UCRS Advisory Board

Meeting of February 25, 2011

AGENDA ITEM G

Retirement Savings Program - Vendor Relations Management Report

Kris Lange, Director of Vendor Relations Management, along with Adam Chen-Ok and Bill Ryan, Managers in Vendor Relations Management, will provide the Board with an update on participant experience with Fidelity Retirement Services, which provides account and record-keeping functions along with financial education and communication services for the UC Retirement Savings Program.

Attachment

University of California
Retirement Savings Program
Vendor Relations Management
Quarterly Report for Q4 2010

Data provided by Fidelity Retirement Services, UC's master recordkeeper for the DC Plan, 403(b) Plan, and the 457(b) Plan

Table of Contents

Quarterly Highlights 1

Financial Education Program Performance Guarantees 2

Customer Satisfaction Index Scores 3

Workshop Summary 4

Fidelity's Quarterly Performance 5

Key Statistics 6, 7

Plan Assets Under Management at Fidelity 8

Average Participant Balance 9

Average Balance by Age 10

Number of Funds per Participant 11

Cash Flow Summary 12

Loans by Participant Account Balance 13

Customer Transactions by Channel 14

Account Access Comparison 15

Participant Access Volumes 16

Participant Account Activity by Type 17

Retirement Savings Program
Q4 2010 Highlights

Quarterly Performance Rating: Meets Expectations

Quarterly Highlights

- **Net Cash Flow for the 4th Quarter was negative (page 6). Factors contributing to this include decreased contributions, as well as increased withdrawals due to default MRDs (minimum required distributions) and *de minimis* distributions of student employee accounts (page 12)**

- **Participation rates continue to decline, although loan activity also appears to be declining after reaching a high point in the second quarter of 2010 (page 7)**

- **Median balance for career participants remains below Fidelity's other tax exempt clients (page 8). This difference exists for all age bands (page 9)**

Retirement Savings Program
Financial Education Highlights

Financial Education Program Performance Guarantees

	Trend Indicator	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Workshop ratings	=	met	met	met	met
Timely delivery of enrollment materials	=	met	met	met	met
Fidelity Retirement Counselor activity report	=	met	met	met	met
UC Documents in NetBenefits	=	met	met	met	met

▲ Improving

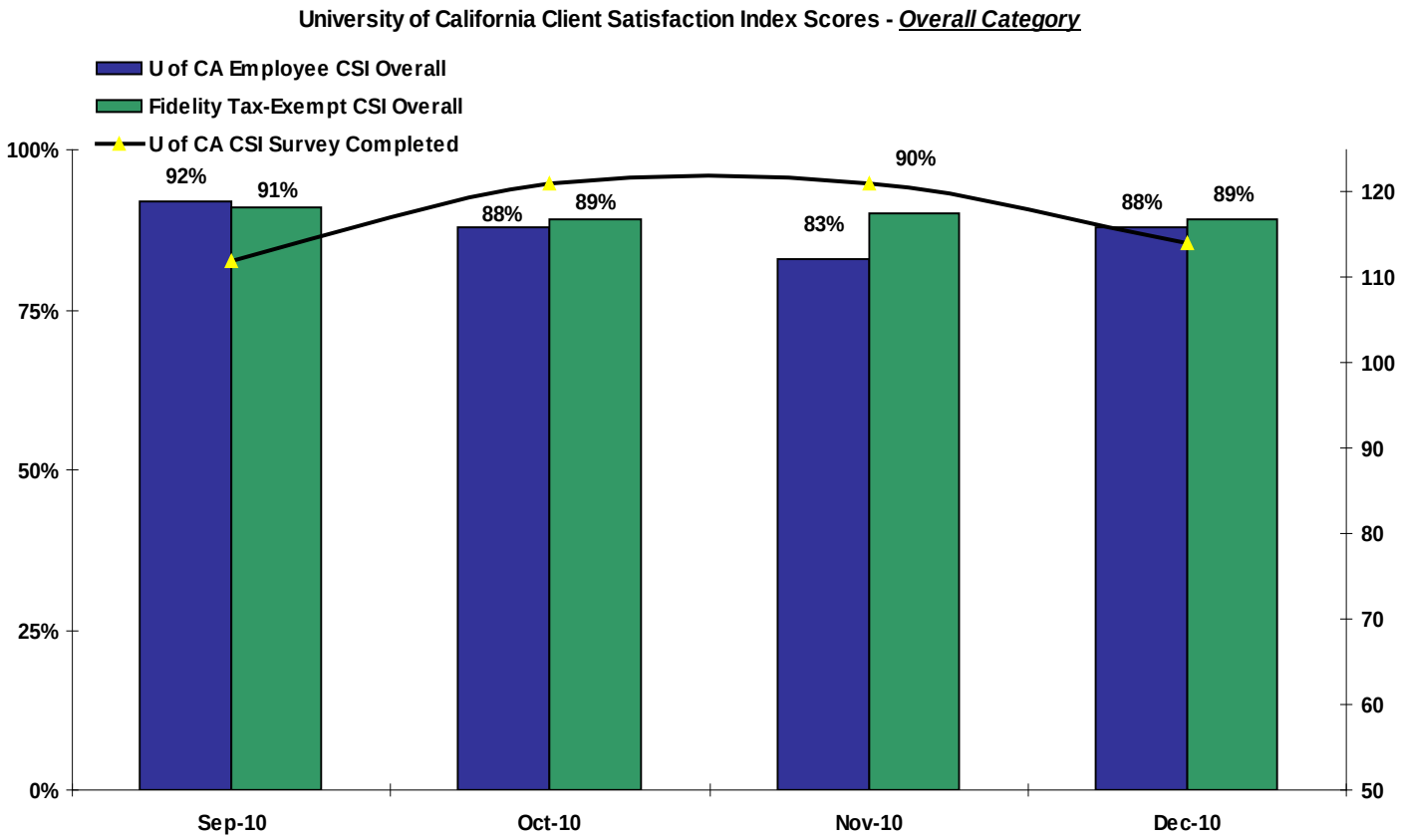
= Stable

● Needs Improvement

UC Employee Satisfaction Recordkeeping Services

Customer Satisfaction Index Scores
University of California Plan Participants
September 2010 – December 2010

