The University of California
Retirement Choice Program

Election data as of 9/30/2018

UNIVERSITY OF CALIFORNIA Human Resources

v. 2/10/19

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 (35%), default Pension Choice (28%) and active Savings Choice elections (37%) are similar. **Overall, 63% are enrolled in Pension Choice and 37% in Savings Choice.**
- There were **19,656** 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 September 30, 2018.
  - Of these, **39%** 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 9/30/18

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Elections by Covered Compensation Limit

1) Count

7/1/16 – 9/30/18	Elected Pension Choice	Defaulted Pension Choice	Elected Savings Choice*	Total Eligible
NOT Subject to PEPRA max	2,458	2,449	2,672	7,579
Subject to PEPRA max	4,481	3,008	4,588	12,077
TOTAL	**6,939**	**5,457**	**7,260**	**19,656**

2) Percent of Total Elections

7/1/16 – 9/30/18	Elected Pension Choice	Defaulted Pension Choice	Elected Savings Choice*	Total Eligible
NOT Subject to PEPRA max	12%	13%	14%	39%
Subject to PEPRA max	23%	15%	23%	61%
TOTAL	**35%**	**28%**	**37%**	**100%**

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

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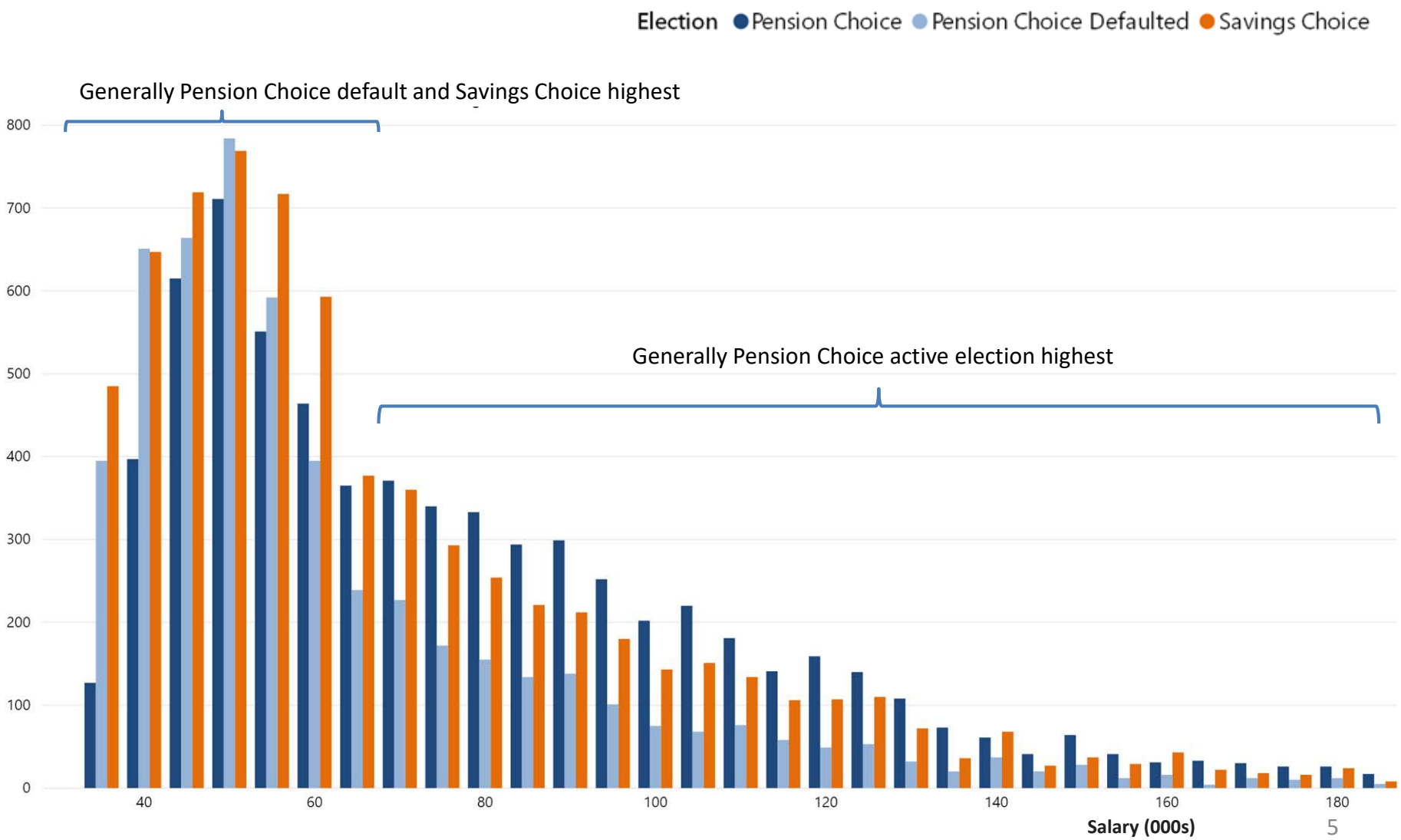
Elections by Salary



