Retirement Administration Service Center

UCRS Advisory Board Meeting
UCRP Lump Sum Cashout Report

March 3rd, 2023

UNIVERSITY OF CALIFORNIA

Lump Sum Cashout Overview

- To date **4,286 members** have elected to retire during **2022 calendar year.**
- Lump Sum Cashout – a high risk complexity – are requiring an **average** of **45 days** to generate a confirmation of benefits statement from the date the election was received.
    - Our current average represents an improvement in processing time from the previous year (6 days) and **achievement** of our **service level agreement** (45 days).
- As of December 5th, **19%** or 807 **retirement elections requested** a **Lump Sum Cashout.**
    - This represents **17% decrease** from **previous calendar year**.
    - Of those, 71% have received distribution.
- The **average age**, at the time of retirement, for this population is **60 years** with **51% separating** from the University **during** the **2022 calendar year**.
    - The remaining **49% separated** in **previous years.**
- **RASC has not surveyed this population to understand decision trends*.**

*As previously agreed

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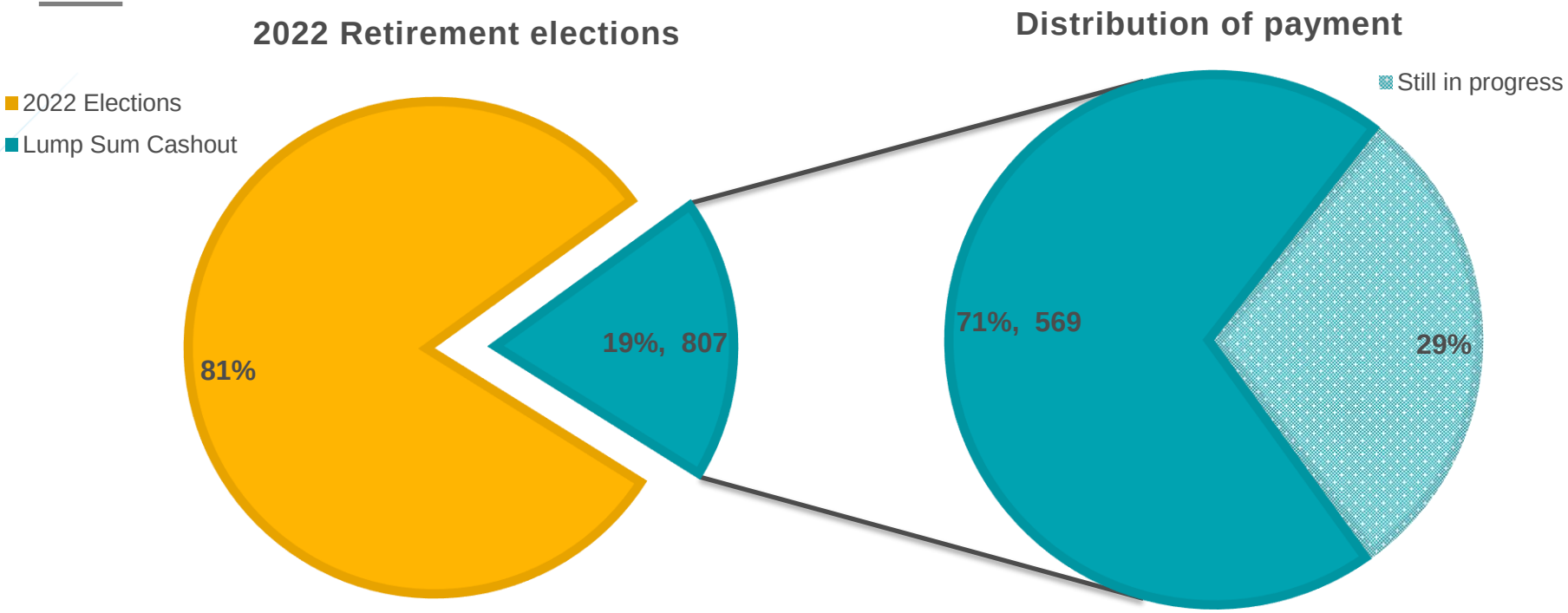
Retirement elections with a Lump Sum Cashout



