

UC Retirement Plan 1976 Tier Summary Plan Description

FOR MEMBERS WITHOUT SOCIAL SECURITY

UNIVERSITY
OF
CALIFORNIA

Listed below are telephone numbers and website and correspondence addresses for some of the resources UC employees routinely use.

UC WEBSITES

UCnet

ucnet.universityofcalifornia.edu

UC Retirement At Your Service (UCRAYS)

retirementatyourservice.ucop.edu

Sign in to your account to send a secure message

UC HUMAN RESOURCES

UC Retirement Administration Service Center:

800-888-8267

Hours: 8:30 a.m.–4:30 p.m., Monday–Friday

Written correspondence should be sent to:

UC Human Resources

P.O. Box 24570

Oakland, CA 94623-1570

LOCAL BENEFITS OFFICES

UC Berkeley: 510-664-9000, option 3

UC Davis: 530-752-1774

UC Davis Medical Center: 916-734-8099

UC Irvine: 949-824-5210

UC Irvine Medical Center: 714-456-5736

UCLA: 310-794-0830

UCLA Medical Center: 310-794-0500

UC Merced: 209-228-2363

UC Riverside: 951-827-4766

UC San Diego: 858-534-2816

UC San Diego Medical Center: 619-543-7585

UCSF: 415-476-1400

UCSF Medical Center: 415-353-4545

UC Santa Barbara: 805-893-2489

UC Santa Cruz: 831-459-2013

ASUCLA: 310-825-7055

Hastings College of the Law: 415-565-4703

UC Office of the President: 510-987-0900

Lawrence Berkeley National Lab: 510-486-6403

INVESTMENT OVERSIGHT

UC Office of Chief Investment Officer

Chief Investment Officer's website: ucop.edu/investment-office

Written correspondence should be sent to:

Office of the Chief Investment Officer of The Regents

University of California

Office of the President

1111 Franklin St

Oakland, CA 94607-9828

BENEFITS FROM OTHER SOURCES

For information on plans and services that may have an impact on your retirement benefits, such as Social Security, CalPERS or other retirement plans and agencies, contact the appropriate agency.

Social Security Administration: 800-772-1213

Social Security website: socialsecurity.gov

CalPERS: 888-225-7377

CalPERS website: calpers.ca.gov

CalSTRS: 800-228-5453

CalSTRS website: calstrs.com

IF YOU MOVE

It is your responsibility to notify the Plan Administrator of your new mailing address. UC uses the address on file as the address of record for you and your beneficiaries. Failure to keep your address current could reduce your benefits in the retirement savings plans because the Plan Administrator may charge the costs of attempting to locate missing participants against the accumulations of separated participants with incorrect addresses.

If you are an active UC employee or retiree, you can change your address by signing in to your UC Retirement At Your Service (UCRAYS) account at retirementatyourservice.ucop.edu.

If you're no longer working for UC or do not have internet access, you can also notify UC Human Resources by calling the UC Retirement Administration Service Center at 800-888-8267. Or, if you have Internet access, select "HR Forms & Publications" on UCnet and print and complete form UBEN 131 (*UC Human Resources Address Change Notice*) and mail it to UC Human Resources.

Retirement Plan: Summary Plan Description

For 1976 Tier Members Without Social Security

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The University of California Retirement Plan (UCRP or the Plan) provides retirement income for eligible employees (and their eligible survivors and beneficiaries) of the University of California and its affiliate, Hastings College of the Law. UCRP also provides disability and death benefits, a lump sum cashout, and, for certain members, a Capital Accumulation Payment (CAP).

UCRP is a governmental defined benefit pension plan established and maintained under Internal Revenue Code (IRC) §401(a). Benefits are determined not by contributions to the Plan, but by defined formulas that vary according to the type of benefits payable (for example, retirement, disability or survivor benefits). The formulas are based on such factors as a member's salary, age and years of service credit. The Plan is funded by employer and employee contributions.

The provisions of UCRP are subject to collective bargaining for represented employees.

Are you in a domestic partnership?

Eligibility rules for domestic partners are different for health and welfare benefits and for UCRP benefits. See page 25, or check out "Establishing a domestic partnership" on UCnet (ucal.us/domesticpartnership), to make sure you've established your partner's eligibility for UCRP survivor benefits.