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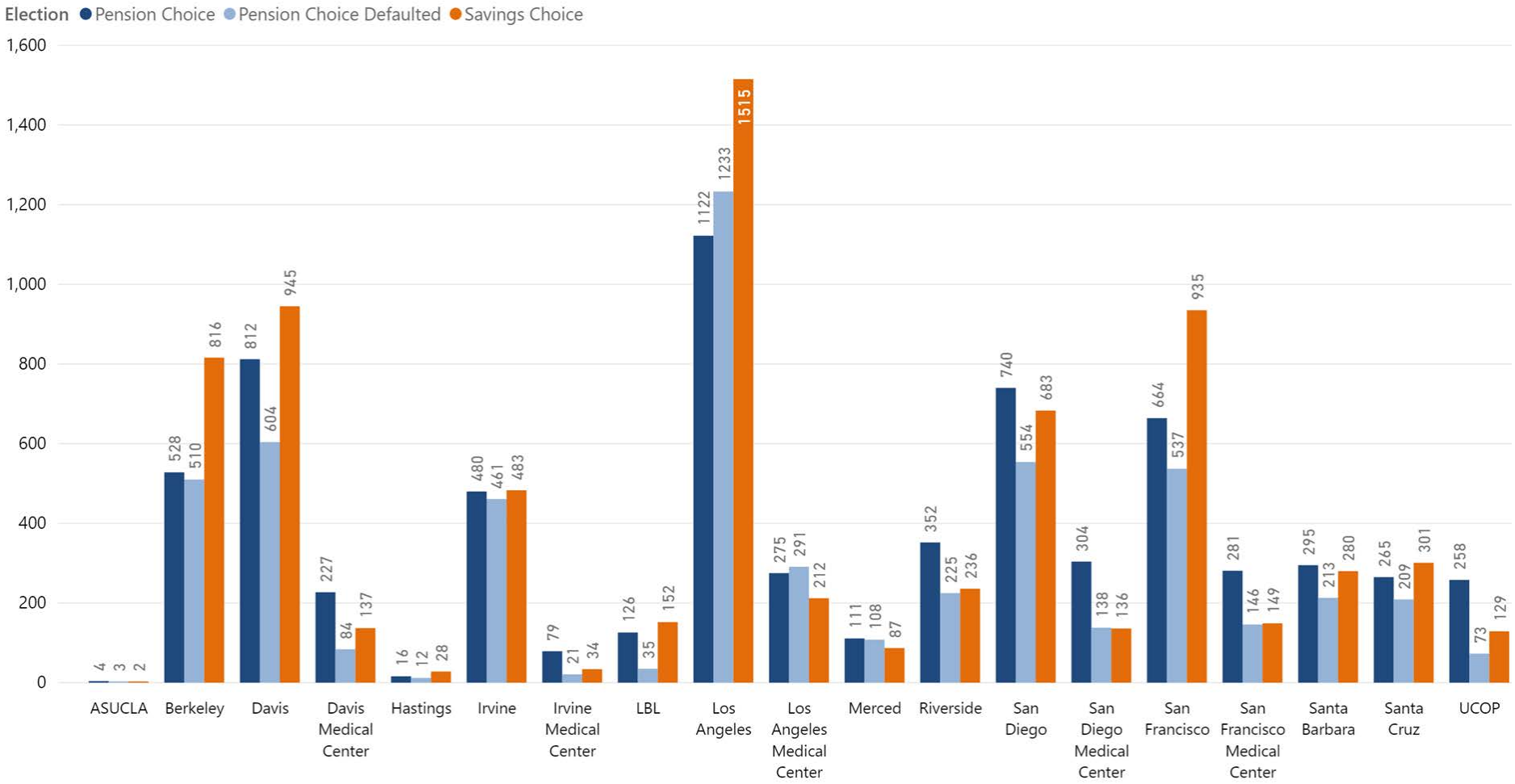
Elections by Location (counts)