4,286 total retirement elections

807 Lump Sum Cashout

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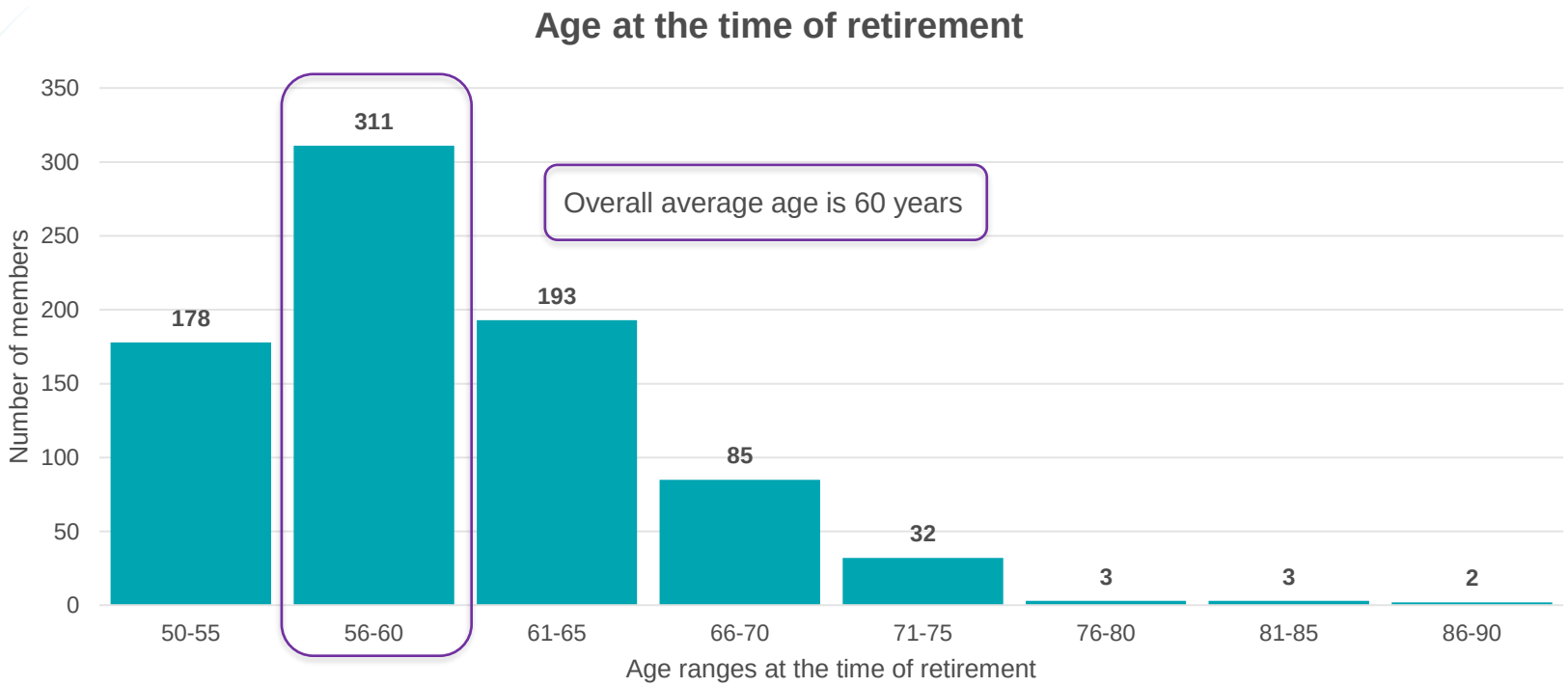
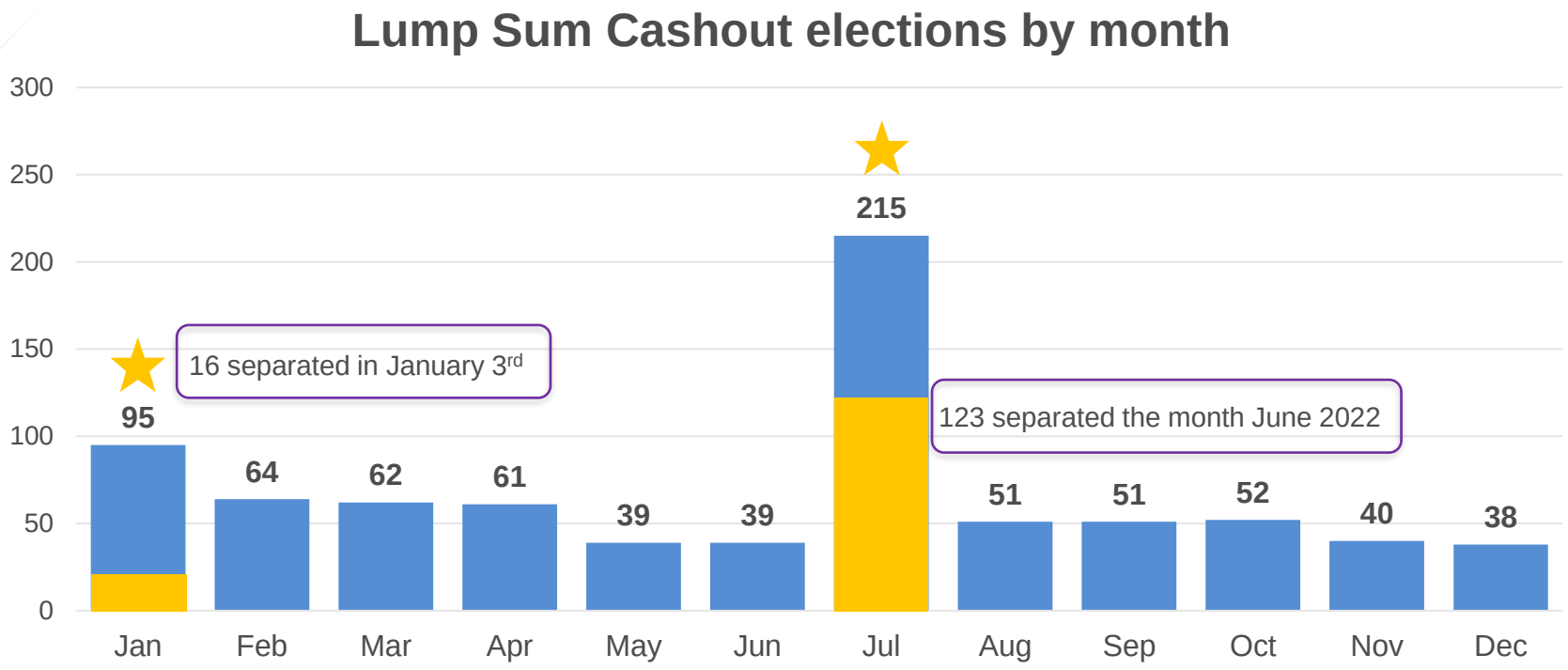
Results as of December 5th

