The University of California
Retirement Choice Program

Election data as of 3/31/2018

UNIVERSITY OF CALIFORNIA Human Resources

v. 6/13/18

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; effective 7/1/2018 the PEPRA limit is $121,388.
  - 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 **14,796** 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 March 31, 2018.
  - Of these, **40%** 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 3/31/18

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Elections by Covered Compensation Limit

1) Count

7/1/16 – 3/31/18	Elected Pension Choice	Defaulted Pension Choice	Elected Savings Choice*	Total Eligible
NOT Subject to PEPRA max	1,803	2,075	2,099	5,977
Subject to PEPRA max	3,158	2,331	3,330	8,819
TOTAL	**4,961**	**4,406**	**5,429**	**14,796**

2) Percent of Total Elections

7/1/16 – 3/31/18	Elected Pension Choice	Defaulted Pension Choice	Elected Savings Choice*	Total Eligible
NOT Subject to PEPRA max	12%	14%	14%	40%
Subject to PEPRA max	21%	16%	23%	60%
TOTAL	**33%**	**30%**	**37%**	**100%**

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

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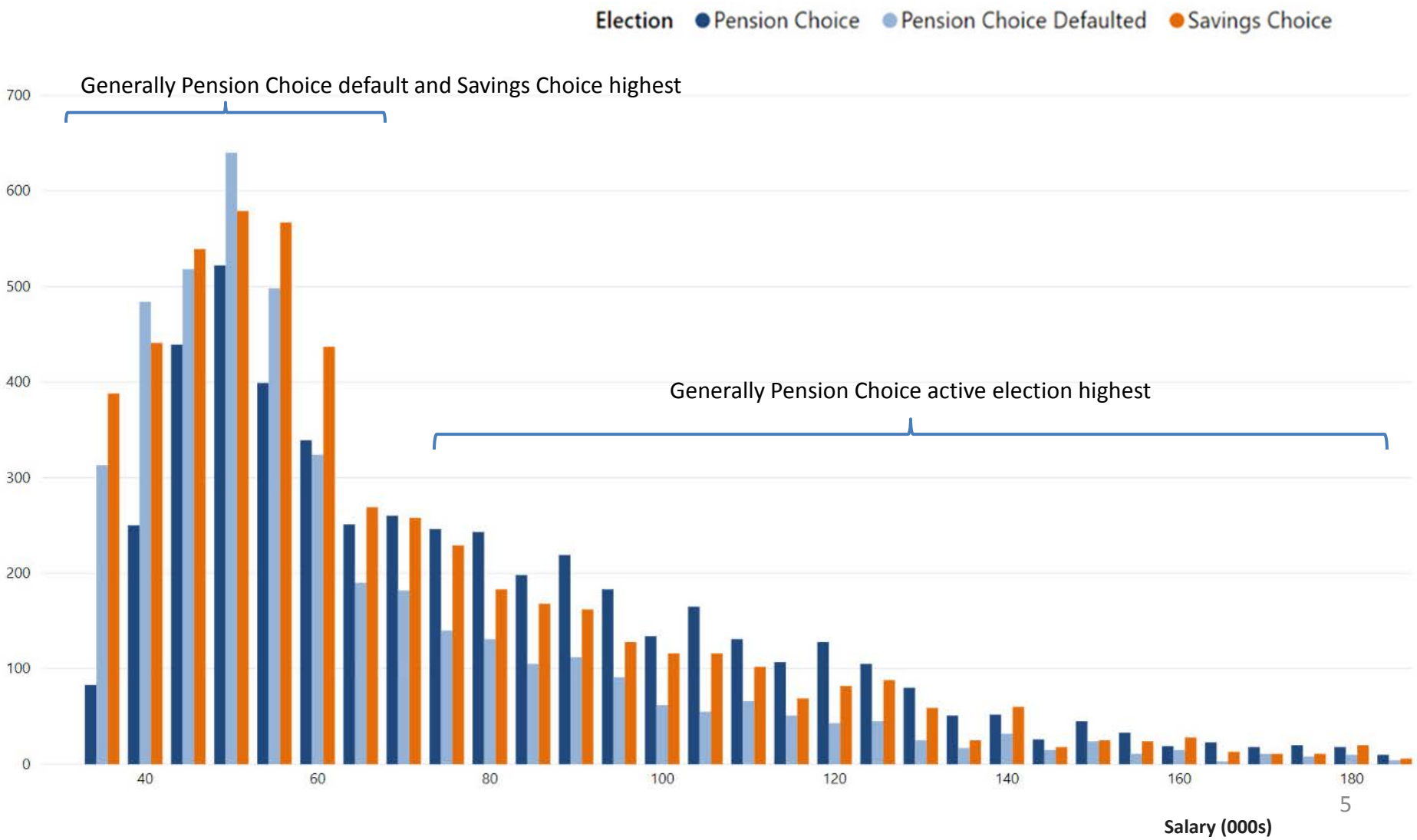
Elections by Salary