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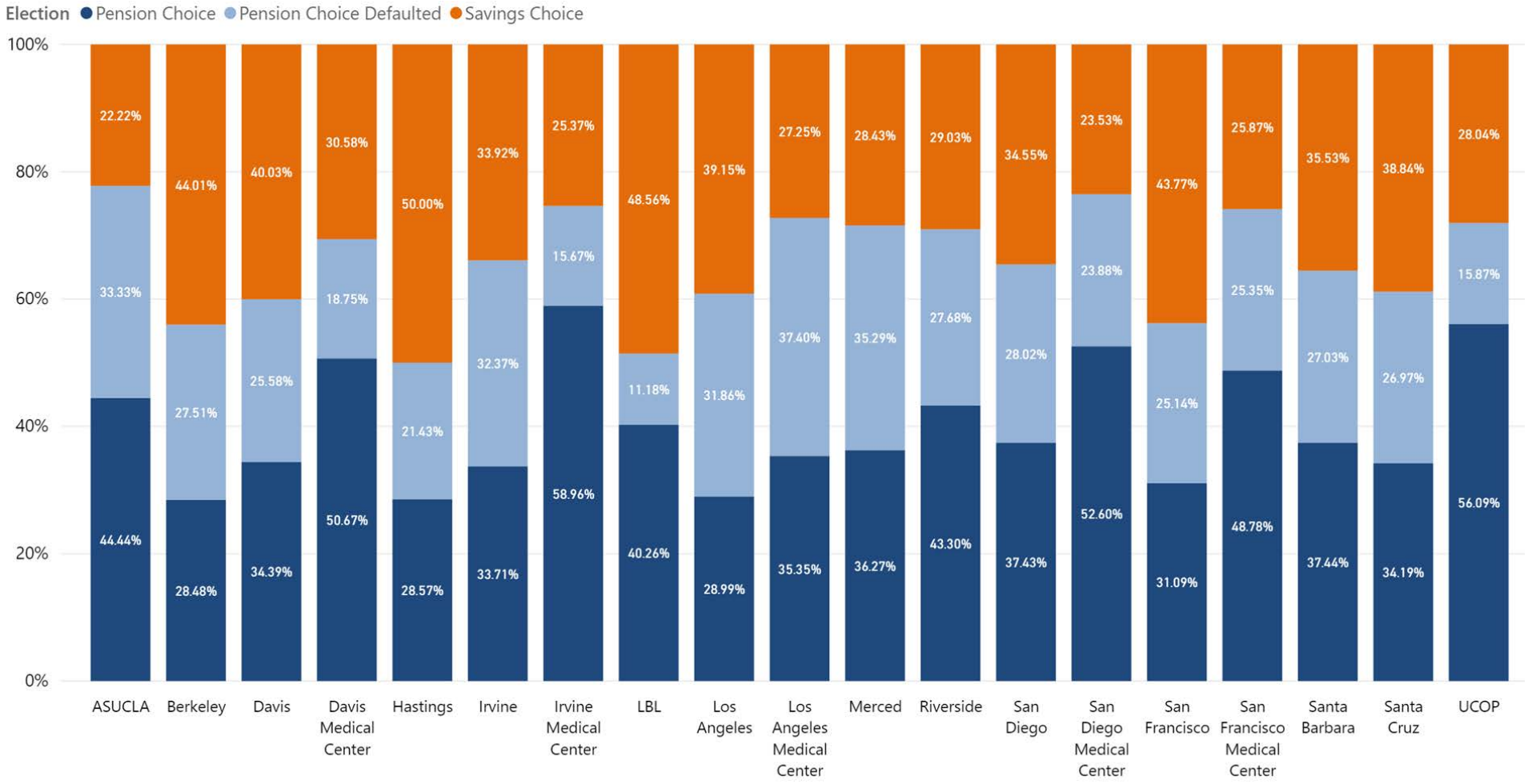
Elections by Location (percentage)