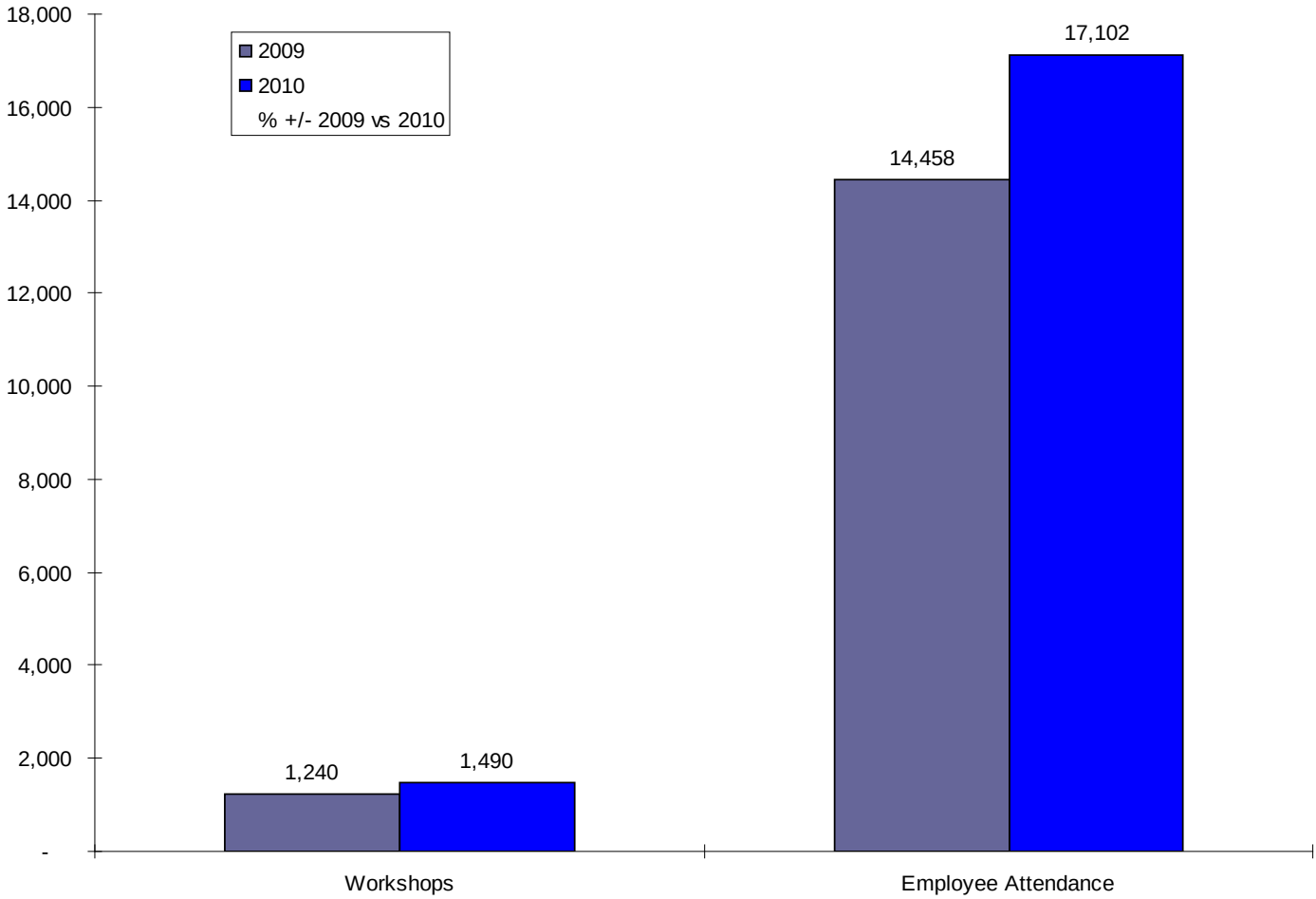
(voluntary survey completed after speaking with a Fidelity Retirement Services Specialist)



Rolling 4-month comparison of Top 2 Box (Very Satisfied & Satisfied) CSI scores for the University of California participants vs. Fidelity Retirement Services Tax-Exempt Market

Retirement Savings Program
Financial Education Workshop Summary

Workshop Summary
Through December 2010



	Overall Workshop Rating "Excellent" or "Very Good"	Overall Presenter Rating "Excellent" or "Very Good"	# of Surveys
October 2010	97%	100%	536
November 2010	99%	100%	420
December 2010	97%	100%	208
		total	1,164

Retirement Savings Program
Fidelity's Quarterly Performance

	Performance Standard	Q4 Result	Q4 '10	Q3 '10	Q2 '10
Average Speed to Answer	30	met	28	25	26
Call Abandonment	3%	met	2%	2%	2%
VRS Availablity	99%	met	100.00%	100.00%	100.00%
NetBenefits Availability	99%	met	99.98%	99.97%	99.98%
PSW Availability	99%	met	99.89%	99.86%	99.99%
One-and-Done Rate	85%	met	92.17%	91.00%	94.18%
Case Management	90% in 5 bus. days	met	99.27%	99.19%	99.58%
	99% in 10 bus. days	met	99.89%	99.91%	99.92%
Contribution Reconciliation	same day	met	100.00%	100.00%	100.00%
Withdrawal/loan Processing	99%	met	99.89%	99.98%	99.98%
Quarterly 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 Activity 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	90%	met	98.00%	98.00%	96.00%

