Retirement Administration Service Center

UCRS Advisory Board Meeting

February 25, 2022

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Agenda

01 Retirement performance

02 Open Enrollment Change Impact

03 Resource Strategy

04 Key initiatives

05 Appendix

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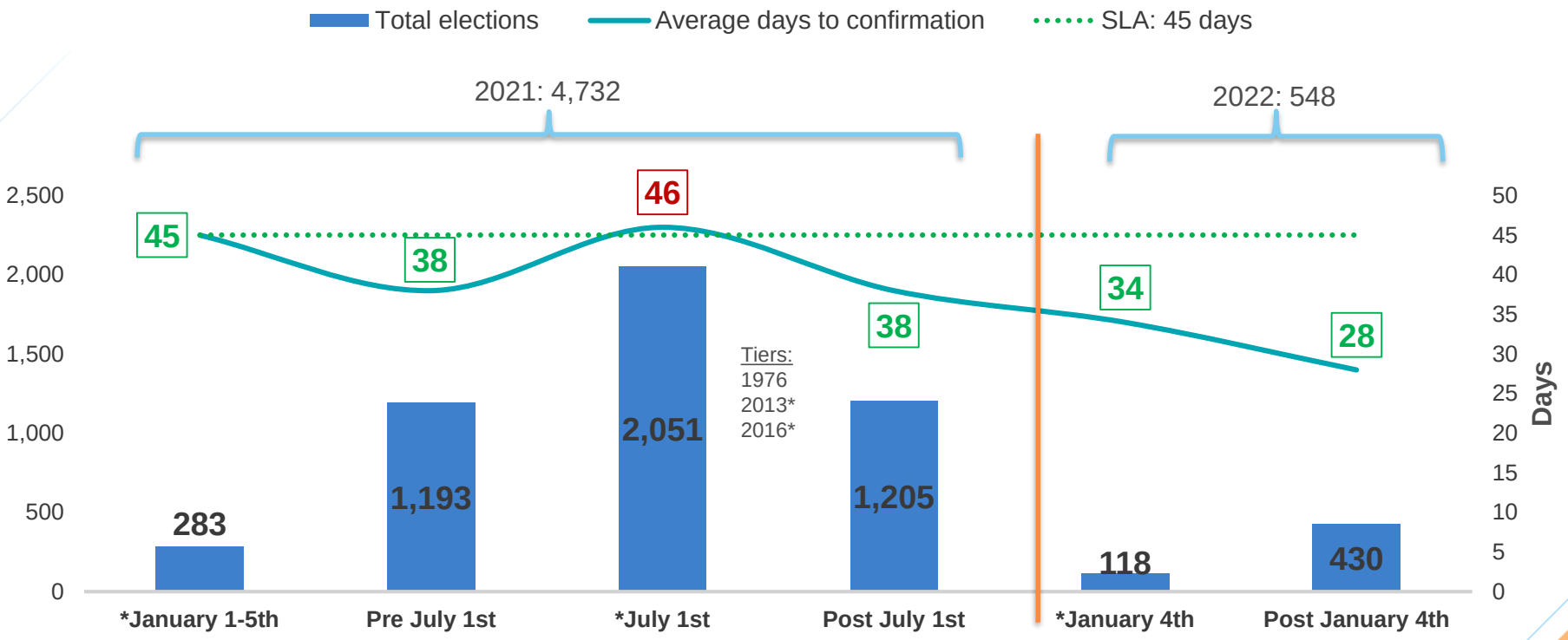
Retirement performance: Elections received



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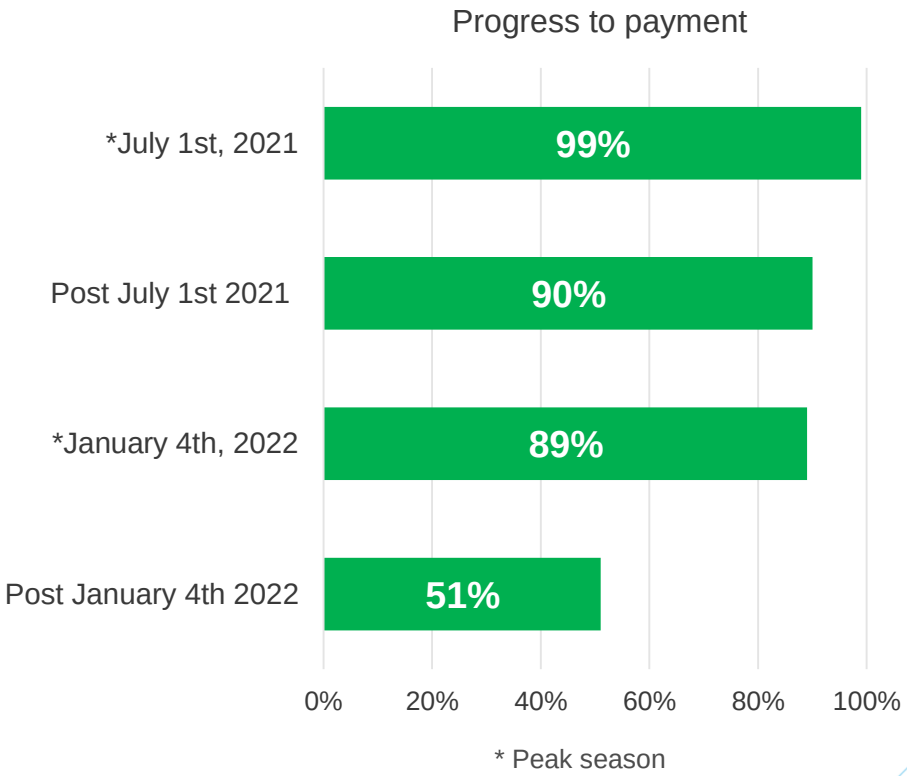
* Peak season

