The University of California
Retirement Choice Program

Election data as of 1/14/2018

UNIVERSITY OF CALIFORNIA Human Resources

v. 2/14/18

Executive Summary

- Starting July 1, 2016, the Retirement Choice Program offers newly hired/eligible employees the option to choose between Pension Choice and Savings Choice for their primary retirement benefit.
  - Covered compensation for Pension Choice is subject to the PEPRA max (unless have pre-7/1/16 service); currently $118,775.
  - The DC supplement for Pension Choice differs for Designated Faculty and Staff groups.
  - There is a 90-day election window before defaulting into Pension Choice.
- The experience to date shows that the level of active Pension Choice (33%), default Pension Choice (30%) and active Savings Choice elections (37%) are similar. **Overall, 63% are enrolled in Pension Choice and 37% in Savings Choice.**
- There were **13,536** employees eligible to choose between Pension Choice and Savings Choice who were hired on/after July 1, 2016 and completed their 90-day election cycle by January 14, 2018.
  - Of these, **44%** were rehires or existing employees who achieved a newly eligible status (Safe Harbor -> career) in the time period – thus not subject to the PEPRA max.
- New hires under collective bargaining units are becoming eligible as the units are accepting the Choice Program. 73% of these employees are enrolled in Pension Choice.
- The IRS private letter ruling request for a “second Choice window” for Savings Choice elections has been submitted. Pension Choice election would remain irrevocable.

Data For Choice-Eligible Employees

- hired/newly eligible since 7/1/16

- who completed their 90-day election cycle as of 1/14/18

UNIVERSITY OF CALIFORNIA Retirement Choice Program

Elections by Covered Compensation Limit

1) Count

7/1/16 – 1/14/18	Elected Pension Choice	Defaulted Pension Choice	Elected Savings Choice*	Total Eligible
NOT Subject to PEPRA max	1,799	1,999	2,189	5,987
Subject to PEPRA max	2,722	2,074	2,753	7,549
TOTAL	**4,521**	**4,073**	**4,942**	**13,536**

2) Percent of Total Elections

7/1/16 – 1/14/18	Elected Pension Choice	Defaulted Pension Choice	Elected Savings Choice*	Total Eligible
NOT Subject to PEPRA max	13%	15%	16%	44%
Subject to PEPRA max	20%	15%	21%	56%
TOTAL	**33%**	**30%**	**37%**	**100%**

* Covered compensation under Savings Choice option subject to IRC limit, not PEPRA max.