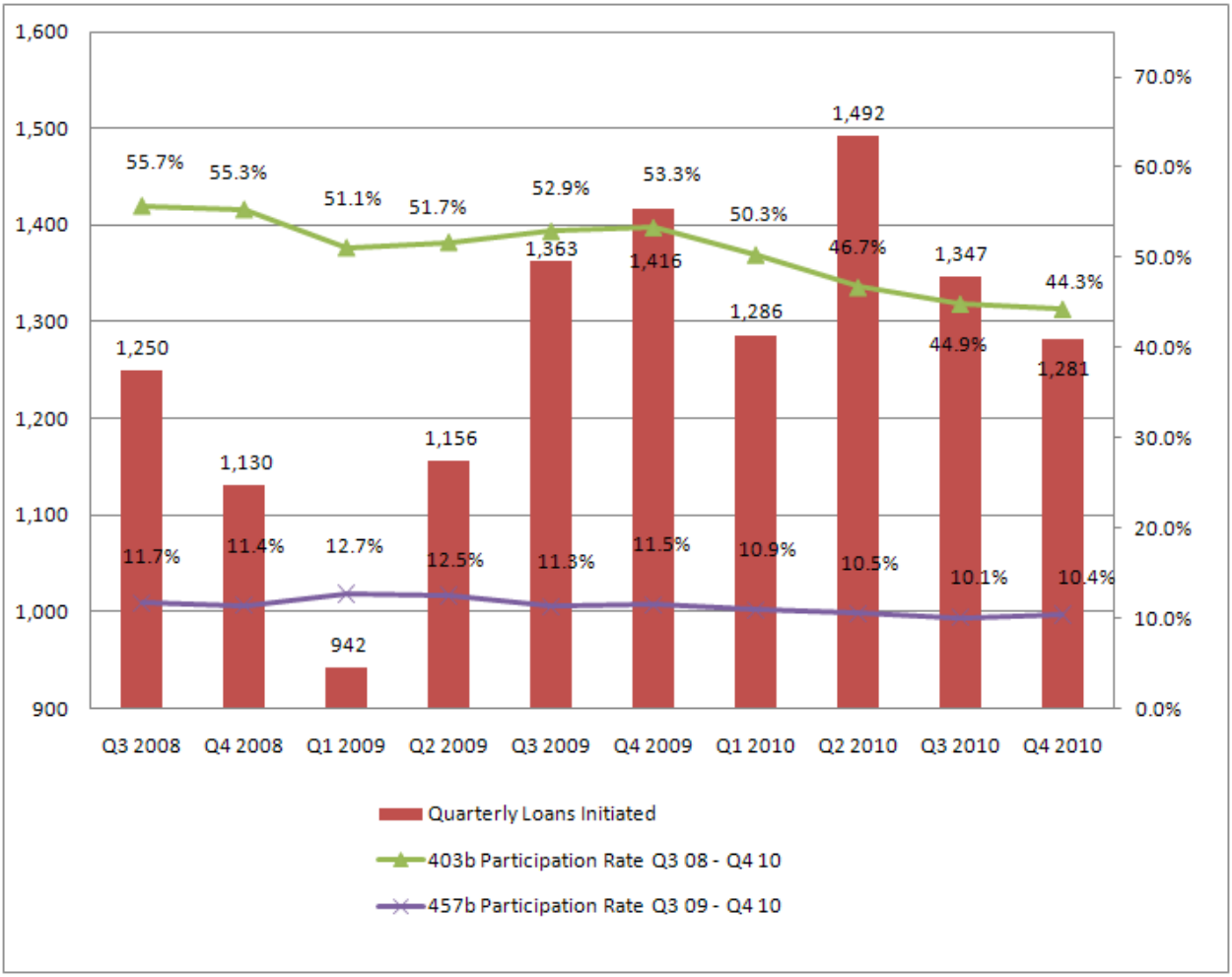
Retirement Savings Program
Key Statistics

		UC RSP 12/31/2010	% Change vs 9/30/2010	% Change vs 12/31/2009
Total Plan Assets		$15.5B	5%	11%
Total Assets UC Funds		$11.3B	3%	8%
Total Assets Fidelity Funds		$3.9B	8%	16%
Total Assets Other		$300M	14%	39%
Net Cash Flow (YTD)		$66M	(54%)	(83%)
Career Participants				
*Plan Participation Rate	403b	44.3%	(1%)	n/a
	457b	10.4%	3%	
*Average Deferral Rate	403b	10.7% / $757	0% / (1%)	n/a
	457b	11.1% / $1,292	(1%) / (2%)	
*Median Partcipant Balance	403b	$29,142	4%	n/a
	457b	$23,353	2%	
*Average Partcipant Balance	403b	$78,349	6%	n/a
	457b	$44,960	6%	