Results as of January 31st

Retirement progress to payment

- July 1st - **99% processed and paid**
  - 8 pending cases
- Post July 1st, 2021 – **90% final payment stages**
  - 1% remaining in verification
  - 9% in calculation and final review
- **January 4th** peak season
  - **89% processed and final payment stage**
- Post January 4th - **51% processed** and **scheduled for payment** 1st business day of the month following their retirement date.



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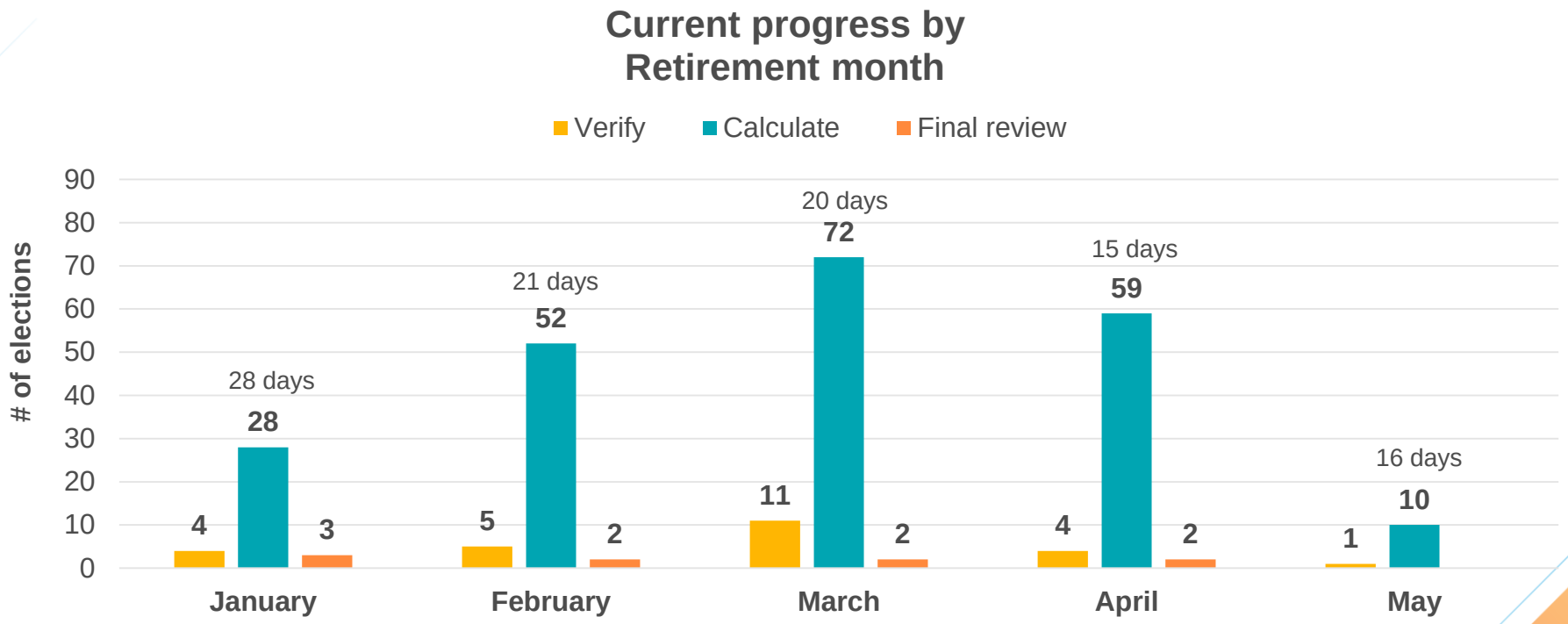
Results as of February 16th

Post January 4th – Progress by stage



On time = First of the month following retirement date

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*Days: Average days since elections received date

