UNIVERSITY OF CALIFORNIA

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO

SANTA BARBARA • SANTA CRUZ

EXECUTIVE VICE PRESIDENT—
BUSINESS OPERATIONS

OFFICE OF THE PRESIDENT
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200
510/987-9029

May 3, 2013

Robert Powell
Chair, Universitywide Academic Senate

Re: Proposed UCRP Contribution Rates Beginning Plan Year 2014-2015

As discussed at the April UCFW meeting, we will be proposing for action at the July Regents meeting the following UCRP contribution rates beginning Plan Year 2014-2015:

Member Class	University Contribution Rate on Covered Compensation[1]	Member Contribution Rate on Covered Compensation (1976 Tier)[2]
Non-Safety[3]	14%	8%

The member rate is a portion of the Normal Cost. The University rate is the balance of Normal Cost; with the remainder applied to interest on the unfunded actuarial accrued liability of UCRP. The proposed rates and their timing are consistent with financial modeling previously presented to The Regents and UCFW / TFIR. These UCRP rates are separate from the additional location assessment for borrowing.

The proposed contribution rates will increase incrementally from the 12% / 6.5% rate effective beginning FY 2013-2014 due to the level of state support for UCRP and the adverse impact that a faster rate of acceleration would have on location budgets, and in consideration of the competitiveness of UC's total remuneration.

Please let us know if you have questions.

Sincerely,

Peter J. Taylor
Executive Vice President - Chief Financial Officer

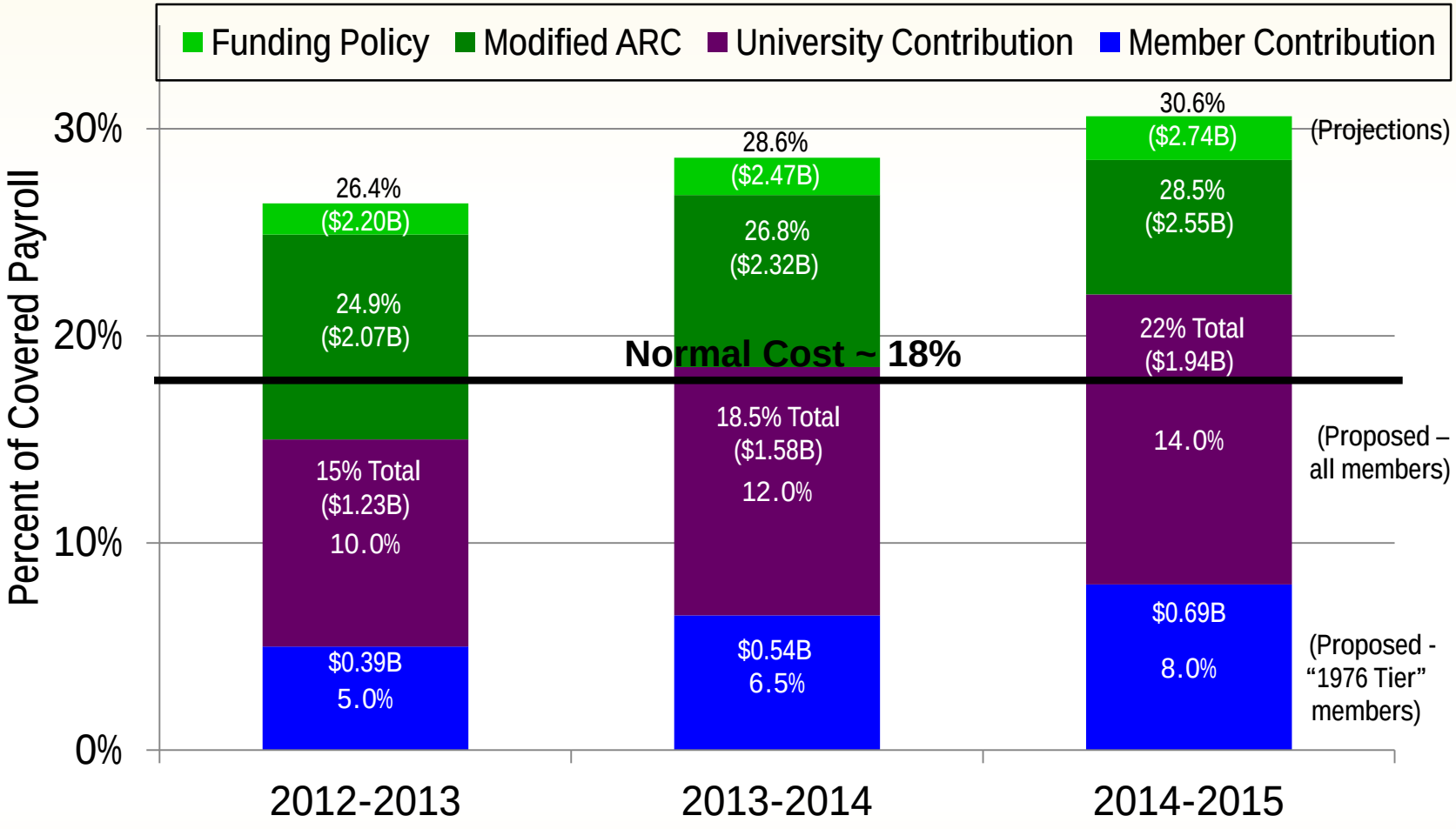
Nathan Brostrom
Executive Vice President

[1] The University rate will apply uniformly to all 1976 Tier and 2013 Tier members.
[2] Member contributions are pretax; 1976 Tier member rate is offset by $19 per month. The Member contribution rate for 2013 Tier members was previously approved at the 7% level (with no $19 per month offset); there is no change proposed at this time for the 2013 Tier member rate. Member rates are subject to collective bargaining, as applicable.
[3] The proposed Member contribution rate for Safety members will be 9% less $19 per month and will remain at 0% for members with Tier Two Benefits.

Attachment

cc: President's Cabinet
Universitywide Academic Senate Vice Chair Jacob
Vice President Duckett
Executive Director Schlimgen
Executive Director Winnacker
Specialist Reicher

UCRP Contribution Illustration



-Results based on July 1, 2012 actuarial valuation and assume 7.5% market value return per year beginning July 1, 2012.
-Member contribution rates shown apply to non-safety members who became members prior to July 1, 2013; offset of $19 per month applies; all member contributions subject to collective bargaining, as applicable. Contribution amounts ($) are based on projected campus/med center payroll for all members. All rates shown for 2014-15 are projections and not final.
-Employer rates exclude the extra assessment to pay back internal / external financing.

UNIVERSITY OF CALIFORNIA