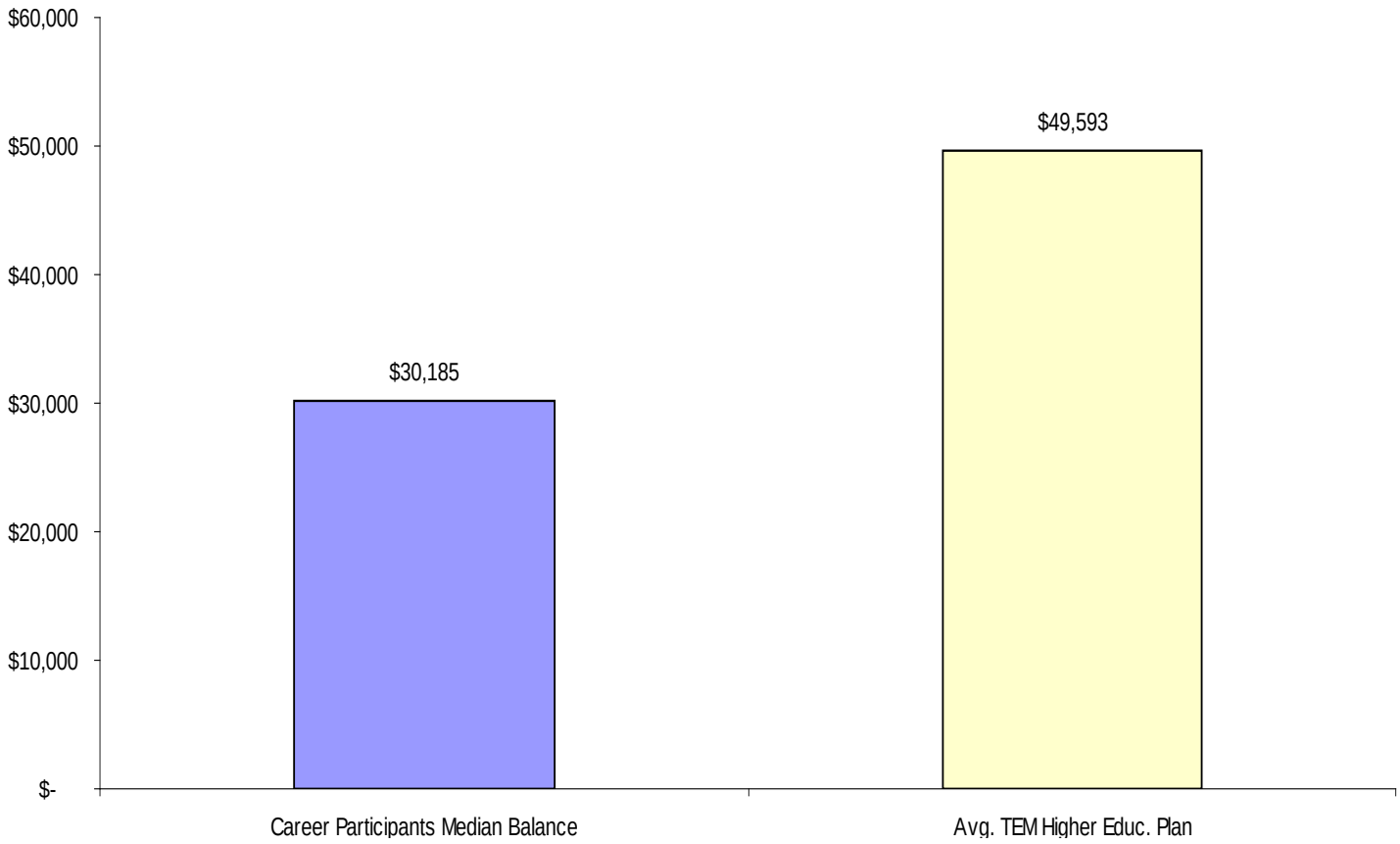
***Data taken from quarterly UC report (Active participants in 403b and 457b plans)**

Retirement Savings Program
Key Statistics

Participation Rates and Loan Activity Over Time

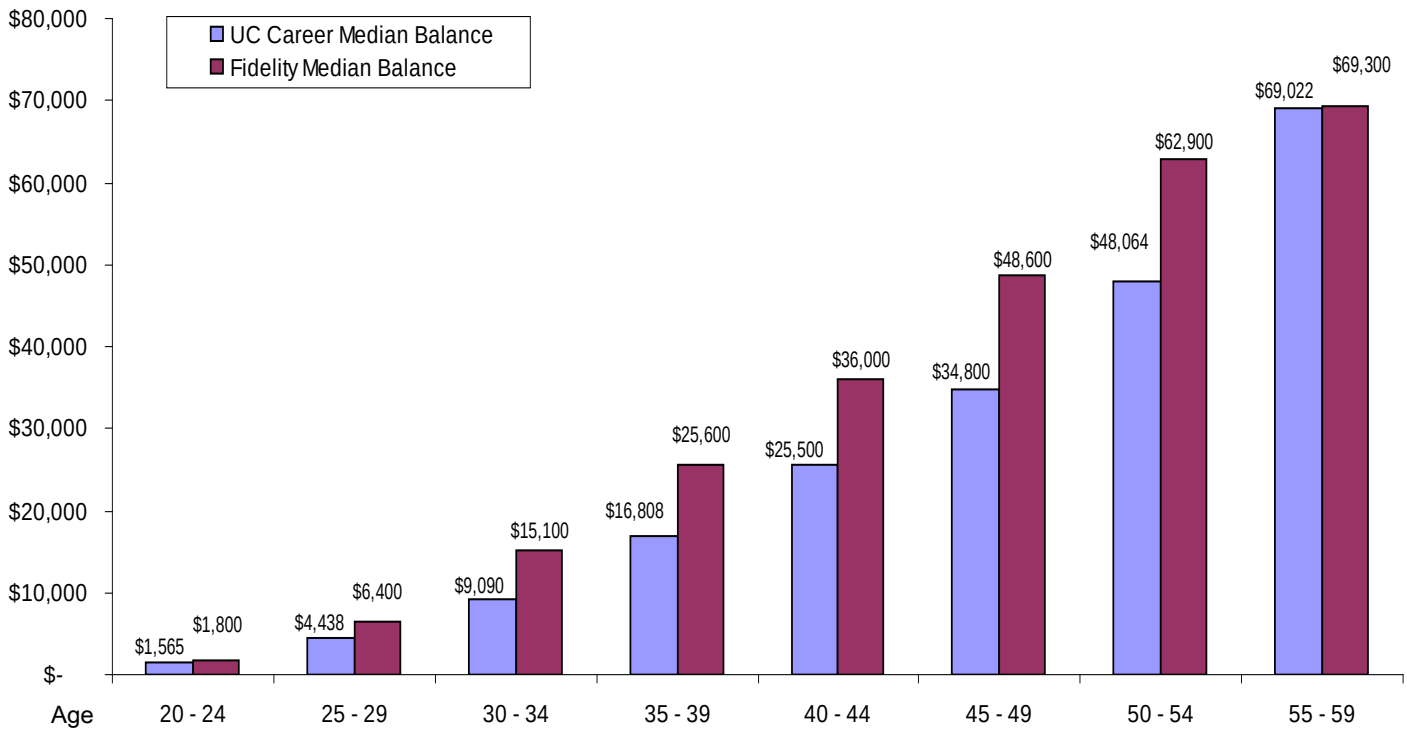


Retirement Savings Program
UC Median Balance vs.
Average Tax Exempt Market Participant Balance



