirement Savings Program Operations and Education**

Vendor Relations Management

3Q2015 Report

UNIVERSITY OF CALIFORNIA Human Resources

Table of Contents

- Quarterly Highlights…… 3
- Plan Assets and Participation..... 4
- Participant Statistics…….. 5
- Retirement Readiness……. 6
- Onsite Education……...……...….. 7
- Participant Access……...…... 8
- Performance Standards……...….. 9

3Q2015 Highlights

Overall

- $19.1 billion in assets
- 310,300 unique participants with balance
- 403(b) Plan: participation rate 50.1%; average deferral rate 9.7%

Master Recordkeeping & Member Services

- Implemented Phase 3 of the Lost Participant Search project by comparing address-records at Fidelity against address-records at the University. Over 10,000 Lost Participants were identified with discrepancies. The mailing campaign followed in October.
- Finalized many Fidelity and Payroll file interface issues in preparation for the 11/1 go-live date at UCPath.
- Initiated discussions to address anticipated operational changes resulting from recommendations of the Retirement Options Task Force.

Communications & Education

- Successfully completed comprehensive communications plan for fund menu change communications with final “transfer complete” postcard to affected participants.
- Developed structure and content for redesigned retirement benefits portal.
- Held Annual Communication Review meetings with each UC Benefits Office to review location-specific results and discuss future needs.

Plan Participation

As of 9/30/2015	403b	DCP	457b	Total
Total Participants	129,089	283,006	29,975	**442,070**
Active Participants	81,437	172,324	22,599	**276,360**
Participants Terminated with Balances	47,652	110,682	7,376	**165,710**
Total Plan Assets	**$13,385,756,510**	**$3,904,270,429**	**$1,853,651,383**	**$19,143,678,322**

Unique participants with balance: 310,300

403(b) has 70% of total plan assets.

310,300 (up from 294,310 in 2Q) unique participants with a balance. Largest participation count in DCP due to mandatory contributions and Safe Harbor participation.

T and R status codes are included in the Terminated Participants counts, all other status codes are rolled into the Active Participant count.

The Lost Shareholder indicator is not factored into the total count; Lost Active participants are included in the Active counts and Lost Inactive participants are included in the Inactive counts.

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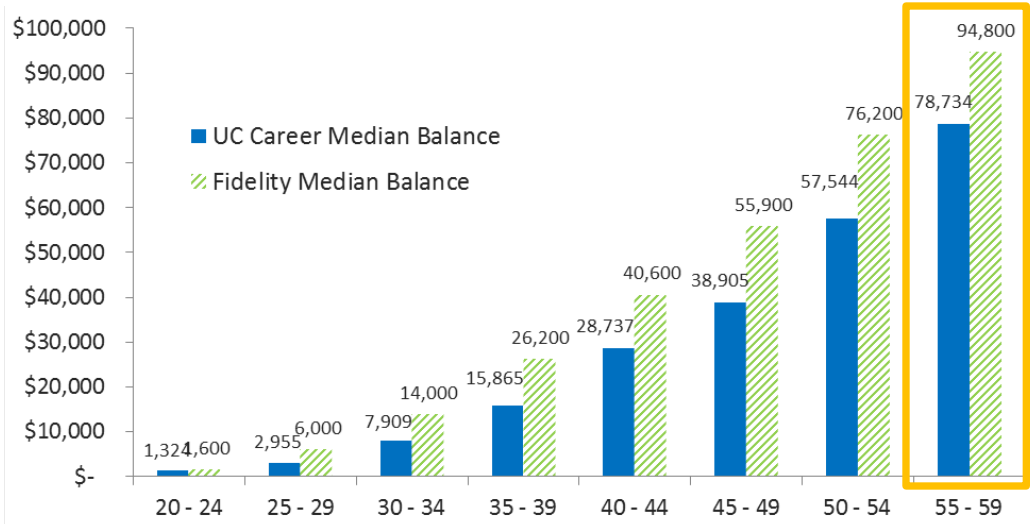
Participant Statistics

Median account balances of UC career employees are lower than Fidelity's book of business. Most concerning is balance of pre-retirees.

		UC RSP 9/30/2015	% Change vs 6/30/2015	% Change vs 9/30/2014
CAREER PARTICIPANTS*				
Plan Participation Rate**	403b	50.1%	-4%	1%
	457b	13.4%	-0.9%	0.3%
Average Deferral Rate	403b	9.7% / $906	-1% / 3%	-7% / 7%
	457b	10.5% / $1,391	2% /2%	2% / 6%
Median Partcipant Balance	403b	$28,419	-7%	-13%
	457b	$23,218	-7%	-5%
Average Partcipant Balance	403b	$90,991	-7%	-6%
	457b	$64,557	-5%	-0.5%

* Data taken from quarterly UC report (Active participants in 403b and 457b plans).