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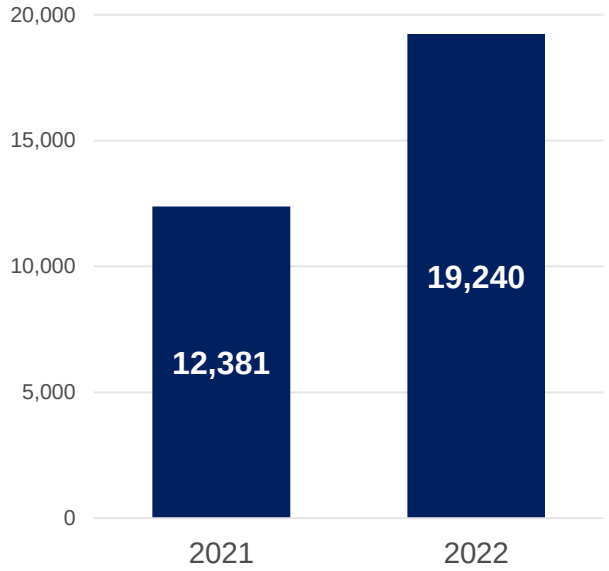
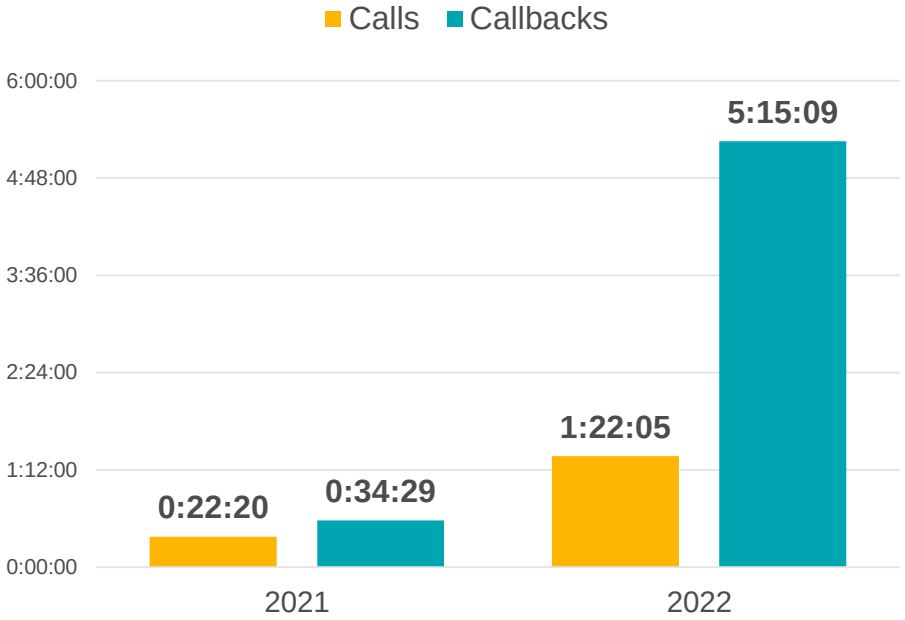
Year over year comparison: Call Center performance

Calls received from January 1st – 31st



Average speed of answer calls and callbacks



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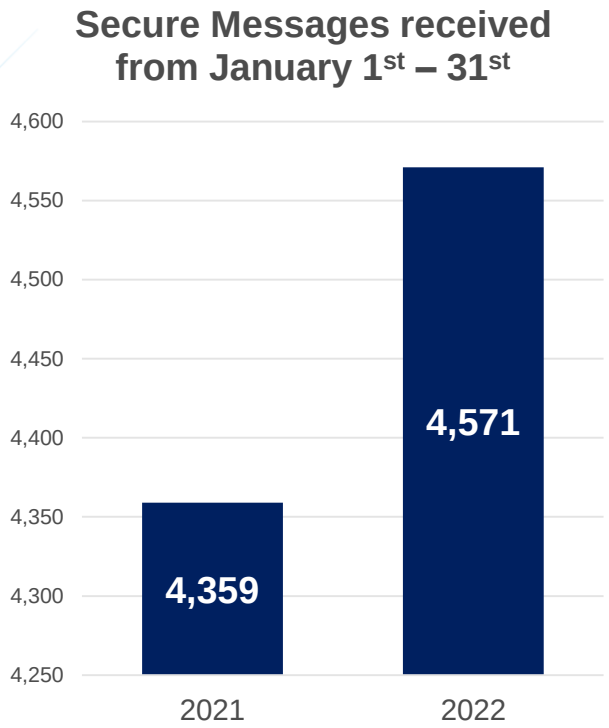
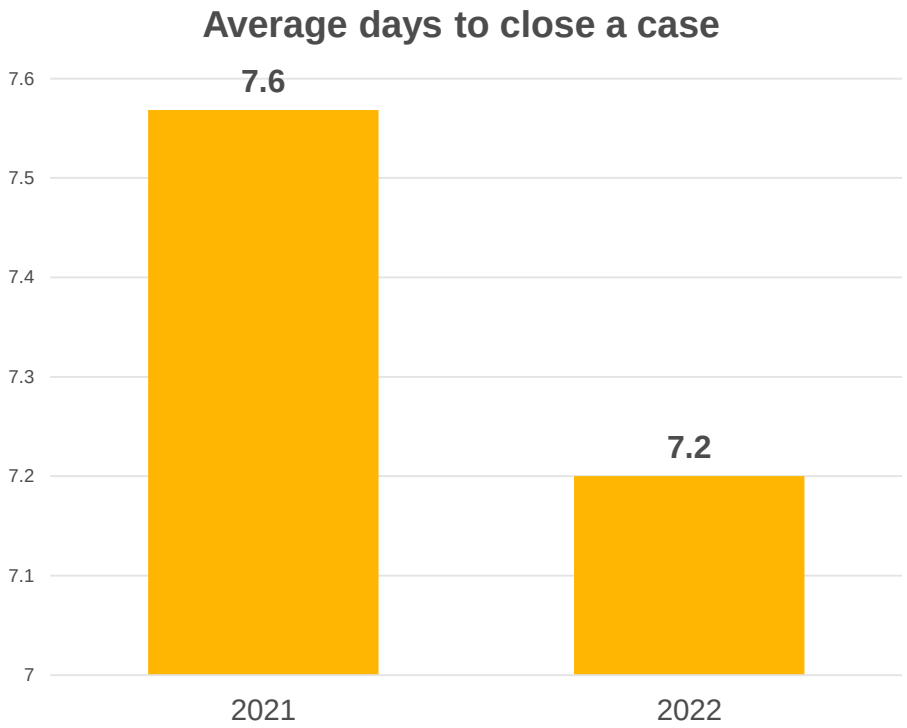
Year over year comparison: Secure Messages performance





