Retirement Administration Service Center (RASC)

UCRP – Lump Sum Cashout Annual Report

UCRS Advisory Board

November 2018

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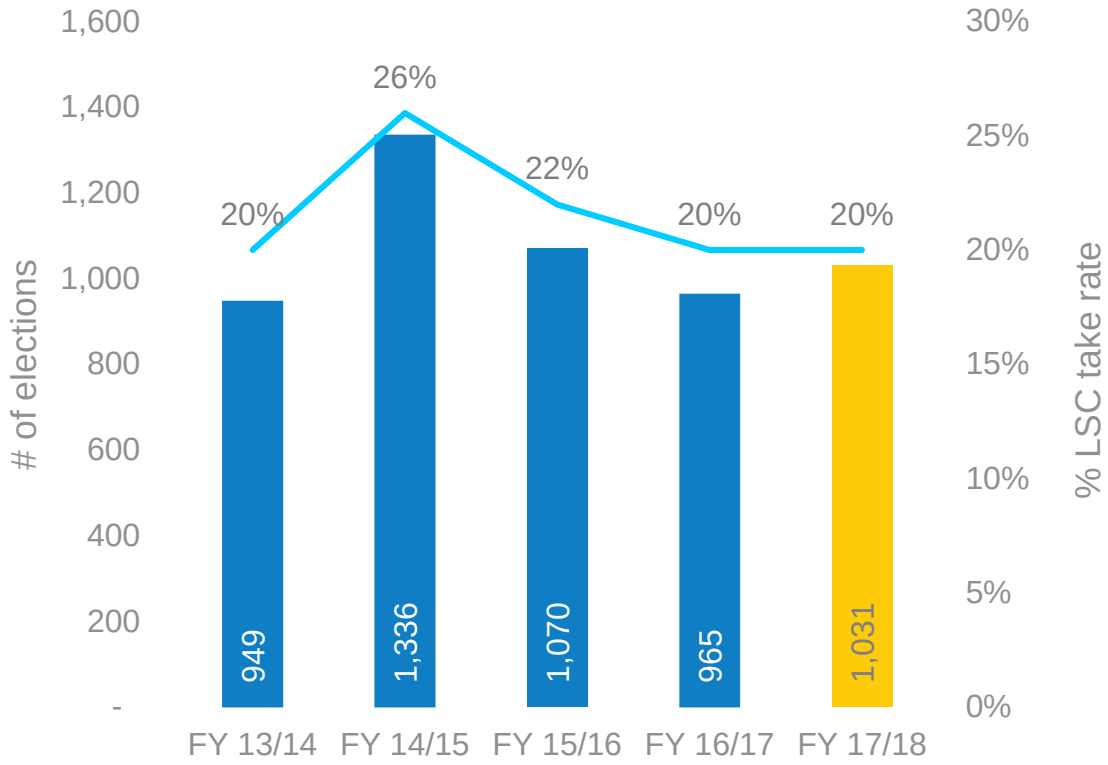
Systemwide Human Resources

Each year, the UCRS Advisory Board is presented with a report on Lump Sum Cashout (LSC) payments.

The LSC is available to eligible UCRP members who separate from service and retire, and to former spouses who want a lump sum payment as a result of a qualified domestic relations order (QDRO).

The LSC amount for members is actuarially equivalent to the member's expected lifetime basic retirement income including assumed cost-of-living adjustments. For former spouses, the LSC amount is the actuarial present value of their community property interest in UCRP and is available if the member is eligible to retire.