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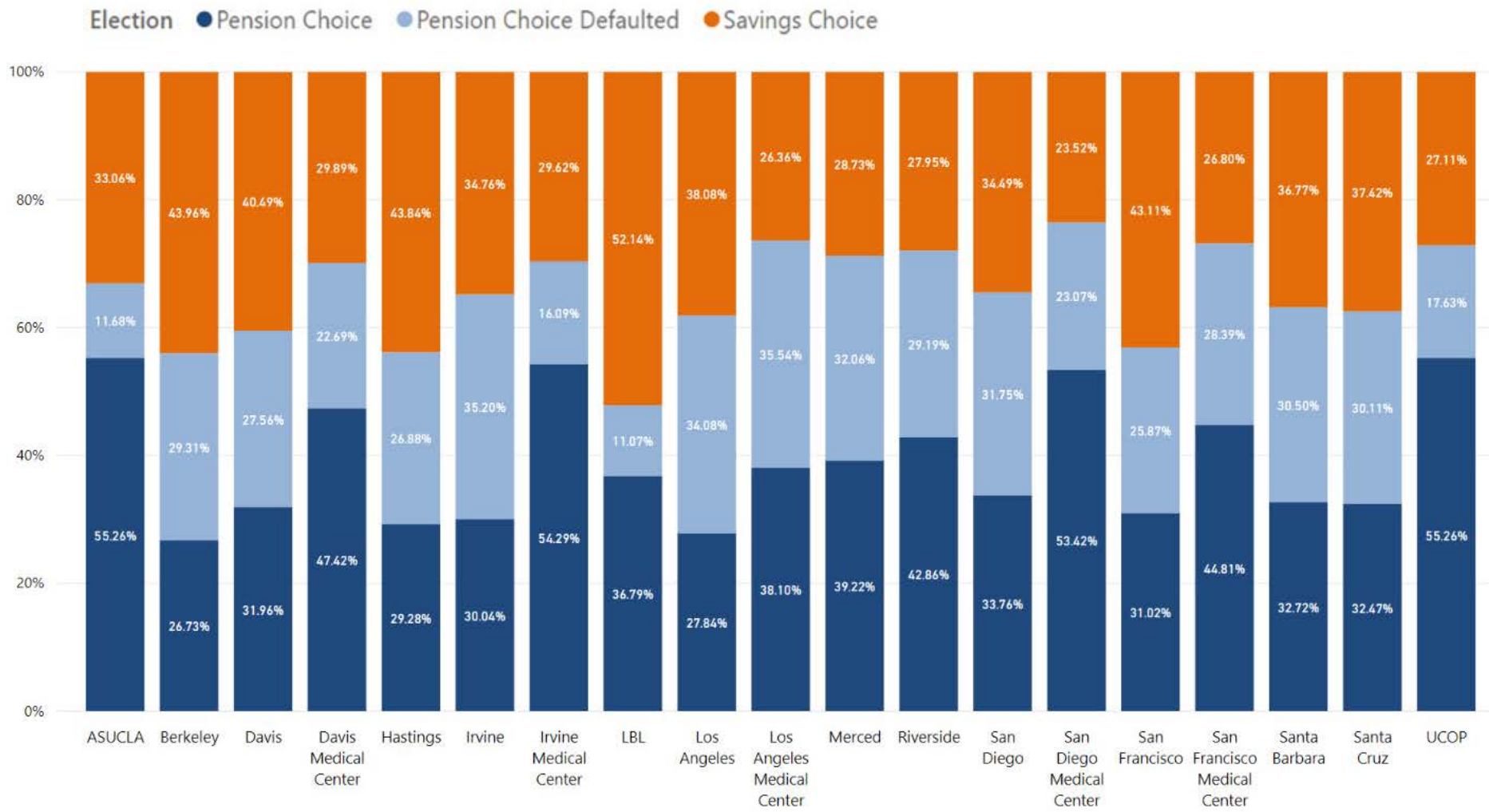
Elections by Location (percentage)