** Unique participation rate, participants deferring in at least one plan, was 51.9% in Q3.



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Retirement Readiness

RETIREMENT READINESS SCORES - % of career employees with 80% RR score or higher

SYSTEM	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+	ALL
RR Score of 80%	**96%**	**95%**	**87%**	**67%**	**59%**	**53%**	**49%**	**47%**	**37%**	**47%**	**59%**
CAMPUS											
< $50,000	96%	96%	85%	62%	46%	36%	31%	30%	23%	27%	56%
$50,001 - $80,000	95%	93%	87%	63%	56%	52%	51%	48%	37%	35%	58%
$80,001 - $120,000	0%	92%	86%	65%	65%	59%	59%	53%	44%	52%	60%
$120,001 - $250,000		78%	87%	69%	69%	67%	65%	63%	58%	69%	65%
> $250,000		0%	0%	40%	77%	55%	51%	47%	49%	68%	57%
All Wages	**95%**	**95%**	**86%**	**64%**	**58%**	**52%**	**50%**	**48%**	**42%**	**53%**	**59%**
MEDICAL CENTER											
< $50,000	97%	96%	86%	63%	44%	37%	25%	22%	13%	16%	52%
$50,001 - $80,000	95%	95%	87%	72%	58%	50%	41%	38%	22%	20%	56%
$80,001 - $120,000	100%	96%	90%	76%	66%	58%	52%	49%	32%	28%	64%
$120,001 - $250,000		96%	94%	81%	76%	69%	66%	59%	44%	46%	67%
> $250,000			100%	100%	100%	50%	47%	54%	47%	76%	60%
All Wages	**97%**	**96%**	**89%**	**73%**	**62%**	**54%**	**47%**	**44%**	**30%**	**32%**	**60%**
OTHER LOCATIONS											
< $50,000	94%	82%	88%	71%	53%	41%	50%	27%	33%	22%	61%
$50,001 - $80,000	83%	89%	86%	54%	49%	51%	48%	36%	24%	33%	53%
$80,001 - $120,000		100%	93%	60%	61%	56%	56%	49%	39%	37%	57%
$120,001 - $250,000		100%	93%	72%	70%	66%	65%	57%	46%	58%	62%
> $250,000				0%	75%	33%	30%	42%	44%	50%	41%
All Wages	**91%**	**90%**	**89%**	**61%**	**61%**	**58%**	**57%**	**49%**	**39%**	**43%**	**58%**

About 48% of employees, aged 50-59 are on track to have 80% income replacement from the UCRP and RSP sources.

We are exploring alternative ways to show a more realistic view of retirement readiness.

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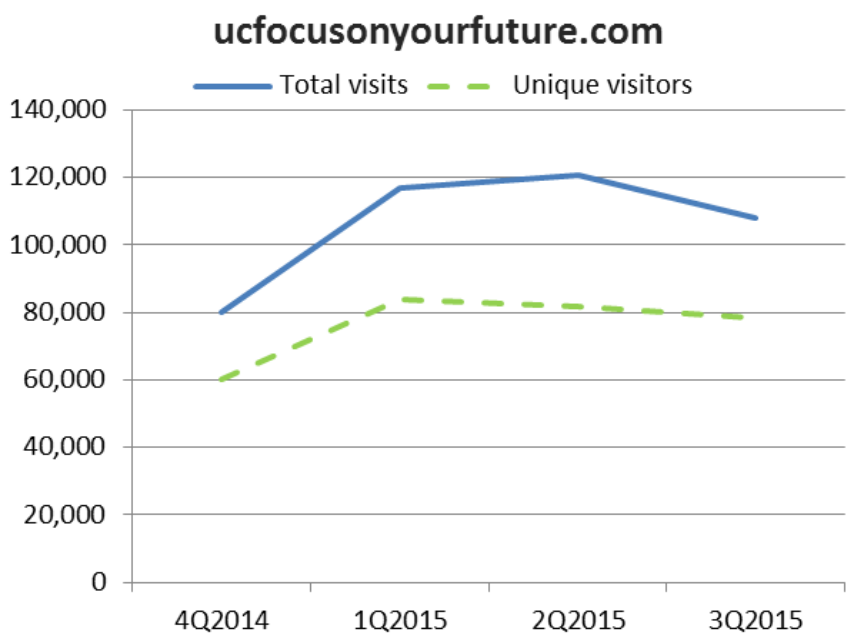
Onsite Education

Onsite events continue to be extremely popular with nearly 40,000 employees attending in 2015 (to date).