Member LSC Elections



Member LSC elections increased by 7% from FY 2016-17

LSC Take Rate remained flat at 20% year over year

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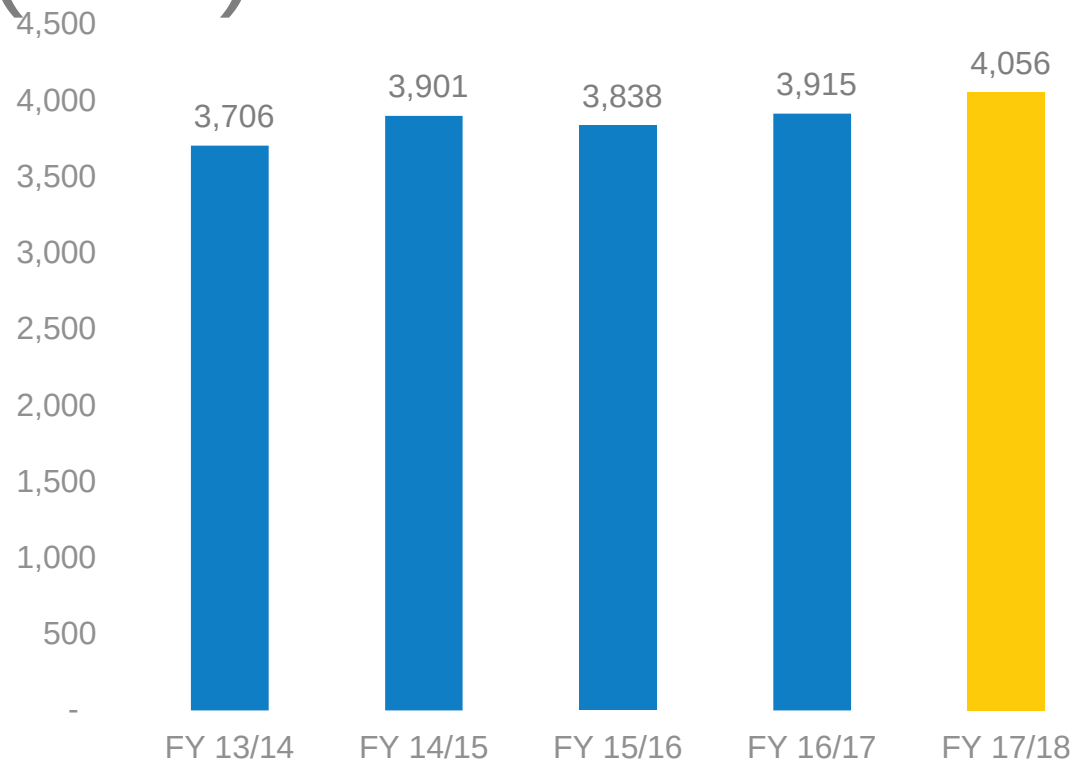
Member Monthly Retirement Income (MRI) Elections



Monthly Retirement Elections (MRI) increased by 4% from FY 2016-17

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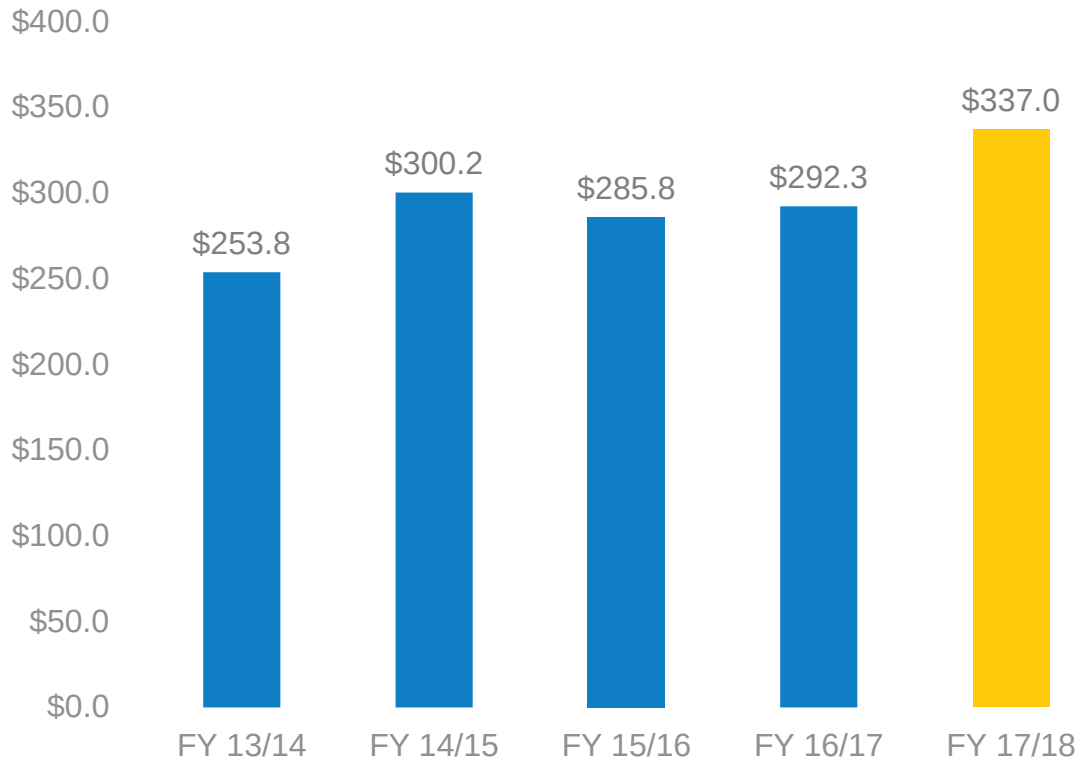
LSC payment amounts (in millions)