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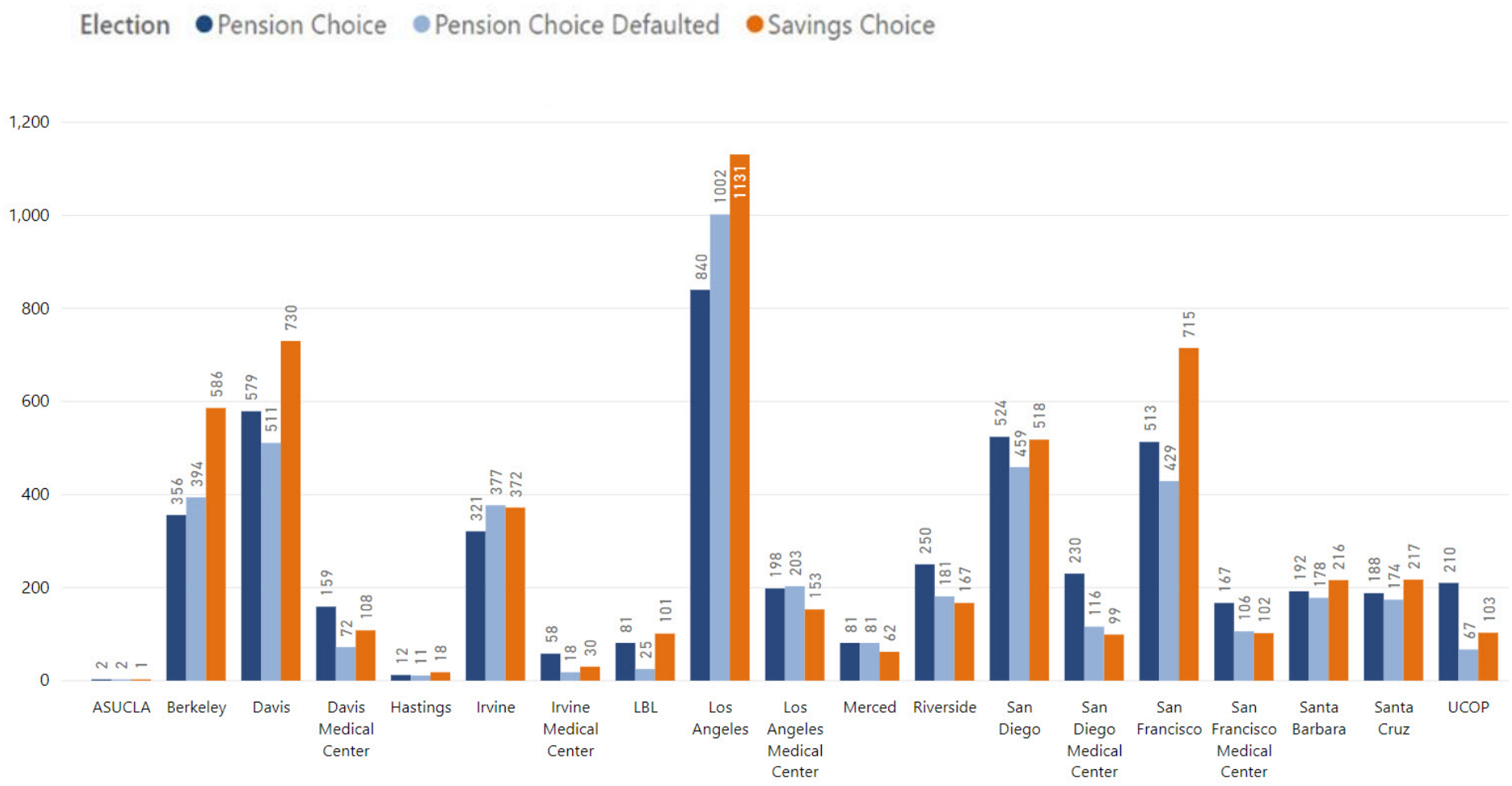
Elections by Location (counts)