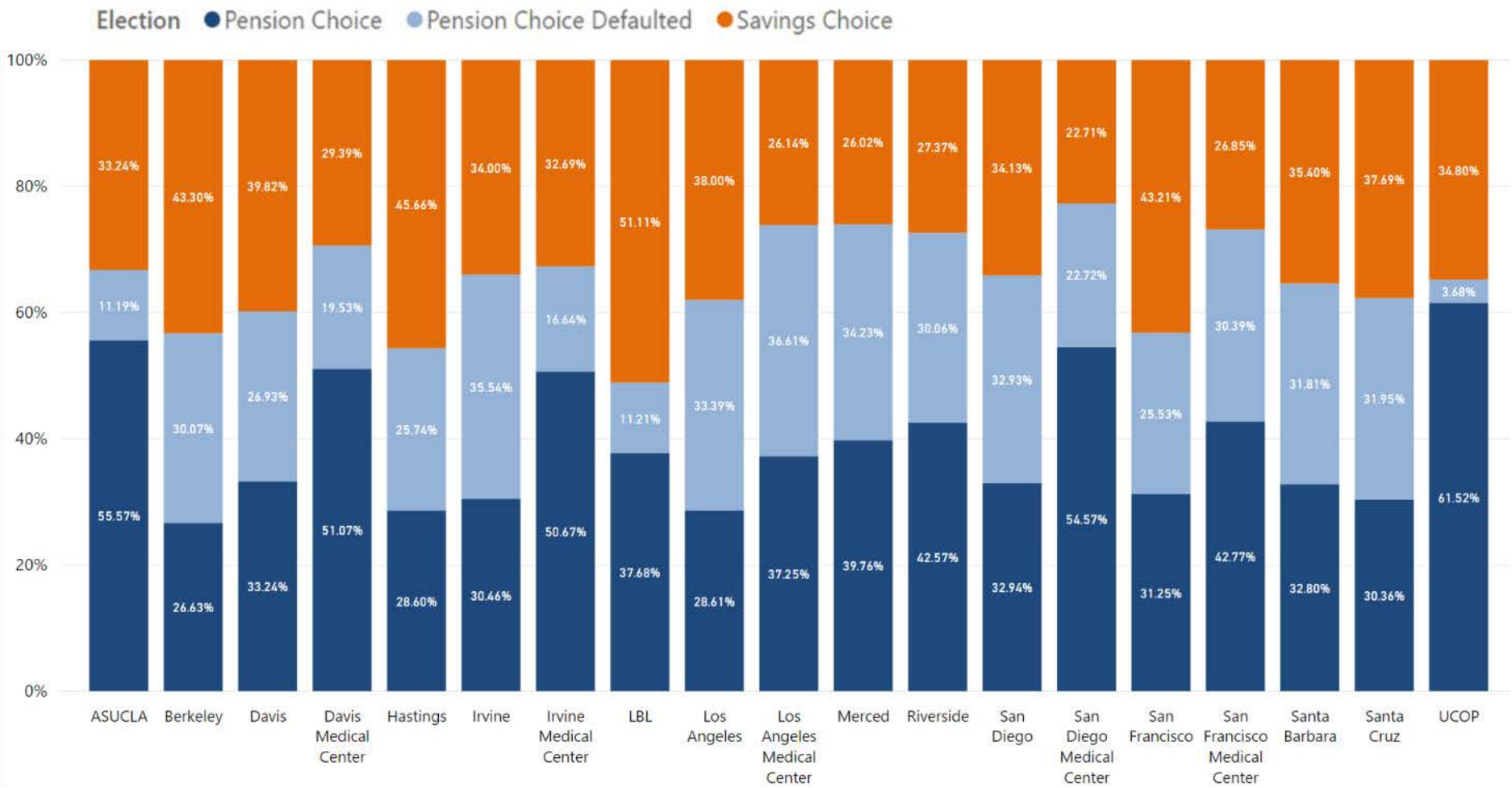
UNIVERSITY OF CALIFORNIA Retirement Choice Program