The dollar amount of total LSC payments increased by 15% from FY 2016-17

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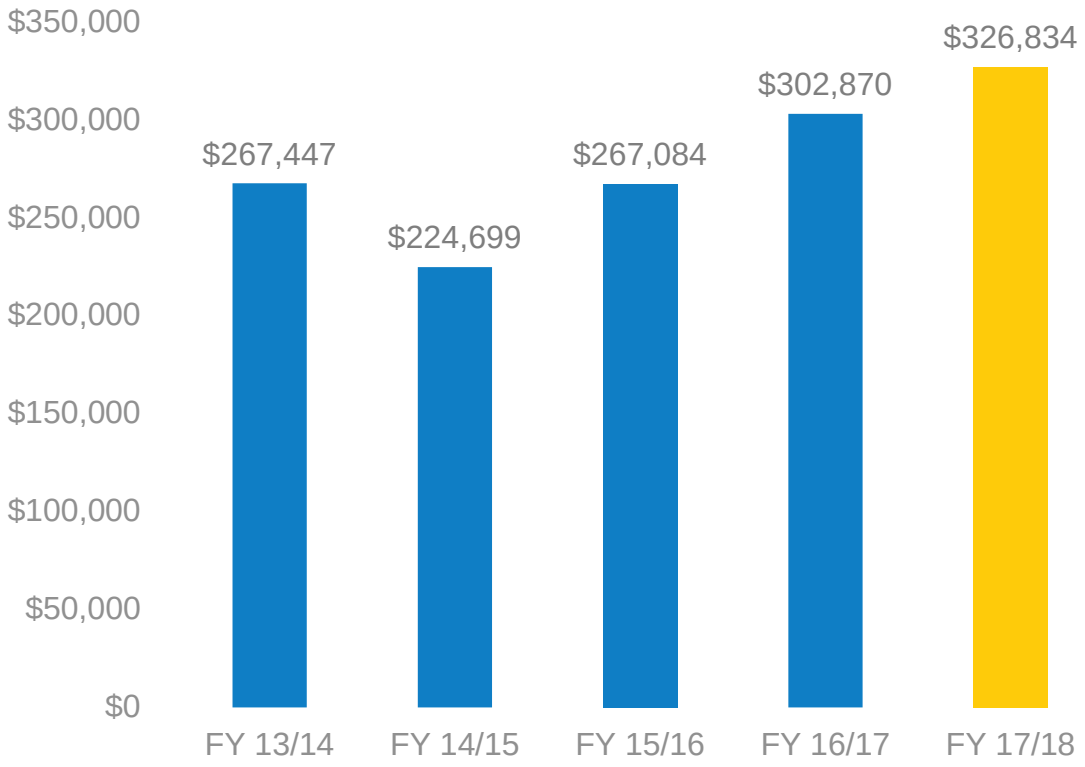
Average LSC payment amount



The average LSC payment amount increased by 8% from FY 2016-17

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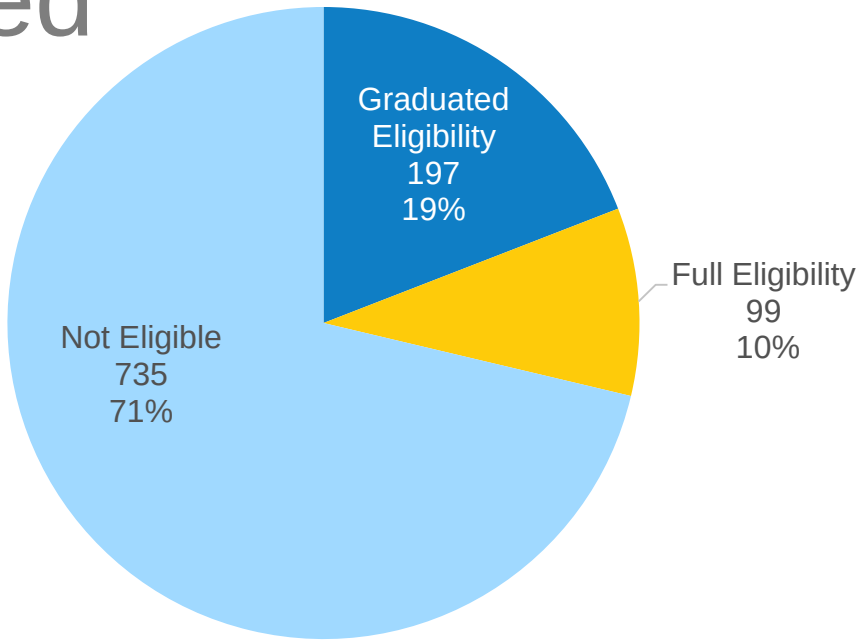
Eligibility for Retiree Medical & Dental Coverage if MRI elected