Lump Sum Cashout average age at retirement



UNIVERSITY OF CALIFORNIA Results as of December 5th

Lump Sum Cashout elections by month of retirement

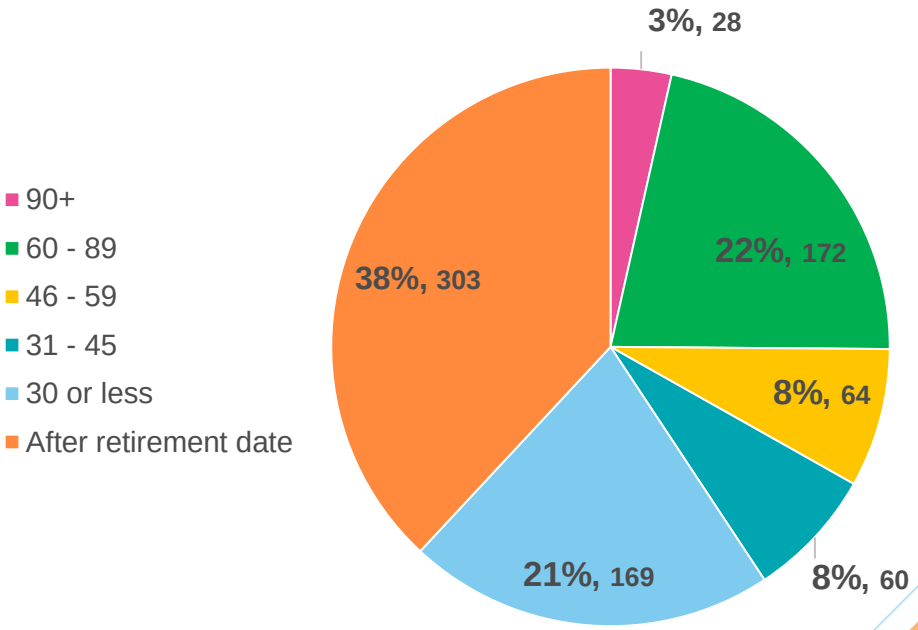


UNIVERSITY OF CALIFORNIA Results as of December 5th

Lump Sum Cashout submittal trends

- **Service Level Agreement (SLA) is to provide a confirmation statement within 45 days of receipt of election:**
  - **807** retirement elections requested a **Lump Sum Cashout**
  - Most elections were received **after their retirement date**
  - 3% submitted >90 days
  - **22%** submitted **60 – 89 days**
  - 8% submitted **46 – 59 days**
  - 8% submitted 31 – 45 days
  - **21%** submitted **30 days or less**
  - **38%** submitted **after their retirement date**

# of days from receipt of election to retirement

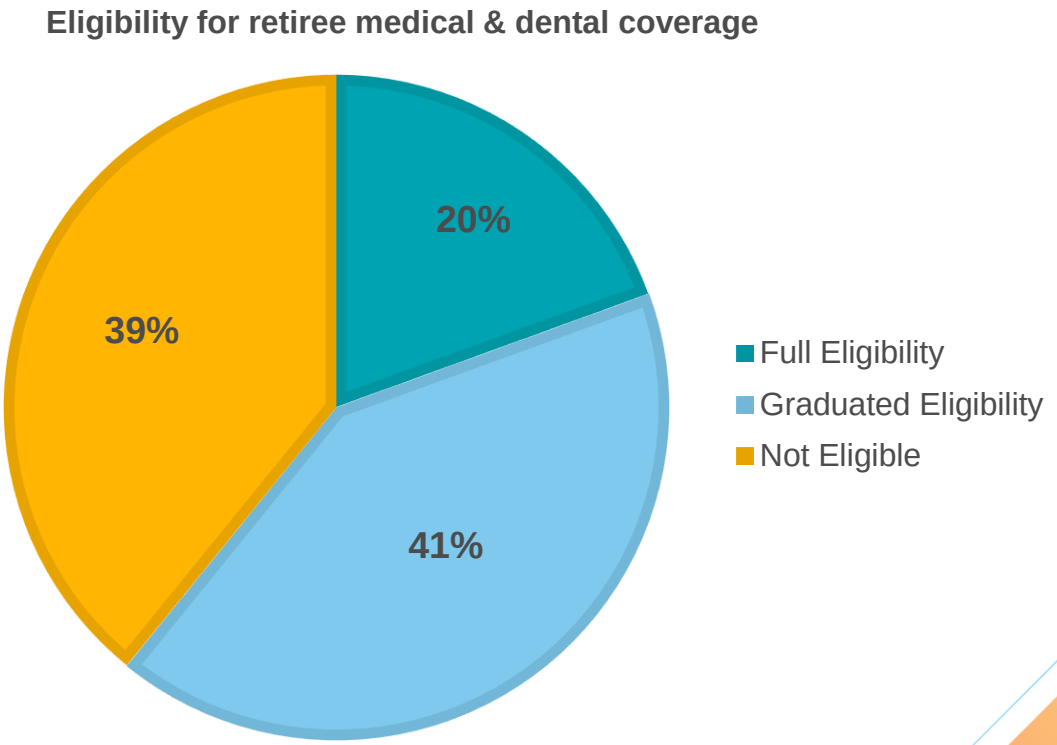


UNIVERSITY OF CALIFORNIA Results as of December 5th

Lump Sum Cashout eligibility for Retiree Medical & Dental Coverage if MRI elected