Membership

The Plan includes the following four membership classes:

- Members who pay into Social Security
- Members who opted out of Social Security coverage, other than Safety members
- Members with Tier Two benefits and
- Safety members

This summary plan description summarizes the Plan provisions for members without Social Security, who include:

- University employees who were Plan members on April 1, 1976, and elected in 1976 or 1977 not to have Social Security coverage (this election applies even for those who have since had a break in service) and
- Employees excluded from Social Security coverage under federal law

This summary plan description is directed to members who are currently accruing benefits under the 1976 Tier and are not coordinated with Social Security. Members with Social Security, Tier Two members, 2013 or 2016 Tier members and Safety members and those who have University service in more than one membership classification should refer to the appropriate summary plan description(s), because benefits and other provisions vary.

SOCIAL SECURITY

UCRP members without Social Security do not pay Social Security taxes nor does the University pay Social Security taxes in their behalf. These members do not earn Social Security benefits through their University employment.

Exception—all members hired or rehired on April 1, 1986, or later are required to pay 1.45 percent of all earnings to Social Security for Medicare hospital Insurance (Part A). In this case, the University also pays Social Security taxes for Medicare in the same amount as the member.

Contact the Social Security Administration (see inside front cover) for more information about Social Security eligibility and benefits, including an estimate of future retirement benefits.

ELIGIBILITY AND MEMBERSHIP

Retirement Plan membership is automatic and mandatory for eligible employees and begins the first day of an eligible appointment. An eligible appointment is at least 50 percent time or more on a fixed or variable basis for one year or longer. Employees with limited appointments, employees in contract positions, employees in “noncareer” positions at Lawrence Berkeley National Laboratory and certain academic employees may become eligible for membership after working 1,000 hours in a rolling, continuous 12-month period. (Members of the Non-Senate Instructional Unit qualify for UCRP membership after working 750 hours in an eligible position.)

Membership is effective no later than the first of the month following the month in which 1,000 hours (or 750 hours) is reached.

EXCEPTIONS:

A University employee is not eligible for Plan membership if he or she:

- Is a contributing member of another retirement plan to which the University contributes on the employee’s behalf (e.g. CalPERS)
- Is at the University primarily to obtain education or training
- Receives pay under a special compensation plan but receives no covered compensation (see definition on page 25)
- Is in a per diem or floater appointment
- Is appointed as a Regents’ Professor or Regents’ Lecturer or
- Is an employee hired as a visiting appointee on or after Aug. 1, 1989

Once you become a UCRP member, active membership continues until you have a break in service (see definition on page 25). Membership is not affected by a reduction in appointment without a break in service. Benefits change if you transfer to a position eligible for Safety benefits.

VESTING

Vesting generally refers to a member's nonforfeitable right to receive UCRP retirement benefits upon leaving the University and reaching retirement age. A vested member is one who has earned five or more years of service credit.¹ Vesting applies whether all service credit is earned as a member with Social Security or is earned partly in another UCRP membership class.

For the CAP benefit, vesting is immediate—regardless of the member's eligibility for other Plan benefits (see "Capital Accumulation Payment" on page 11).

INACTIVE MEMBERSHIP

If eligible, a member can become an inactive member upon leaving University employment and retain the right to future retirement benefits by leaving Plan accumulations in the Plan. A member is eligible for inactive membership if he or she satisfies one of the following criteria:

- Has at least five years of service credit
- Is eligible for reciprocity (see "Reciprocity" at right)
- Is medically separated from University employment and is eligible to apply for UCRP disability income (see "Disability Income" on page 18)
- Is a faculty member of a University medical school who has been appointed by the Veterans Administration to a University affiliated hospital, and, as a result, receives no further covered compensation
- Is a ladder-rank faculty member employed by the Howard Hughes Medical Institute or Ludwig Institute for Cancer Research or
- Became a Plan member July 1, 1989, or earlier, and reached age 62 while still an eligible employee

After leaving the University, an inactive member may, at any time before (and in lieu of) retiring, request a refund of accumulations or, upon reaching age 50, elect a lump sum cashout. Members who elect either a refund of accumulations or a lump sum cashout waive the right to any future Plan benefits based on the same service. See "Refund of Accumulations" and "Lump Sum Cashout" on page 12.