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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 – 9/30/18	Elected Pension Choice	Defaulted Pension Choice	Elected Savings Choice	Total Eligible
Total Eligible	**6,939 (35%)**	**5,457 (28%)**	**7,260 (37%)**	**19,656**
	63% in Pension Choice		**37% in Savings Choice**	
Clerical and Allied Services (CX)	808 (40%)	663 (33%)	545 (27%)	2,016
Non-Senate Instructional (IX)	117 (14%)	471 (54%)	280 (32%)	868
Local Skilled Crafts	146 (55%)	96 (37%)	21 (8%)	263
Professional Librarians (LX)	34 (57%)	8 (13%)	18 (30%)	60
Total Bargaining Units	**1,105 (34%)**	**1,238 (39%)**	**864 (27%)**	**3,207**
	73% in Pension Choice		**27% in Savings Choice**	

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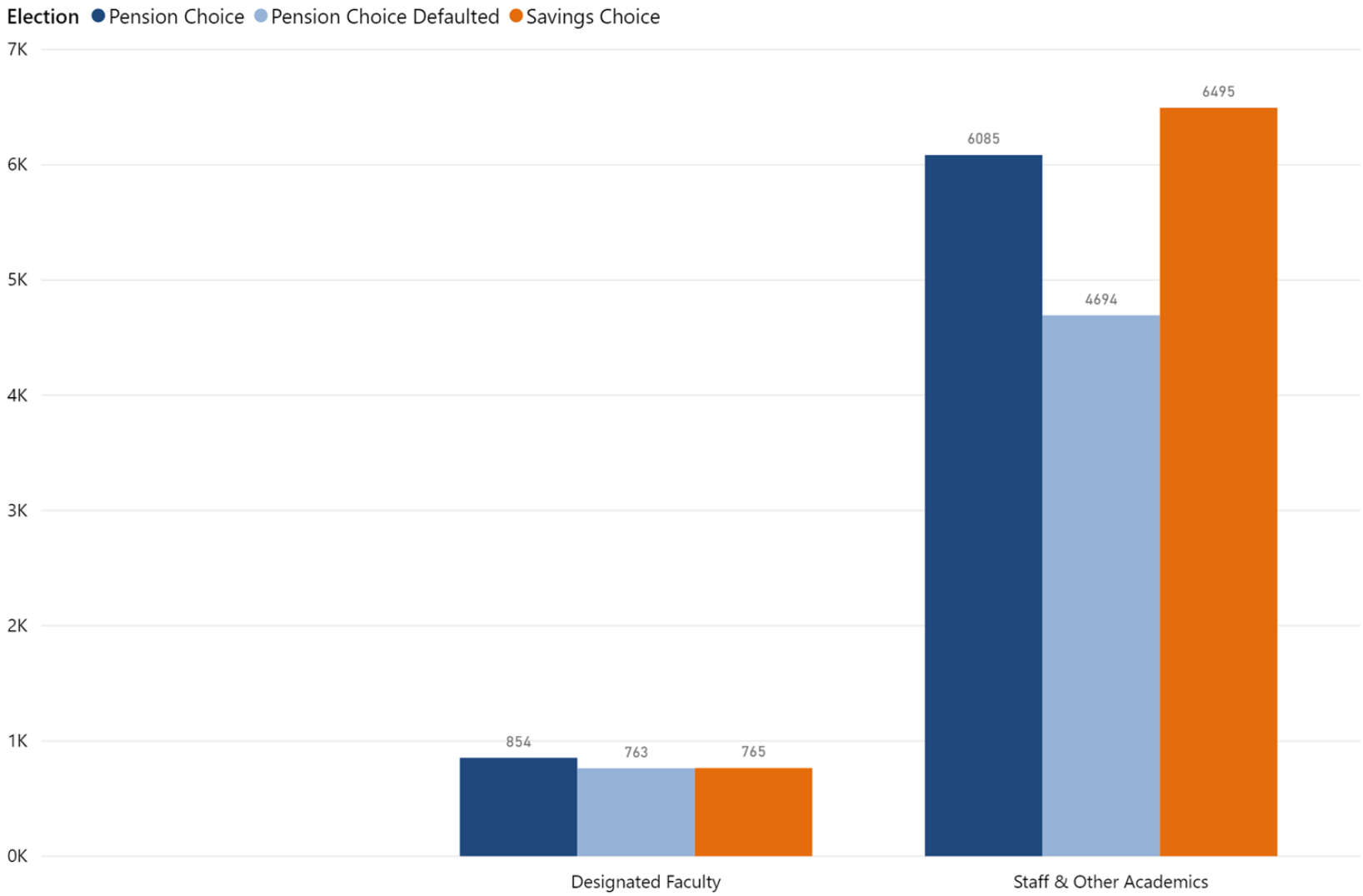
Elections by Designated Faculty vs Staff