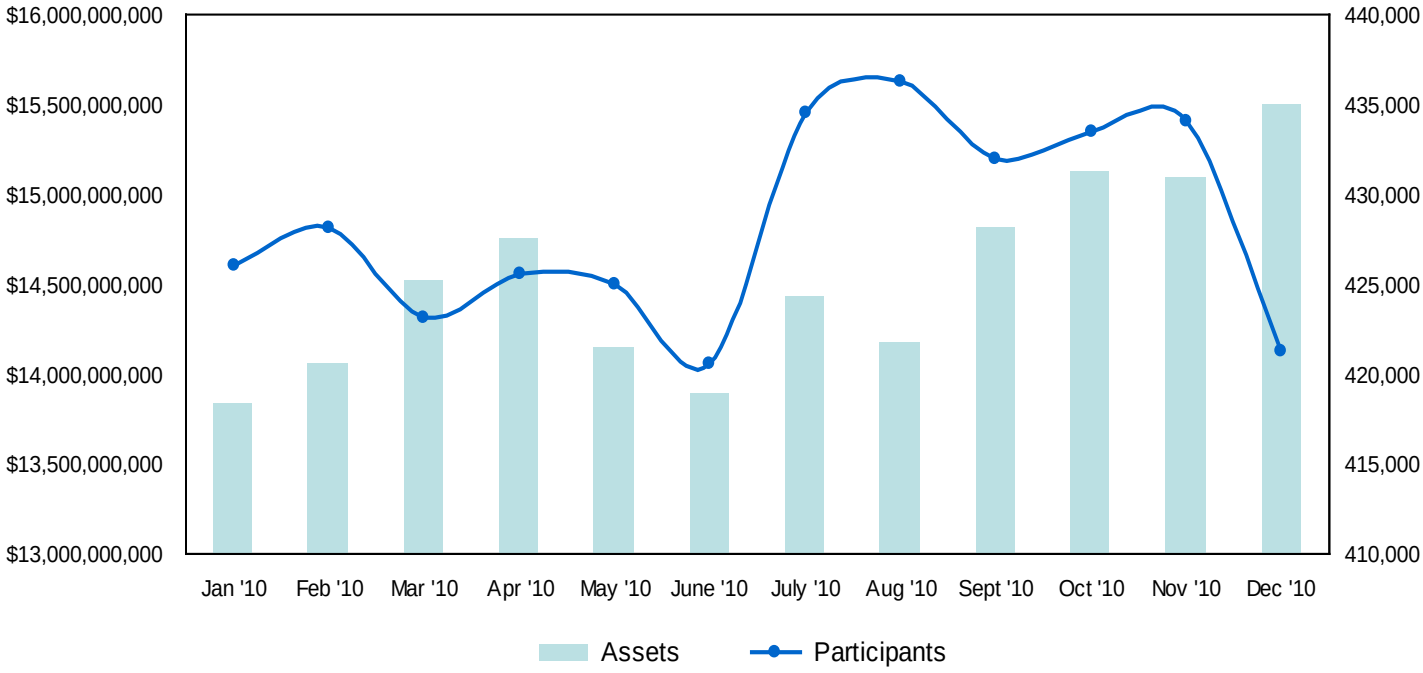
Data taken from quarterly UC report (Total balance of 403b and 457b plans)

Retirement Savings Program
Active Participants Median Balance by Age



Data taken from quarterly UC report (Total balance of 403b and 457b plans)

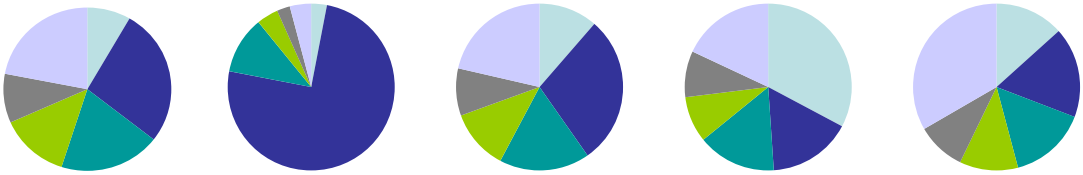
Retirement Savings Program
Plan Assets Under Management at Fidelity



As of 12/31/2010	403b	DCP	457b	Total
Total Participants	121,736	277,318	22,245	421,299
Active Participants	74,083	177,888	16,820	268,791
Inactive Participants	47,653	99,430	5,425	152,508
Total Plan Assets	$10,864,890,704	$3,693,560,311	$943,939,174	$15,502,390,189

Retirement Savings Program
Single-Investment Option Holders

Information as of 12/31/2010



How many participants hold:	403b	DCP	457b	Industry peers	Same-size peers
1 Fund (Lifecycle Fund)	8.2%	3.1%	11.4%	32.9%	13.2%
1 Fund (Non-Lifecycle Fund)	27.4%	74.9%	28.7%	15.9%	17.6%
2 Funds	19.5%	11.1%	17.7%	15.3%	15.1%
3 Funds	13.3%	4.3%	11.6%	9.1%	11.4%
4 Funds	9.5%	2.3%	9.1%	8.8%	9.2%
5 or more Funds	22.0%	4.3%	21.5%	18.0%	33.4%
Average # of Funds Held	3.4 funds	1.6 funds	3.3 funds	1.8 funds	3.5 funds

		Participants holding this fund			
Funds held as a single investment	**Asset class**	**403b**	**DCP**	**457b**	**Total**
UC SAVINGS FUND	Money Market or Short-Term	15,599	188,962	2,069	206,630
UC EQUITY FUND	Domestic Equity	6,765	7,603	941	15,309
UC BALANCED GROWTH	Balanced/Hybrid	3,374	2,064	877	6,315
UC ICC FUND	Managed Income or Stable Value	1,744	1,102	629	3,475
UC BOND FUND	Bond	807	789	271	1,867
Plus 176 other funds	-	5,009	7,128	1,590	13,727
Lifecycle Funds	-	10,038	8,501	2,538	21,077
BrokerageLink	-	42	34	14	90
		43,378	216,183	8,929	268,490

