UCRS Advisory Board

Meeting of February 19, 2016

AGENDA ITEM D

Retirement Savings Program – Suggested Amendment to the Defined Contribution Plan Pretax Account to Allow Distributions for Active Participants Beginning at Age 70 ½

Principal Analyst Jenkins will briefly discuss a suggested amendment to the UC Defined Contribution Plan (DC Plan) Pretax Account to allow active participants to take a distribution of pretax contributions and earnings beginning at age 70 ½. Any decision to change the in-service distribution rules in the DC Plan Pretax Account will require Regental approval.

Under current plan provisions, distributions of pretax contributions and earnings from the DC Plan Pretax Account are not allowed until a participant separates from University service. This prohibition on in-service distributions from the DC Plan Pretax Account is more stringent than in-service distribution rules applicable to the Tax-Deferred 403(b) (403(b) Plan) and the 457(b) Deferred Compensation Plan (457(b) Plan). Active participants can take an in-service distribution from the 403(b) Plan upon attaining age 59 ½ and from the 457(b) Plan upon attaining age 701/2.