Elections by Salary

UNIVERSITY OF CALIFORNIA

Retirement Choice Program

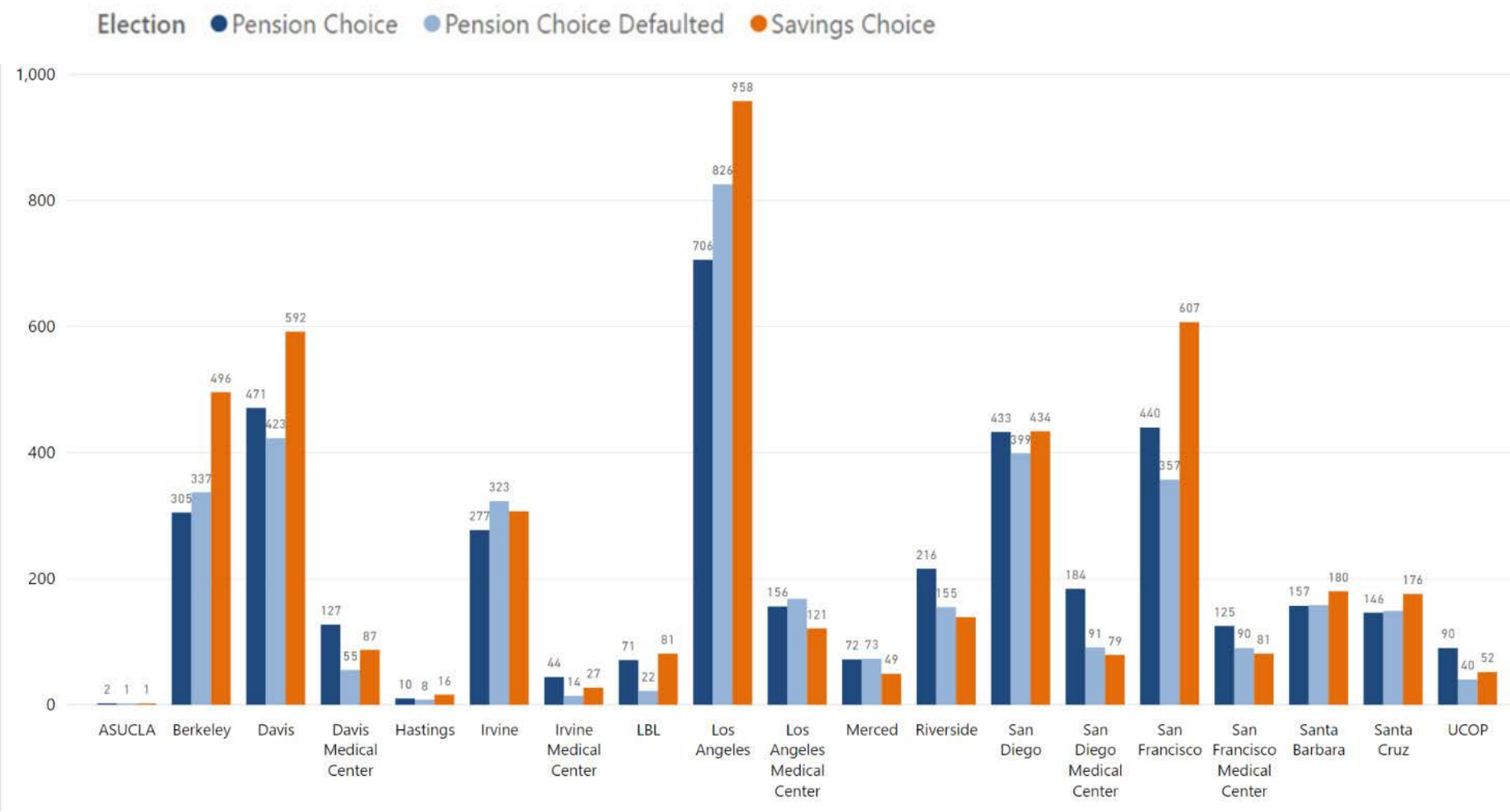
Elections by Location (percentage)