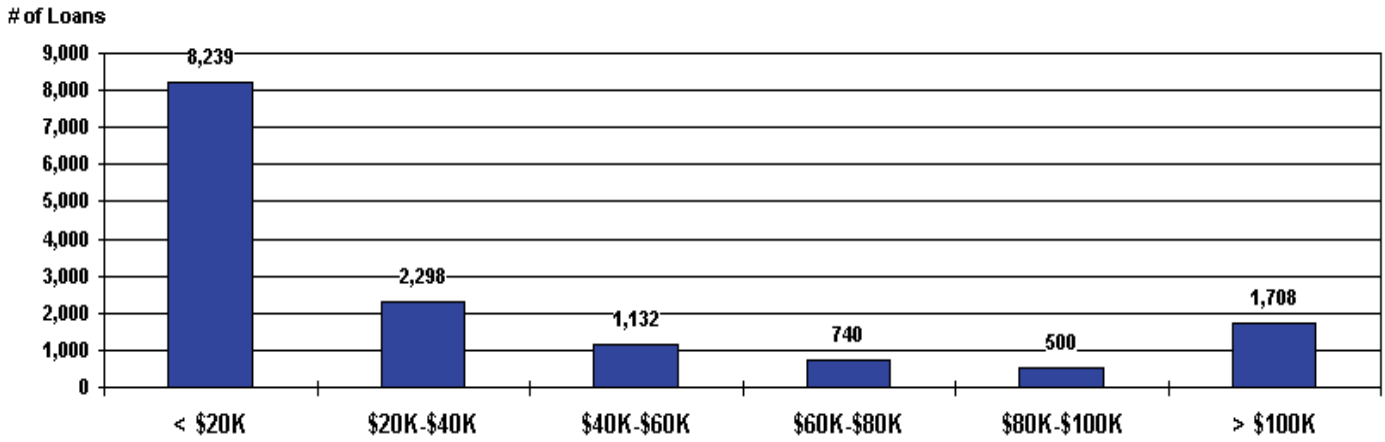
For plans that offer Fidelity BrokerageLink, it will appear as a fund (rather than a product offering) for purposes of providing plan data.

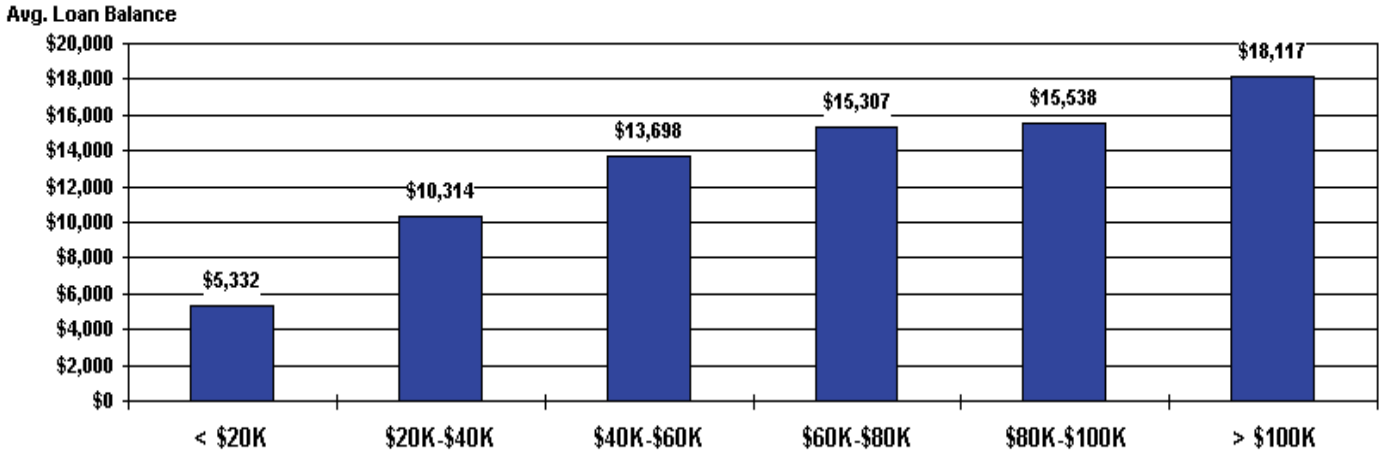
Retirement Savings Program
Cash Flow Summary

Cash Inflow	Quarter ending: 12/2010	Quarter ending: 9/2010
Contributions		
403b:	$101,942,183	$116,056,997
457b:	$ 31,134,234	$ 35,452,681
DCP:	$ 21,411,627	$ 35,858,413
Rollover/Transfer In:	$ 38,785,947	$ 52,343,704
Total	$193,273,991	$239,711,795
Loan Repayments	$ 11,034,705	$ 11,451,240
Interest on Loans	$ 1,514,084	$ 1,669,027
Balance Forward	$ 8,353	$ 17,748
Total Cash Inflow	$205,831,133	**$252,849,810**

Cash Outflow	Quarter ending: 12/2010	Quarter ending: 9/2010
Loan Withdrawals	($14,945,523)	($16,021,165)
Withdrawals		
Full Payout:	($147,735,740)	($126,291,570)
MRD:	($ 55,865,662)	($ 7,498,393)
Partial Distribution:	($ 27,704,766)	($ 20,868,953)
Age 59.5:	($ 22,976,267)	($ 21,459,958)
De Minimis Distribution	($ 5,092,064)	($ 2,420,466)
SWP	($ 4,147,164)	($ 3,849,514)
Partial After Tax/Rollover Payout:	($ 4,123,853)	($ 1,909,090)
Hardship-Sponsor Directed:	($ 1,009,245)	($ 1,102,715)
Age 70.5 In-Service Distribution:	($ 561,211)	($ 483,949)
TOA:	($ 301,172)	($ 330,675)
Unforeseen Emergency:	($ 120,450)	($ 34,859)
Total	($269,637,594)	($186,250,142)
Transaction-based Fees	($180,920)	($174,187)
Total Cash Outflow	($284,764,037)	**($202,445,494)**
Net Cash Flow	($78,932,904)	**$50,404,316**