Of the 1,031 members who elected an LSC payment during FY 2017/18

71% would not have been eligible to continue coverage if they had elected retirement income

10% had full eligibility and would have received the maximum UC contribution

19% had graduated eligibility and would have received 50% - 95% of the maximum UC contribution based on their total service credit.

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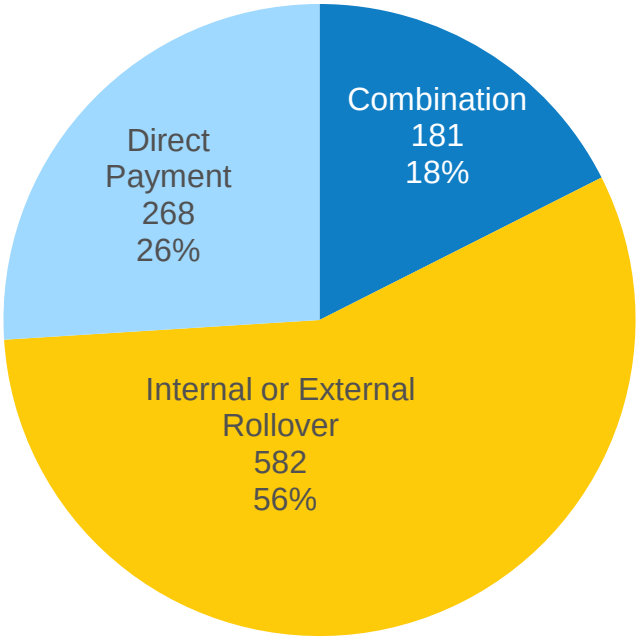
FY 2017/18 LSC payments by disbursement type



Members have the option of having an LSC paid to them directly, rolled over to another employer's plan or to an Individual Retirement Account (IRA) (external rollover), or having the pretax portion rolled over to the UC DC Plan, 403(b) Plan or 457(b) Plan (internal rollover).

They also may choose a combination of a direct payment and either an internal or external rollover.

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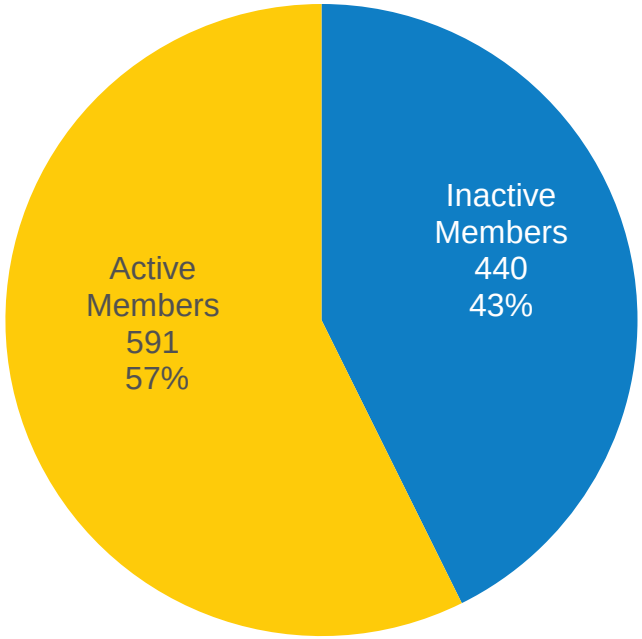
FY 2017/18 LSC payments by status at retirement



Of the 1,031 members who elected an LSC payment during FY 2017/18

57% were active members

43% were inactive members