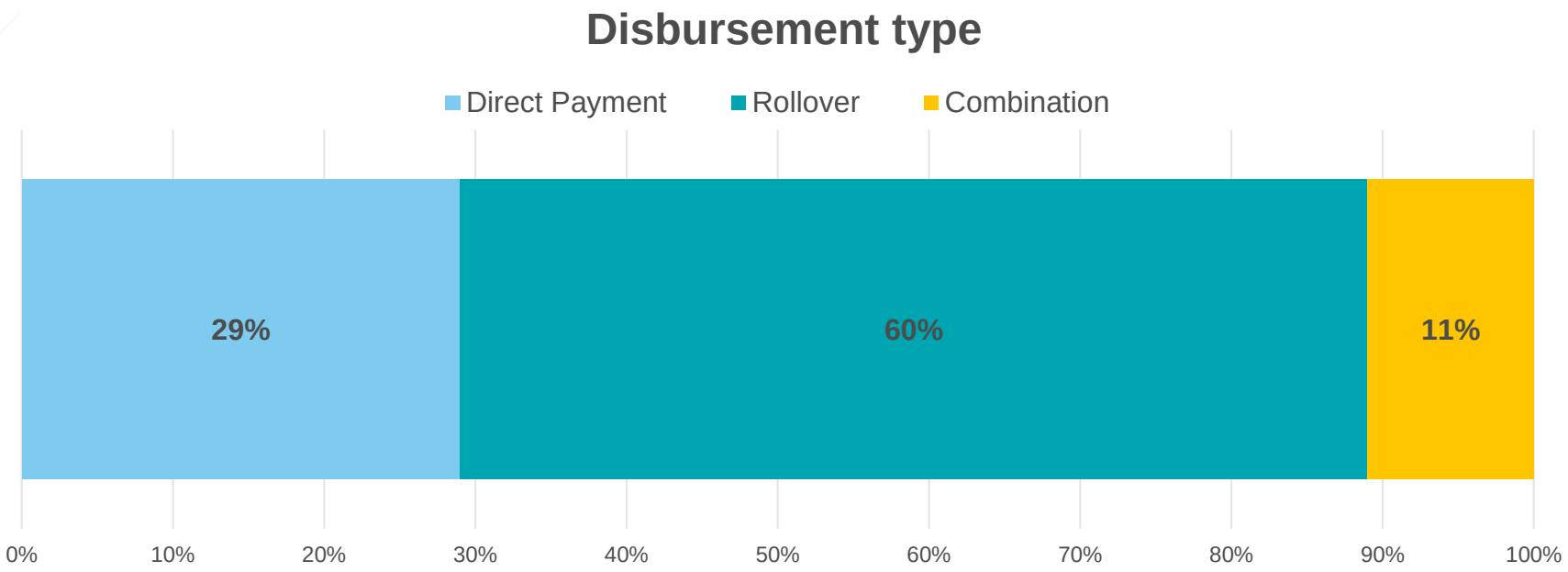
Of the 807 members who elected an LSC payment during calendar year 2022:

- **20%** had **full eligibility** and would have received the **maximum UC contribution**
- **41%** had **graduated eligibility** and would have received **50% - 95% of the maximum UC contribution** based on their total service credit
- **39%** were **not eligible** to continue coverage if they had elected retirement income



UNIVERSITY OF CALIFORNIA Results as of December 5th

Payments by disbursement type



- **Direct Payment** – Paid to member
- **Rollover** – Rolled over to another employer's plan or 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).
- **Combination** – Direct payment and rollover

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Results as of December 5th

Thank you

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