¹ Employees who became UCRP members on or before July 1, 1989, are vested regardless of service credit if they leave University employment after reaching age 62.

RECIPROCITY

Both UCRP and CalPERS have reciprocity provisions to ensure continuity of benefits for members who change employers and transfer between the two retirement systems under certain circumstances. If you qualify for UCRP/CalPERS reciprocity, service credit accrued under both systems can be used to determine whether you are vested in your benefits under both retirement systems. Also, covered compensation earned under both systems can be used to determine your highest average plan compensation under both systems. The reciprocity provisions do not apply to eligibility for retiree health benefits.

To establish reciprocity, members must:

- Be employed under the new retirement system within 180 days of leaving employment under the former system
- Leave their contributions (if any) in the former system and
- Elect reciprocity by completing the proper form (see below)

When you elect UCRP/CalPERS reciprocity, funds are not transferred from one retirement system to another. You become a member of both systems. You are subject to membership and benefit obligations and rights of each system. You must retire under both systems on the same date for the benefits of reciprocity to apply.

To establish reciprocity at UC, you must complete form UBEN 157 (*Election of Reciprocity*) and send it to the UC Retirement Administration Service Center (RASC). The form is part of the *UCRP/CalPERS Reciprocity Fact Sheet*, available on UCnet or from your local Benefits Office. To find out how to establish reciprocity at CalPERS, call CalPERS directly (see inside front cover). As long as you remain eligible under the guidelines listed above, you may establish UCRP/CalPERS reciprocity at any time.

A cap on the total benefits payable from both systems may apply if you are retired for disability under CalPERS.

A provision for concurrent retirement is also available for UCRP members who are also members of the California State Teachers' Retirement Defined Benefit Program (CalSTRS). An employee is eligible for concurrent retirement if he or she:

- Is an active UCRP member on or after July 1, 2002
- Is a member of CalSTRS and
- Elects UCRP retirement income or a lump sum cashout after July 1, 2002

Members eligible for concurrent retirement may also be eligible for certain UCRP benefit enhancements. CalSTRS has similar concurrent retirement provisions that apply to UCRP members; for more information about CalSTRS concurrent retirement, contact CalSTRS directly.

Contributions

FUNDING THE PLAN

Plan benefits are funded by contributions both from the University and active members and by the investment earnings thereon. Wages on which contributions are assessed are called covered compensation. Contributions and earnings are placed in a trust fund and constitute a single pool of assets. Annual actuarial valuations determine the Plan's liabilities (that is, projected benefits to be paid) and the required funding.

The UC Board of Regents periodically adjusts University and member contributions to maintain adequate funding levels.

UNIVERSITY CONTRIBUTIONS

University contributions are used to pay Plan benefits for all, and are not allocated to individual member accounts.

MEMBER CONTRIBUTIONS

Effective July 1, 2014, active members make contributions to UCRP equal to 8 percent of covered compensation less \$19 per month. Adjustments to member contributions are subject to collective bargaining for represented employees.

UCRP contributions are deducted automatically from your gross wages each pay period and allocated to your account. Your contributions to the Plan are deducted on a pretax basis and, therefore, reduce your taxable income (see "Taxes on Distributions" on page 21).

Member contributions are credited with interest at a stated rate (currently 6 percent). A record of each member's UCRP contributions and interest is maintained in a Plan accumulations account.

Service Credit

Service credit is the measure of time a member has participated in the Plan. Service credit is used to determine eligibility for most benefits and to calculate benefits such as monthly retirement income, the lump sum cashout and eligibility for and the amount of the University contribution to retiree health benefits.

Service credit is earned whenever a member receives covered compensation for an eligible appointment. The maximum that a member can earn for a year of full-time work is one year of service credit. Part-time or variable-time work results in a proportionate amount of service credit. For example, a member who works 50 percent time for one year receives one-half year of service credit. Service credit is not earned for overtime or other work outside a member's normal, regular appointment.