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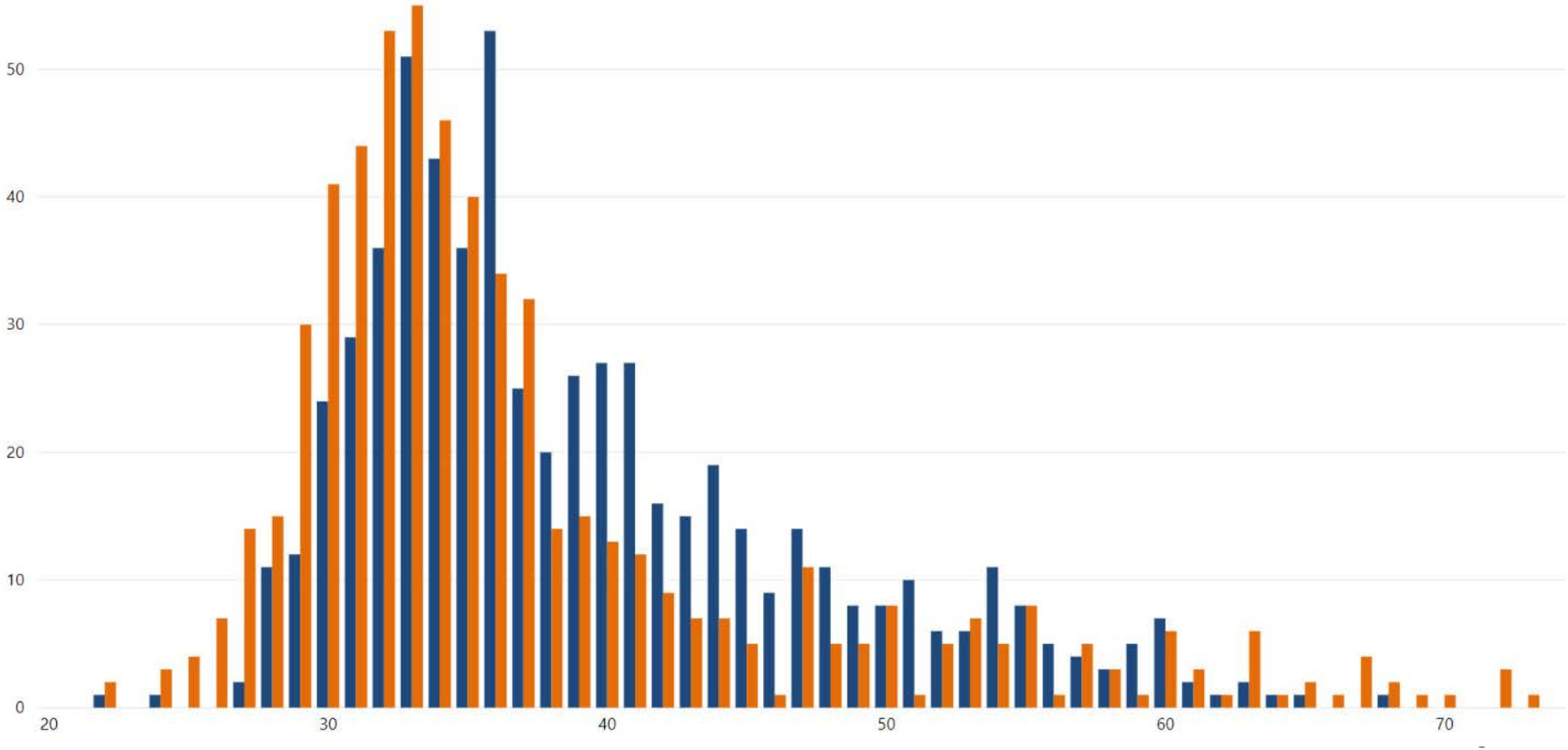
Elections by Age



