UCRS Advisory Board

Meeting of June 29, 2012

AGENDA ITEM C

Proposed Defined Contribution Plan Option for UC Health Policy-Covered New Staff Hires – Feasibility Study

Director Gary Schlimgen will provide a status report on the feasibility study for offering UC Health policy-covered new staff employees the choice of participating in either a Defined Contribution Plan (DC Plan) or the 2013 Tier. As previously noted, the feasibility study was suggested by the President's PEB Task Force at the request of UC Health.

The purpose of feasibility study and the proposed DC Plan option is to address reports of potential recruiting issues with UC Health staff employees. It has been reported that many new UC health staff hires may prefer the portability of DC Plan as they do not plan on working at UC for the full five years required to vest in UCRP (i.e., the 2013 Tier).

As proposed, the DC Plan option would not be available to any UC Health faculty or represented staff members. Additionally, UC Health would continue to be responsible for its share of UCRP's unfunded actuarial accrued liability (UAAL), regardless of the design or level of participation in the DC Plan.