	EVENTS		ATTENDANCE	
EDUCATION	**3Q2015**	**YTD**	**3Q2015**	**YTD**
Onsite events	938	3,013	7,880	26,563
One-on-One Guidance sessions				
in person	1,403	5,285	1,403	5,285
telephonic	805	4,057	805	4,057
Webinars	9	45	212	1,146
TOTAL	**3,166**	**12,456**	**10,706**	**38,655**



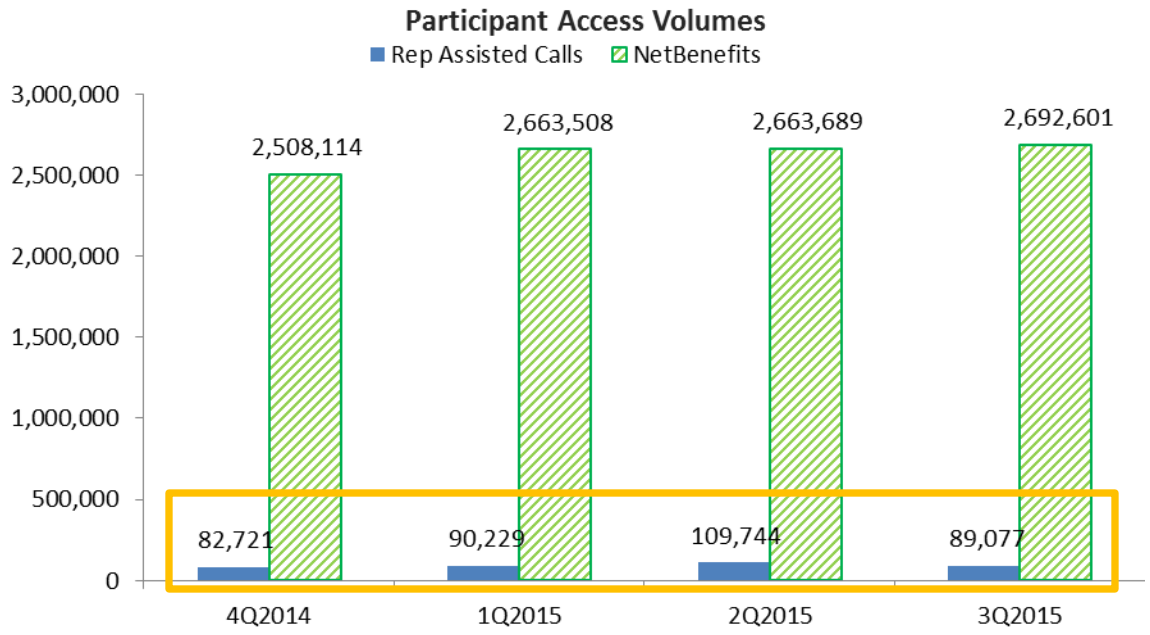
Portal visits have decreased. High volumes in previous quarter likely attributed to fund menu change.

Expect utilization to increase in 1Q2016 when redesigned site goes live with 2016 Retirement Reviews.

Participant Access

Representative-assisted calls fell from last quarter. High volumes in 2Q2015 likely attributed to fund menu change.

Netbenefits continues to have extremely high volume.



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Performance Standards

Average Speed to Answer performance standard was missed by 4 seconds.

Metric	Standard	Q3 Result	Q3 '15	Q2 '15	Q1 '15
Average Speed to Answer	30	not met	34	26	91
Call Abandonment Rate	3%	met	2%	1%	5%
VRS Availability	99%	met	100.00%	99.99%	99.77%
NetBenefits Availability	99%	met	99.75%	99.69%	99.67%
PSW Availability	99%	met	99.82%	99.85%	99.69%
One-and-Done Rate	90%	met	97.54%	97.93%	96.59%
Case Management	95% in 5 bus. days	met	98.40%	97.35%	98.42%
Case Management	99% in 10 bus. days	met	99.65%	99.24%	99.50%
Contribution Reconciliation	same day	met	100.00%	100.00%	100.00%
Transaction Processing	99%	met	99.98%	99.98%	99.97%
Quarterly Online Statements	99% availability	met	yes	yes	yes
Quarterly / Annual Paper Statements	20th next month	met	yes	yes	yes
Plan Sponsor Service Review	annual	met	complete	complete	complete
Participant Survey	annual	met	complete	complete	complete
Enrollment Materials	90% rec w/in 2 weeks	met	yes	yes	yes
RC Financial Education Report	monthly	met	yes	yes	yes
Annual Business Planning	annual	met	complete	complete	complete
UC Documents in NetBenefits	72 hours	met	yes	yes	yes
Overall Workshop Rating	95%	met	96.79%	96.79%	96.81%
Overall Plan Sponsor Satisfaction	annual	met		passed	
Quarterly / Annual Plan Reporting	100% w/in 10 days	met	yes	yes	yes
Quarterly VRM Report	45-60 bus. Days	met	yes	yes	yes
Portal - Data Accuracy	100%	met	yes	yes	yes
Portal - Accuracy of Output	100%	met	yes	yes	yes
Portal - Access	98%	met	yes	yes	yes
Portal - Maintenance / Link accuracy	100%	met	yes	yes	yes