Dominant Enrollment	Savings Choice	Pension Choice	Mixed	Savings Choice

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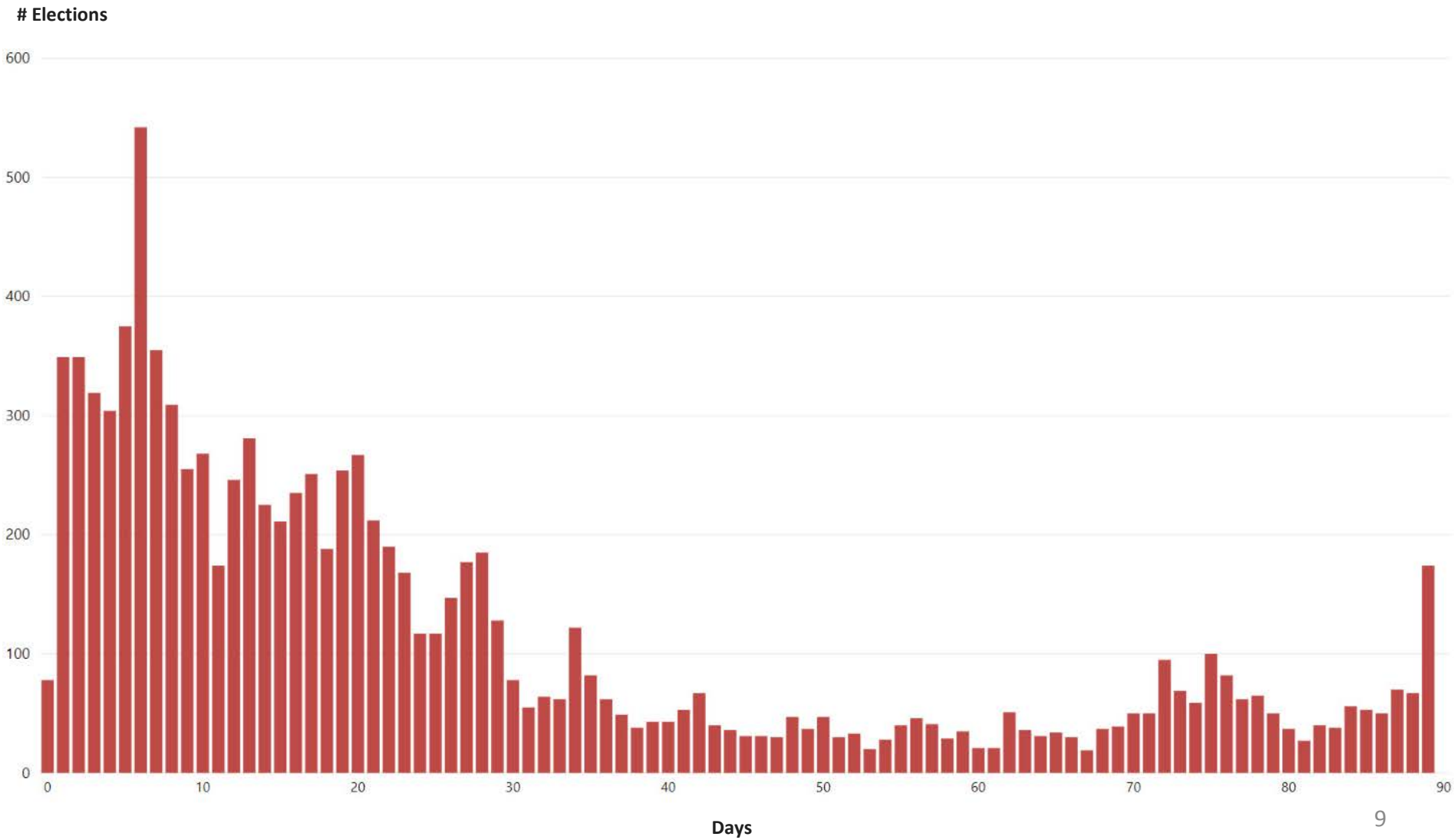
Days to Election