UNIVERSITY OF CALIFORNIA

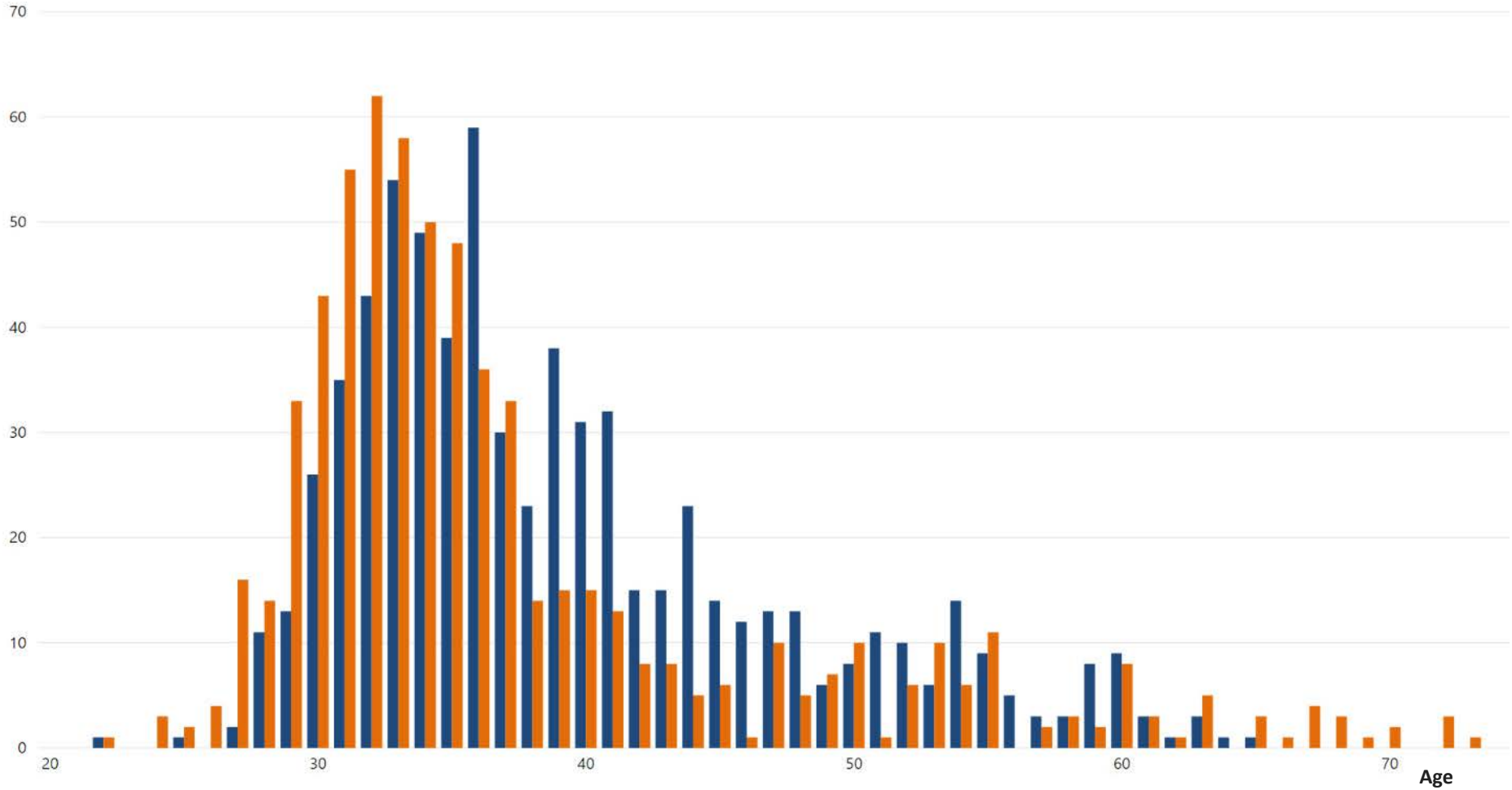
Retirement Choice Program

Elections by Location (counts)