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Our strategic goal is:

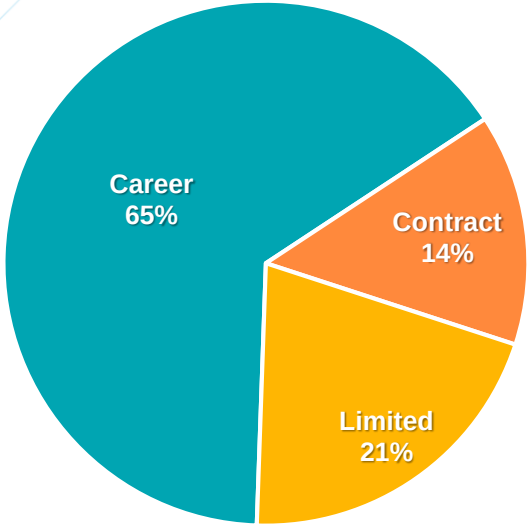
- Strengthen our staffing levels and reduce dependency on contract labor for normal business operations.

Progress to date:

- **15 Benefits Analyst 3** contract positions expired 12/31/2021
- **Repurposed** existing budget to align and address key deliverables within our new operating model:
  - **Converted contract roles** into career positions
  - Utilizing funding to address **RASC backlogs**
  - Reviewing **internal pay equity** issues
- Began **competitive recruitment in December**
  - Career offers for individual contributor roles have been accepted
  - Supervisor recruitment; final interviews scheduled

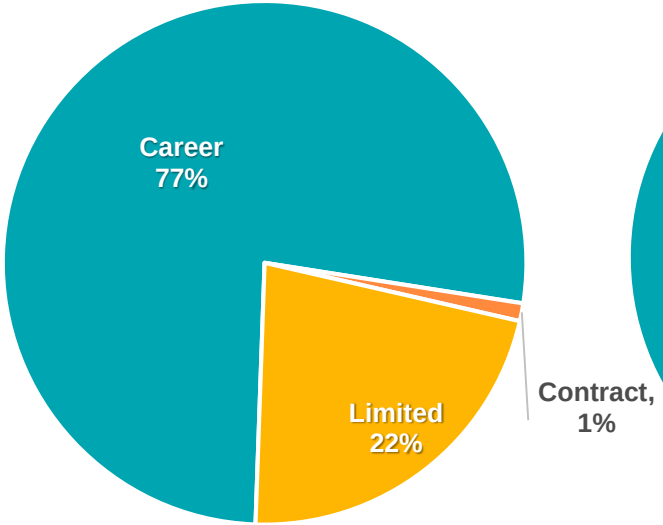
RASC Resource labor distribution

Starting point September 2021



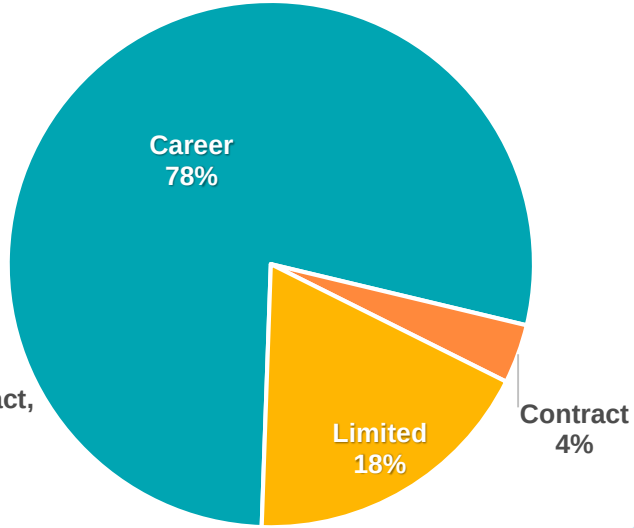
Career: 73
Contract: 16
Limited: 23
Total resources: 112

Current state February 1, 2022



Career: 70
Contract: 1
Limited: 20
Total resources: 91

Future state service enhancements



Career: 86
Contract: 4
Limited: 20
Total resources: 112

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Key initiatives in progress

Customer Satisfaction Strategy:

- RASC Service Enhancements identified and prioritized
  - Reinstitute Retirement Counseling
  - Develop new Survivor Intake process
- Budget discussion held on January 31st
- The decision memorandum sent on February 10th

Staffing Strategy:

- Preparing for competitive recruitment process following approval of service enhancements for:
  - Manager of Retirement counseling
  - Retirement counselors
  - Survivor Intake Representatives
  - Supervisor of Specialty Support

Technology and enablement Strategy:

- Redwood functionality to support No Lapse in Pay and Benefit Continuation in progress
  - In place for July 1 retirement season
- Benet adoption, the survivor advocate in progress
- New telephony system – Talkdesk
  - Implementation planning underway
- New Survivor Intake phone number 1-888-UCLOVED or 1-888-825-6833
  - Go live TBD

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No Lapse in Pay and Benefit Continuation: Expanded Eligibility

Eligible Retirees/Requirements

- New retiree with a **January 4th** retirement date
- Completed and submitted election documents and any required documentation
- Completed and submitted the No Lapse in Pay Form (UCRS 168) stating they wish to receive a provisional benefit payment between their retirement date and the first date of their fully audited and confirmed MRI

Eligibility now includes:

- UCRP service credit in more than one tier
- PYC (Partial Year Career)
- QDRO with no adverse claims (court approved FL 180 on file, or if accounts have been approved and split)

Ineligible Retirees/Exclusions

- Lump sum cashout
- Eligibility for reciprocity
- Disability Crossover
- Eligibility for Minimum Required Distributions (MRD)
- MDIB
- Multiple Classification (ex: safety)
- UCRP Tier Two
- Rehired Retiree
- Plan 02, 401-a, or 415 Limited
- Qualified Domestic Relations Order (QDRO) **with an adverse claim**
- Incomplete Election Documentation
- Retirement in Calculation, Review, or Confirmation

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Thank you

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Glossary: “Complex” Retirement Scenario Descriptions

- **Lump Sum Cash out:** In lieu of a monthly income option, members can elect a one-time lump sum cash out. Members who elect an LSC forfeit all other benefits including retiree health and survivor income.
- **Partial Year Career:** Employees who work a 9, 10 or 11-month appointment but earn service credit as if they were working a full 12-month year. This is common for campuses where employees are furloughed during the summer months. Certain academics also have 9, 10 or 11 month appointments.
- **Minimum Required Distribution:** Otherwise known as MRDs, these are members who retire after the Internal Revenue Code (IRC) required distribution age (70.5 and 72). They must take a taxable distribution on any lump sum payment from UCRP, including a lump sum cash out or CAP, before any rollover of these funds can be paid.
- **415 Limited:** IRC Section 415 imposes a limit on how much money can be paid from a pension plan, like UCRP. If a member earns more than the limit, we pay the difference out of the 415(m) Restoration Plan. This requires 415 testing of retirements that are close to the limit and can impact monthly income, lump sum cash out and/or CAP.
- **Reciprocity:** UCRP has a reciprocal agreement with CalPERS and a similar concurrent retirement agreement with CalSTRS. Under these provisions, salary earned under CalPERS or CalSTRS can be used in the calculation of a UCRP member’s HAPC. Service from the other system can also be used in vesting. We have to wait to hear from the other system before completing our calculations.
- **Incorrect Separation Date:** Members report their intended separation date to RASC when they retire and calculations are based on the separation date and retirement date (typically the day following). We compare to the actual separation date in UCPATH and any discrepancies can cause delays.
- **Disability:** Members who received UCRP Disability Income and elect to “crossover” into retirement when disability income ends. Service credit earned while receiving Disability Income is factored into the retirement calculations.

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Glossary: “Complex” Retirement Scenario Descriptions

- **UC Stanford Service:** Members who were part of the merger/demerger with UC and Stanford (1997 to 2000). Members have either vesting service only or were credited with UCRP service used in their retirement calculation. There is also a comparison done with the UC salary and salary earned during the UC Stanford period.
- **Qualified Domestic Relations Order (QDRO):** A legal document which describes the community property interest a former spouse or domestic partner has in the UCRP member’s retirement benefits. Former spouses/partners can be awarded service credit and contributions and be eligible for their own retirement income from UCRP.
- **Salary Rate change of 25% or more detected**: An increase in covered comp by 25% or more that needs to be researched with the location (i.e., stipend or settlement) to determine reason, time period, duration so we can calculate HAPC correctly
- **Missing Pay Cycle information:** Missing covered compensation to be researched with the location to determine if an error occurred to ensure that HAPC and service credit are calculated correctly
- **Service Credit review needed:** Exceed plan allotment or correction to an error resulting in adjusted s/c used in the calculation
- **HAPC review needed:** This could be a number of reasons why HAPC needs to be reviewed which often is comprised of pulling data from the old system and RW to gather 36 months of full-time equivalent compensation for 36 months, or an HAPC for less than 36 months calculation is needed, or HAPC calculation for inactive members.
- **Multiple Complex Types:** For example, a member electing a lump sum cash out who is subject to the 415 limit, is MRD age, and has a QDRO.