Retirement Savings Program
YTD Loans by Participant Account Balance





Total Participants in balance category:	47,386 Participants	18,083 Participants	10,730 Participants	7,616 Participants	5,684 Participants	32,237 Participants

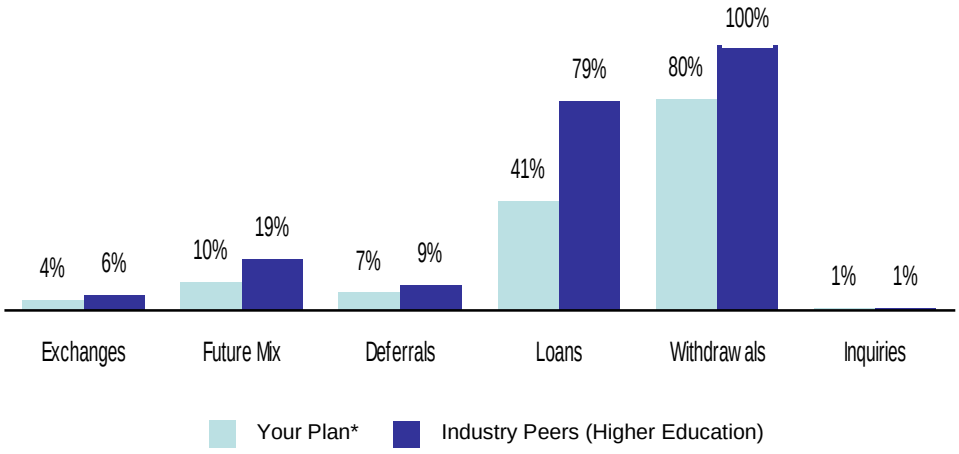
	Total Loans	Original Amount	Outstanding Loans	Outstanding Balance	Loans Defaulted	Default Amount
3 Month Change	-131	$1,677,154	-127	$8,128,642	30	$1,640,462
6 Month Change	76	$2,728,831	83	$9,292,605	49	$1,653,369
9 Month Change	-69	$472,514	-62	$7,026,380	60	$1,498,362
12 Month Change	-135	-$127,949	-129	$6,322,669	-29	$572,023

Retirement Savings Program
Customer Transactions by Channel

For the 12-month period ending 12/31/2010

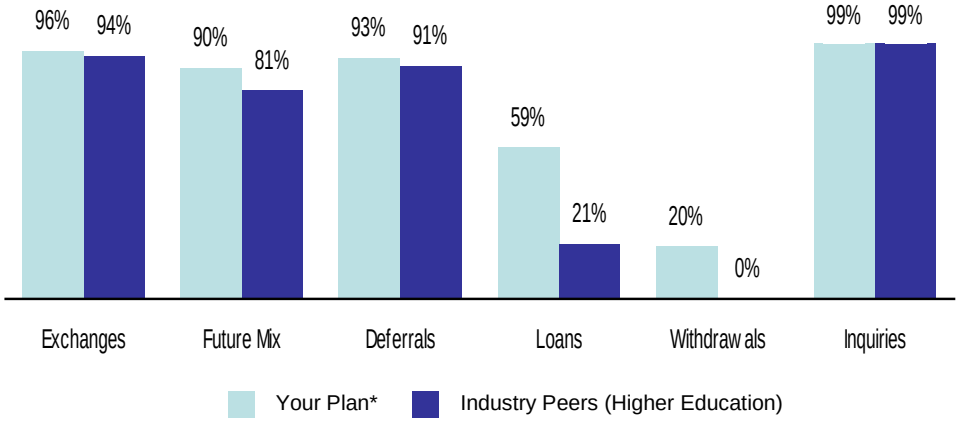
Phone Representatives

Plan	Total Unique SSNs
403b	31,394 (26% of participants)
DCP	23,421 (8% of participants)
457b	3,333 (15% of participants)
Total contacts	346,726



NetBenefits® (Web)

Plan	Total Unique SSNs
403b	80,817 (66% of participants)
DCP	117,909 (43% of participants)
457b	19,229 (86% of participants)
Total contacts	28,074,409



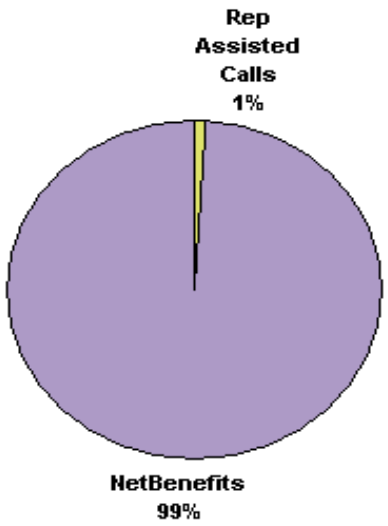
* Percentages based on (Plan 403b: 121,736 participants), (Plan DCP: 277,318 participants), (Plan 457b: 22,245 participants)

Retirement Savings Program Account Access Comparison and Participant Access Volumes