UNIVERSITY OF CALIFORNIA Retirement Choice Program

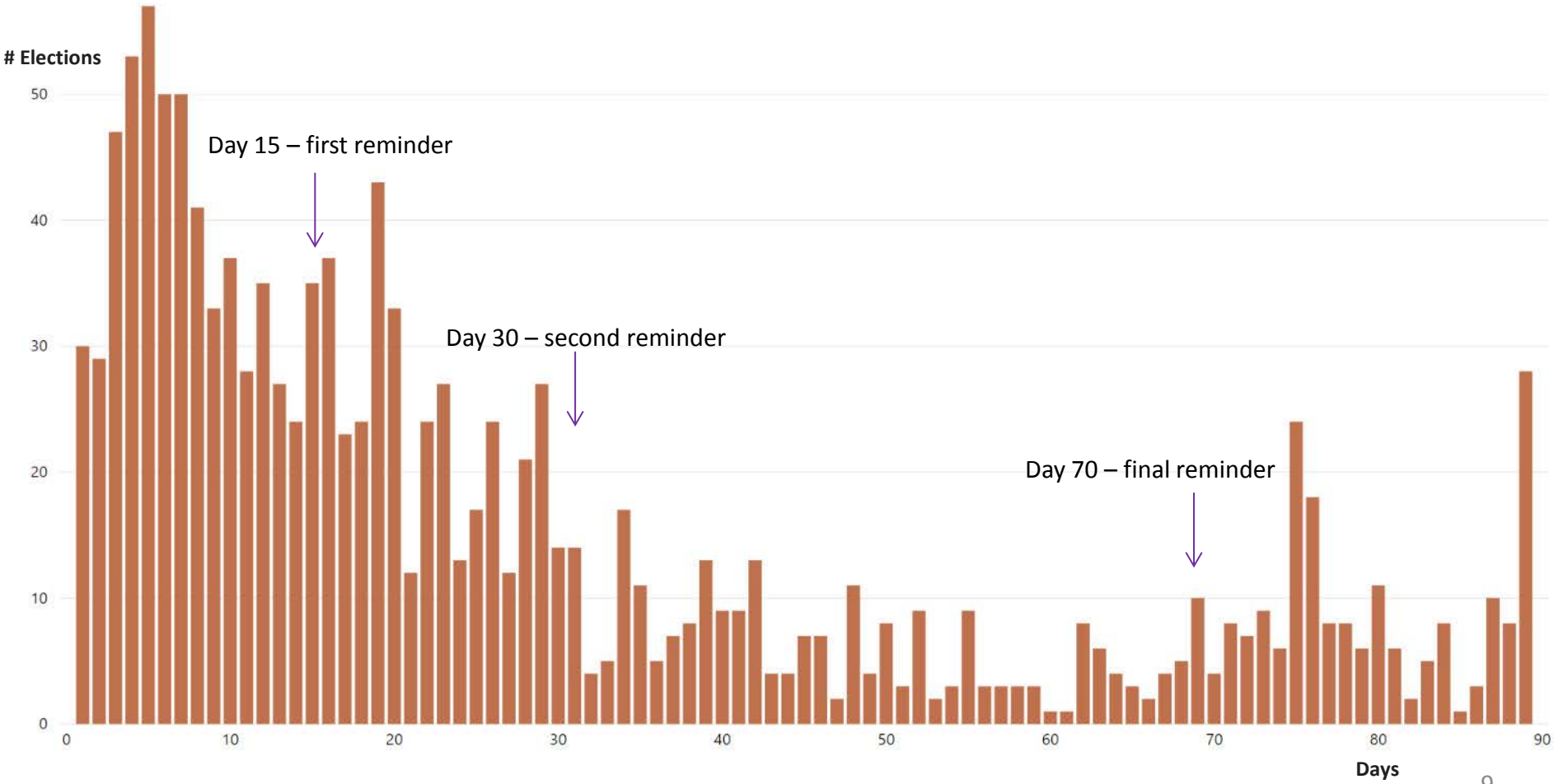
Elections by Age



Dominant Enrollment	Savings Choice	Pension Choice	Mixed	Savings Choice

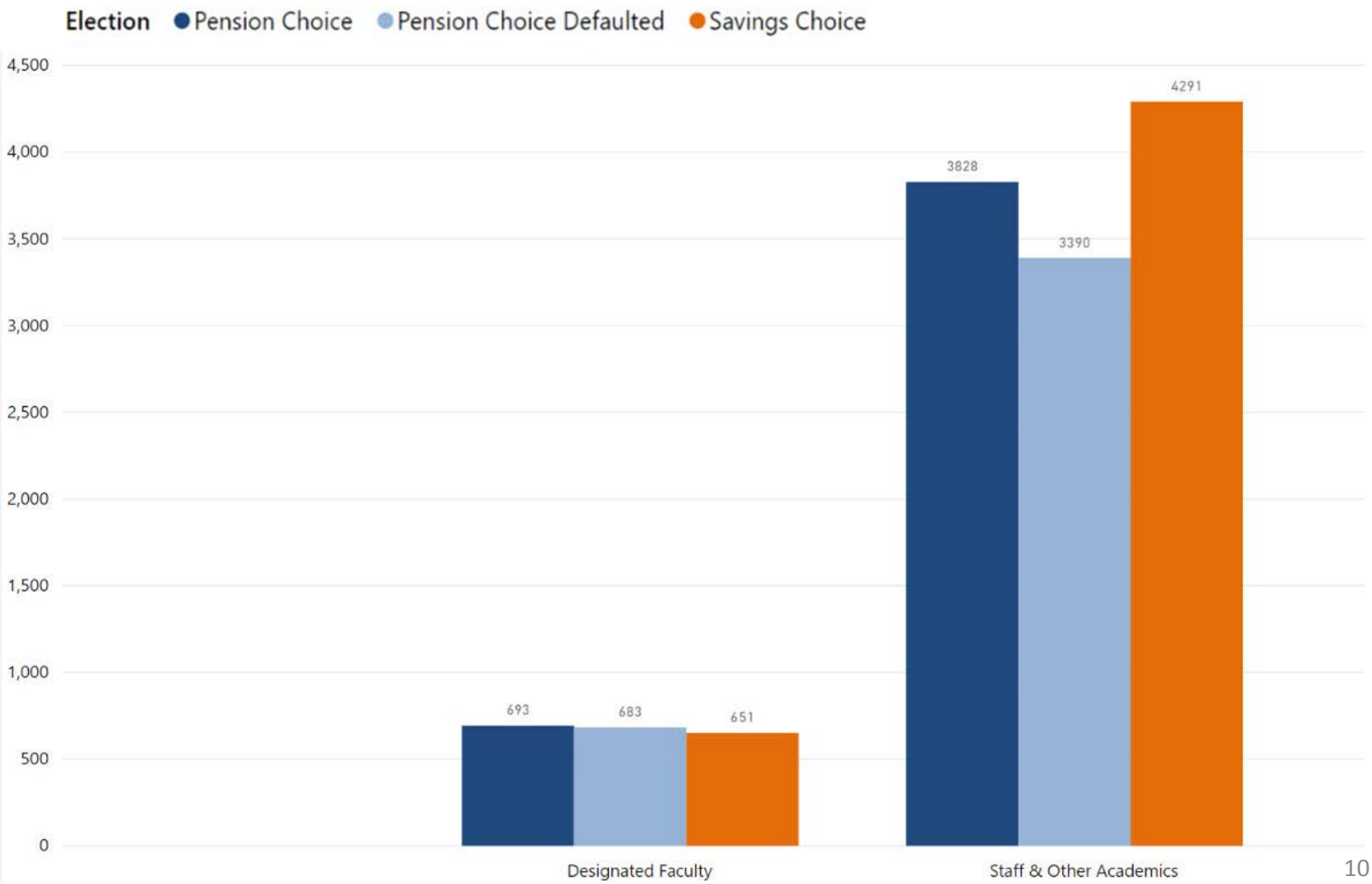
Days to Election

- Spikes in elections follow reminder mailings.



UNIVERSITY OF CALIFORNIA Retirement Choice Program

Elections by Designated Faculty vs Staff



UNIVERSITY OF CALIFORNIA Retirement Choice Program

Elections by Select Bargaining Units

- 73% of employees in select bargaining units are enrolled in Pension Choice, compared to 63% of total eligible.

7/1/16 – 1/14/18	Elected Pension Choice	Defaulted Pension Choice	Elected Savings Choice	Total Eligible
Total Eligible	**4,521 (33%)**	**4,073 (30%)**	**4,942 (37%)**	**13,536**
	63% in Pension Choice		**37% in Savings Choice**	
Non-Senate Instructional (IX)	96 (13%)	403 (55%)	235 (32%)	734
Clerical and Allied Services (CX)	295 (37%)	298 (37%)	208 (26%)	801
Professional Librarians (LX)	23 (50%)	9 (20%)	14 (30%)	46
Local Skilled Crafts	91 (55%)	60 (37%)	13 (8%)	164
Total Bargaining Units	**505 (29%)**	**770 (44%)**	**470 (27%)**	**1,745**
	73% in Pension Choice		**27% in Savings Choice**	