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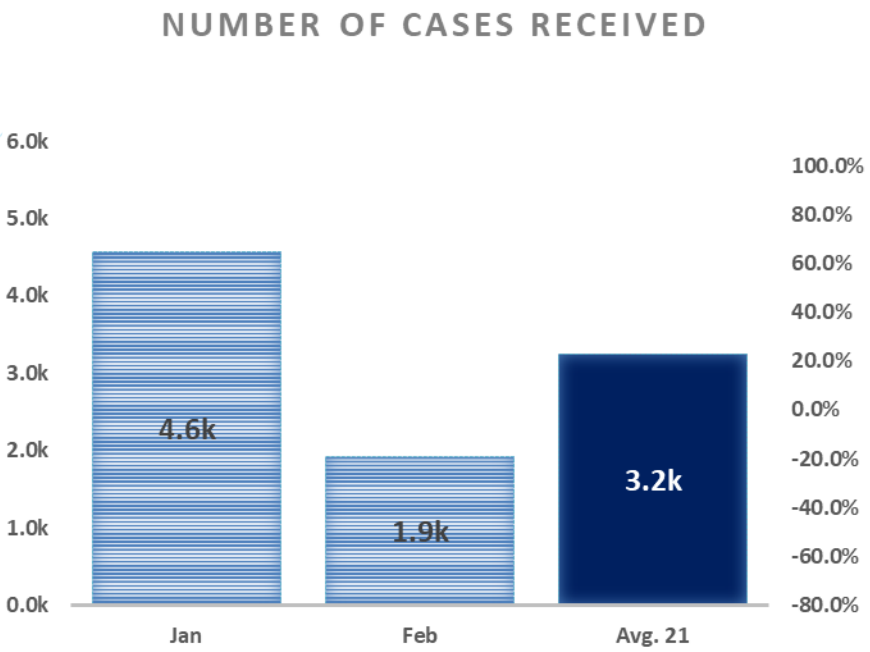
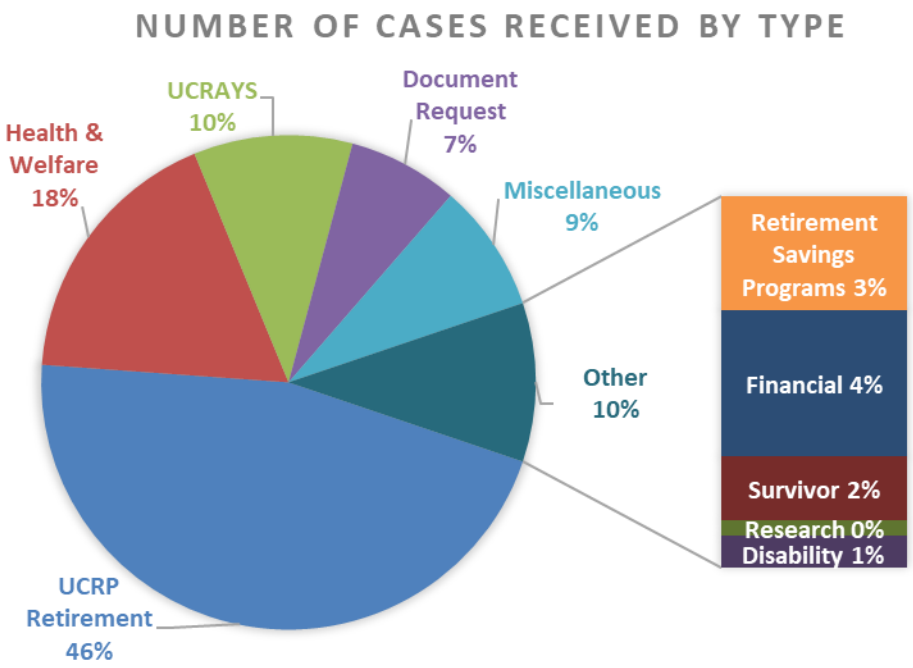
Performance metrics: Secure messages