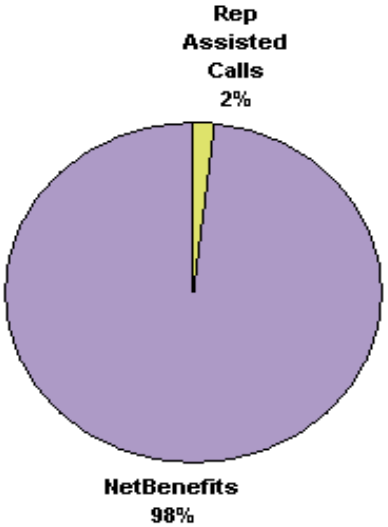
Account Access Comparison

1/1/2010 - 12/31/2010

UNIVERSITY OF CALIFORNIA

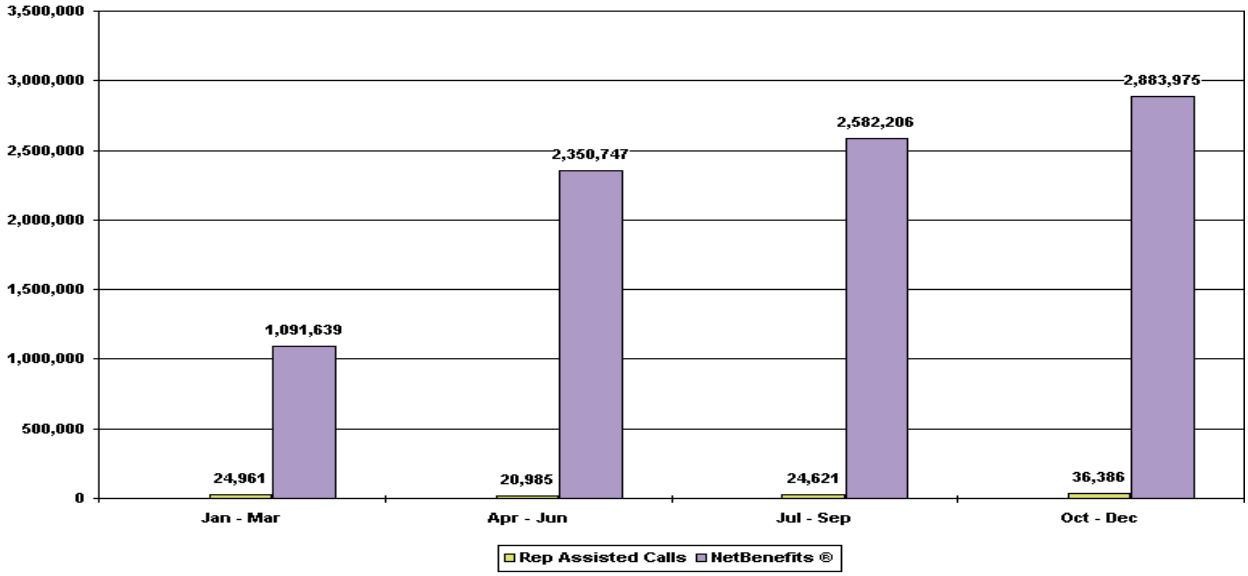
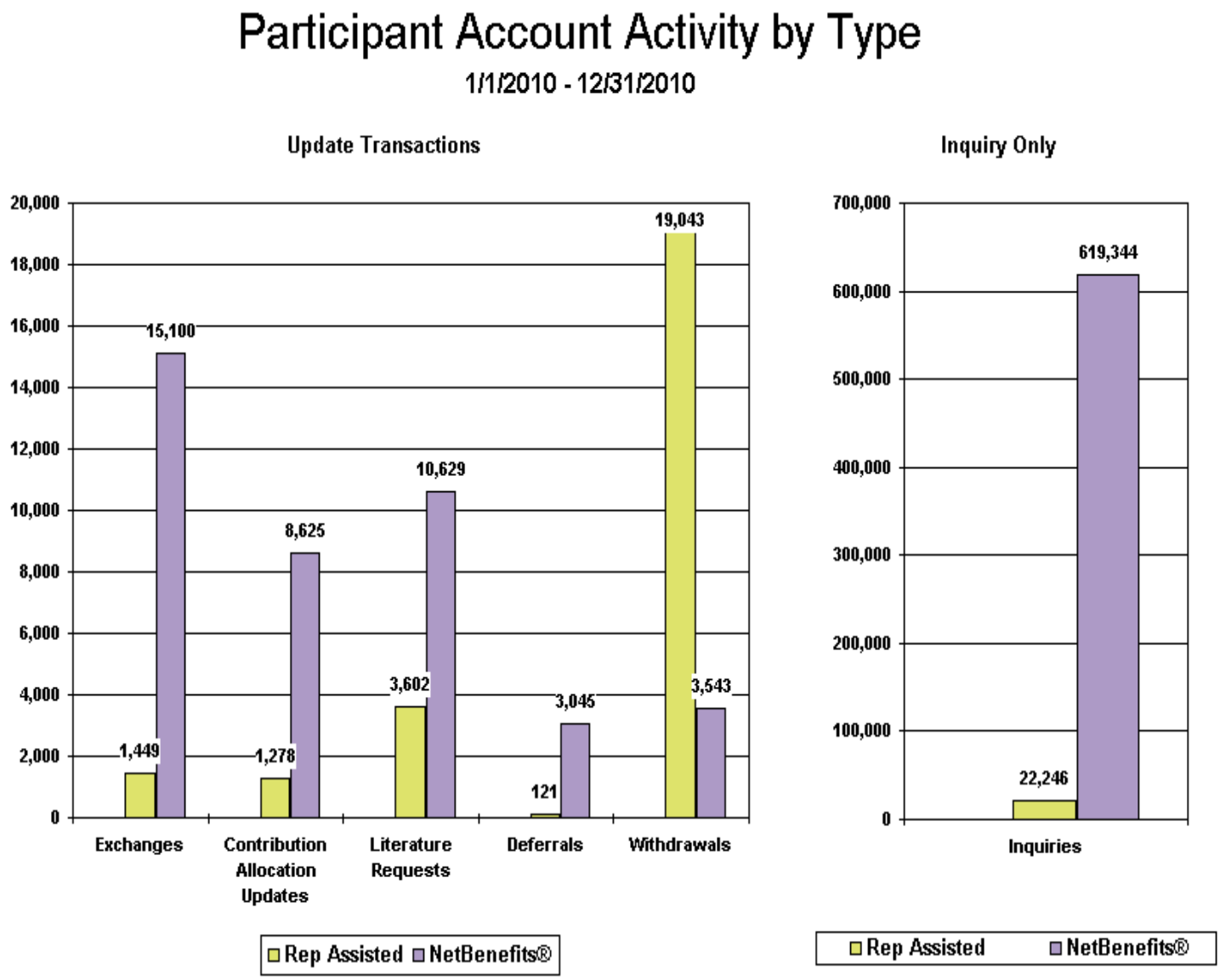


AVG. FITSCO HIGHER EDUC. PLAN



Participant Access Volumes

1/1/2010 - 12/31/2010



Retirement Savings Program
Participant Account Activity by Type