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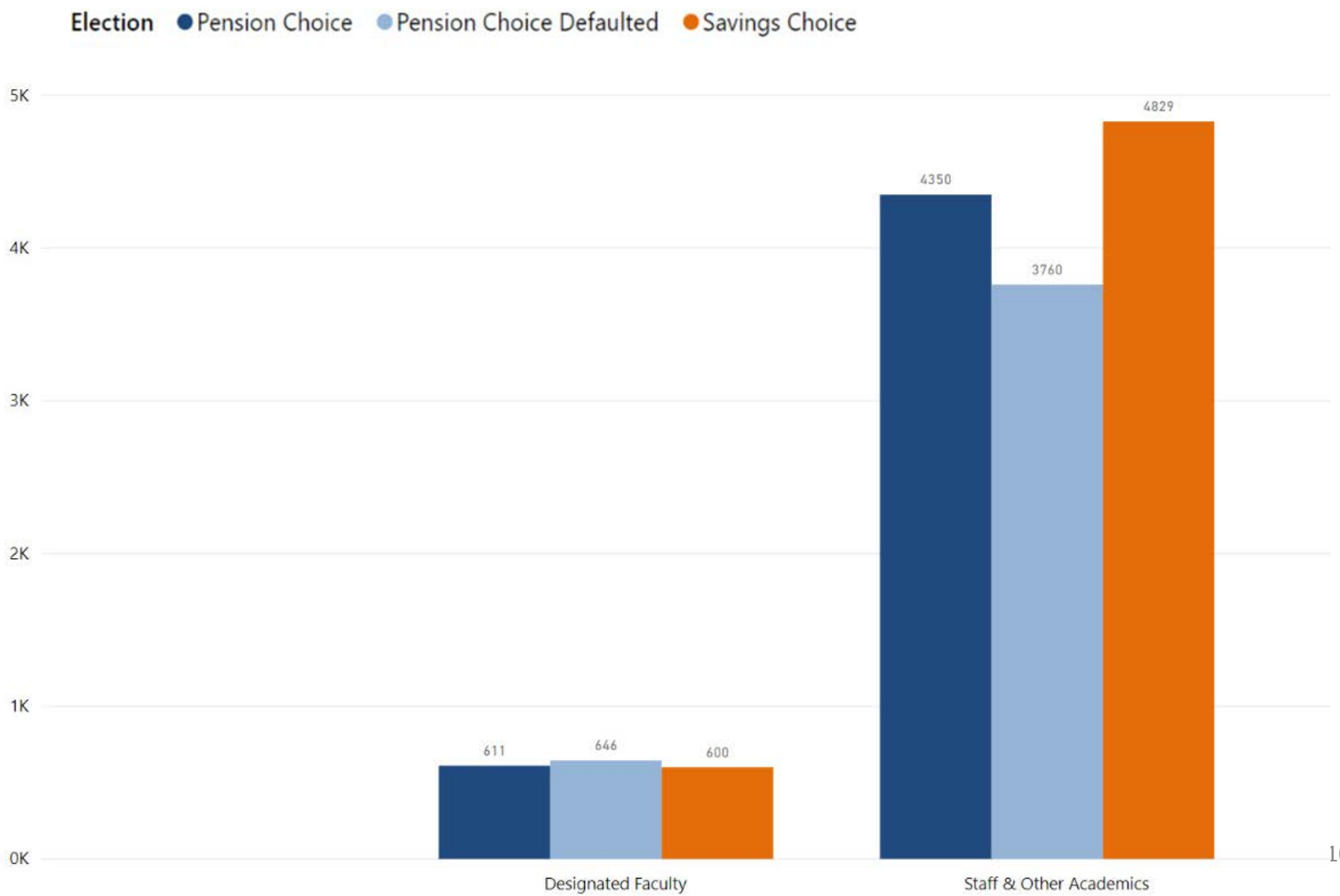
Elections by Designated Faculty vs Staff



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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 – 3/31/18	Elected Pension Choice	Defaulted Pension Choice	Elected Savings Choice	Total Eligible
Total Eligible	**4,961 (33%)**	**4,406 (30%)**	**5,429 (37%)**	**14,796**
	63% in Pension Choice		**37% in Savings Choice**	
Clerical and Allied Services (CX)	478 (40%)	410 (34%)	314 (26%)	1,202
Non-Senate Instructional (IX)	100 (14%)	386 (54%)	229 (32%)	715
Local Skilled Crafts	59 (48%)	53 (44%)	10 (8%)	122
Professional Librarians (LX)	25 (53%)	8 (17%)	14 (30%)	47
Total Bargaining Units	**662 (32%)**	**857 (41%)**	**567 (27%)**	**2,086**
	73% in Pension Choice		**27% in Savings Choice**	