Results as of February 14th

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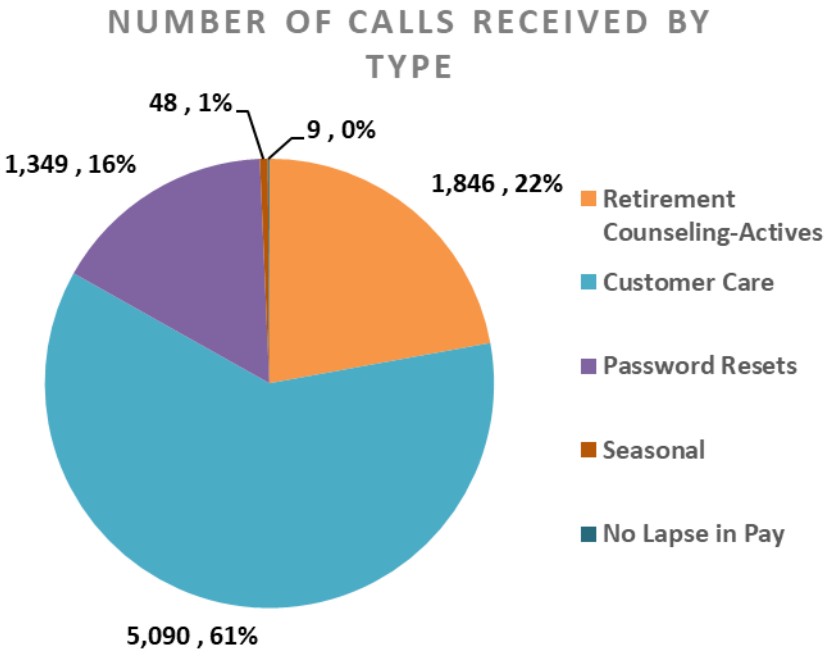
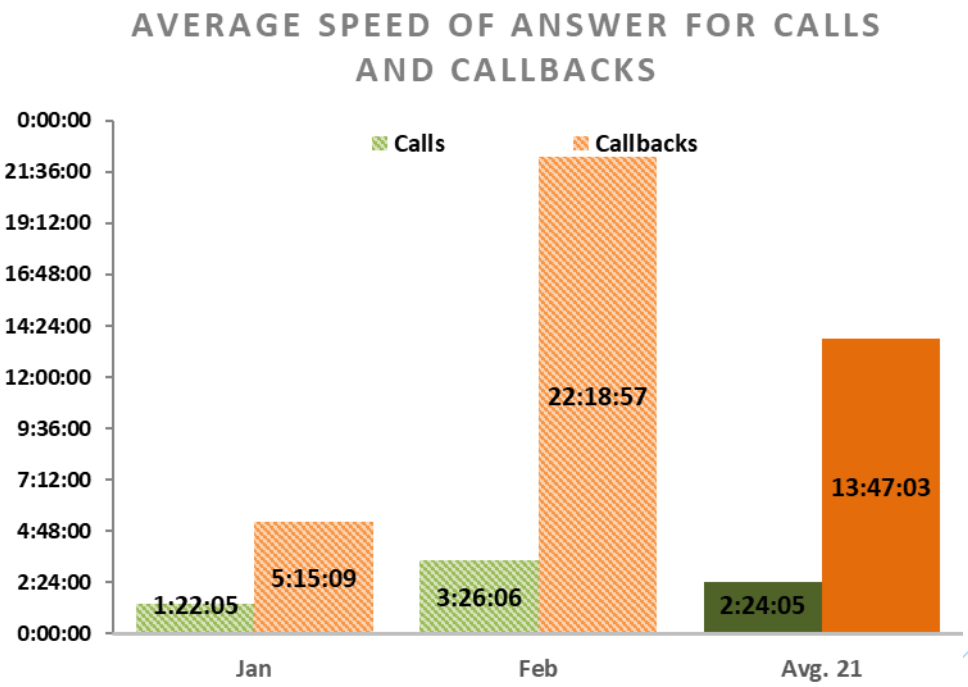
Performance metrics: Call Center





Results as of February 11th

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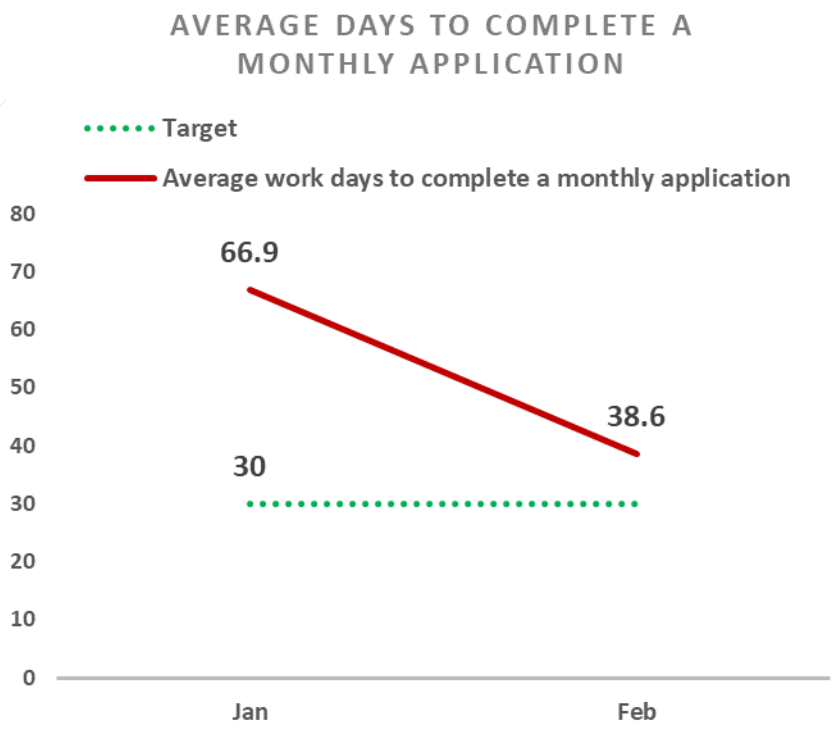
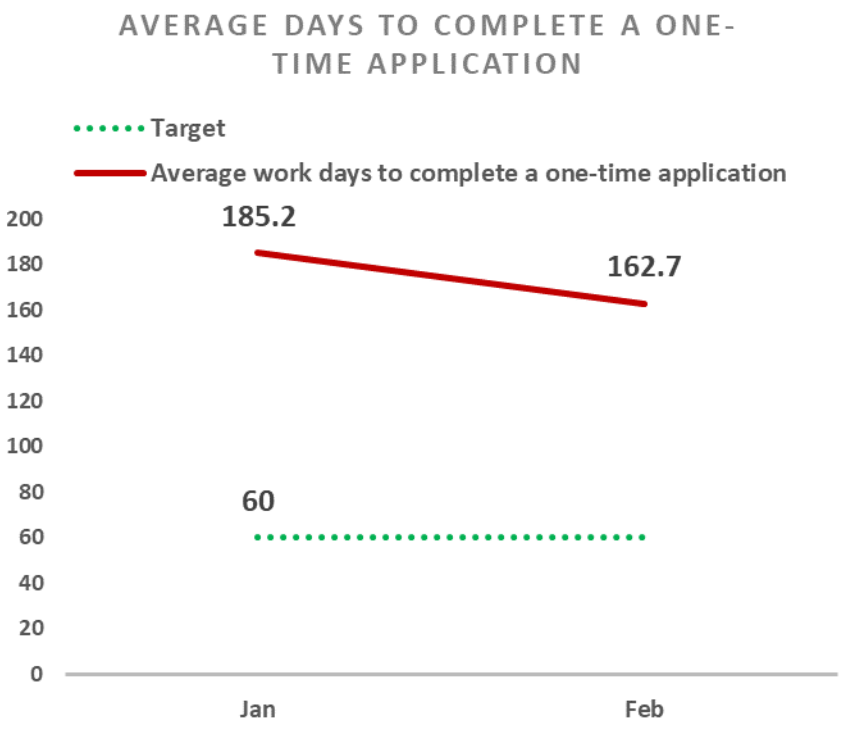
Performance metrics: Survivor processing





Results as of February 11th

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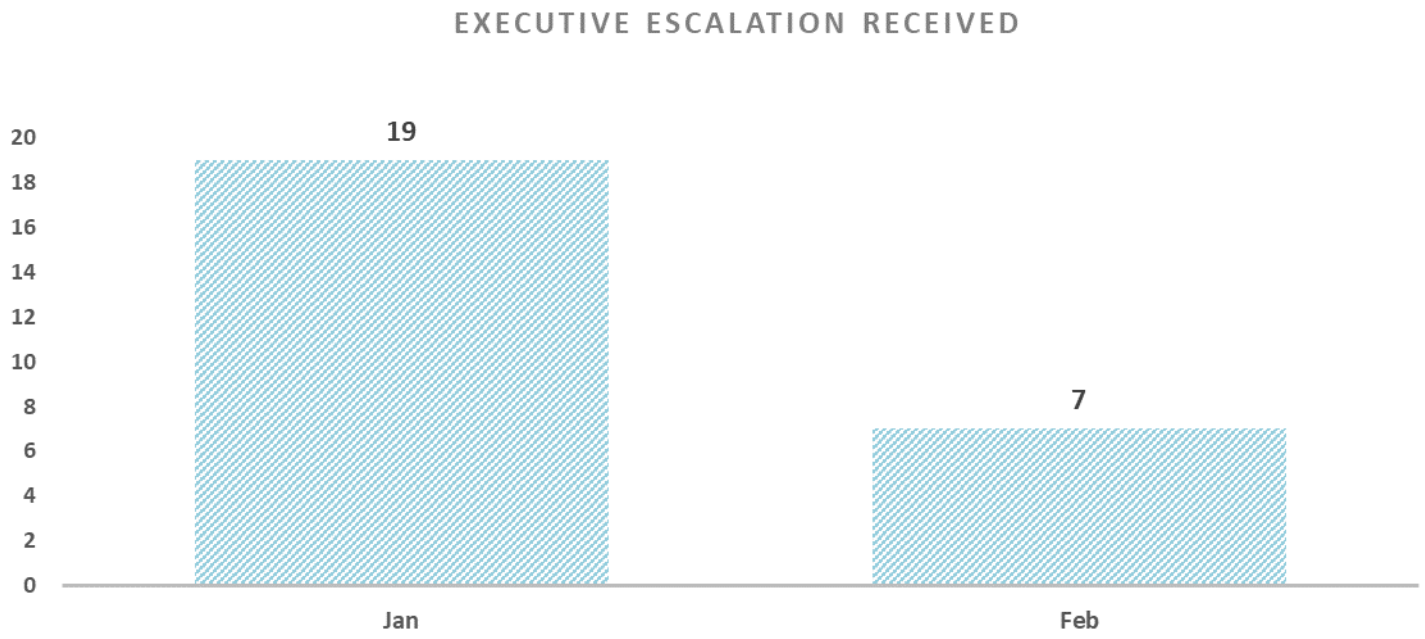
Performance metrics: Executive Escalations



Results as of February 11th

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