SICK LEAVE

If a member retires within four months after leaving the University and elects monthly retirement income, any unused sick leave is converted to service credit. Eight hours of unused sick leave converts to one day of service credit. Sick leave converted to service credit cannot be used to reach the five years of service credit needed to be eligible for retirement benefits. But because service credit is part of the benefit formula, this additional service credit may increase your monthly retirement income. Service credit for sick leave is also used to determine eligibility for retiree health benefits.

DISABILITY STATUS

Disabled members earn service credit at the same rate earned during the 12 months of continuous service just before the member's disability date.

Disabled members whose UCRP disability date is Nov. 5, 1990, or later earn service credit until/unless their retirement benefit, if they were to retire, would be as great as their disability benefit.

PARTIAL-YEAR CAREER APPOINTMENTS

Members who work full time during 9-, 10- or 11-month partial-year appointments earn one year of service credit for each Plan year. Members who work part time during partial-year appointments earn proportionate service credit. For example, a member who works 50 percent time during a partial-year appointment earns one-half year of service credit.

See the definition of highest average plan compensation (HAPC) page 26 for an explanation of the potential effect of a partial-year career appointment on a member's HAPC, which is one of the factors that determines your retirement benefits.

MILITARY LEAVE

Members who return to University service in accordance with their reemployment rights following a military leave receive service credit for the time spent in uniformed service and for a period following uniformed service, provided the member returns to work or notifies the University in writing of the intent to do so.

Members earn service credit for military leave at the same rate earned during the 12 months of continuous service just before the leave. For example, a member who earned three-fourths of a year of service credit in the 12 months just before military leave will earn three-fourths of a year of service credit for a year of military leave.

Local Benefits Offices can provide more information about establishing service credit for military leaves. You'll need to submit form UBEN 132 (*Service Credit Verification Request*) with documentation to the address on the form.

LEAVE WITHOUT PAY

Members do not earn service credit during a leave without pay, but you may be able to purchase service credit, if the leave was approved (see the *UCRP Service Credit Purchase Guide* available online at ucal.us/purchase).

SABBATICAL OR PAID LEAVE

During a sabbatical or paid leave, members earn service credit in proportion to the percentage of full-time pay they receive. For example, a member on sabbatical leave at two-thirds pay for one year receives two-thirds of a year of service credit, but you may be able to purchase service credit for the unpaid portion of the leave, if the leave was approved (see the *UCRP Service Credit Purchase Guide* available online at ucal.us/purchase).

EXTENDED SICK LEAVE

Members earn up to 80 percent of service credit for periods of extended sick leave during which they receive Workers' Compensation. You may be able to purchase service credit for any remaining percentage (see the *UCRP Service Credit Purchase Guide*, available online at ucal.us/purchase).

TIME REDUCTION INCENTIVE PLAN (TRIP)

TRIP, a temporary workforce reduction program, was in effect Aug. 1, 1992, through June 30, 1995. TRIP participants were eligible to accrue one full month of service credit for each month during the period of their TRIP agreement if they worked at least 75 percent time each month during the entire period and fulfilled all other terms of the agreement.

STAFF AND ACADEMIC REDUCTION IN TIME (START) PROGRAM

START was a temporary workforce reduction program that was in effect from June 1, 2003, through June 30, 2006 and from July 1, 2008 through June 30, 2010. START participants were eligible to accrue UCRP service credit for each month during the START period at the same rate as was accrued before the START period if they remained on pay status at least 50 percent of full-time each month and fulfilled all other terms of the START agreement. UCRP service credit during the START period was reduced for periods of leave without pay or other periods of time off pay status not reflected in the START agreement.

FURLOUGH

Employees on furlough from Sept. 1, 2009, through Aug. 31, 2010², accrued UCRP service credit for each month during the furlough period at the same rate they accrued prior to the furlough period.

PAST SERVICE

Members with previous Plan membership retain service credit for the earlier period if they left their money in the Plan upon leaving the University.

Returning members who previously received a refund of accumulations may reestablish service credit for the earlier period by repaying the refund plus interest to the Plan.

Returning members who previously received a lump sum cashout may not purchase service credit for any period before the cashout date.

² Furlough periods for some union employees may differ.

Service Credit

NONCONTRIBUTORY SERVICE

Those who were Plan members during the period July 1, 1966, through June 30, 1971, earned service credit as usual, although they were not required to contribute until the July 1 after they reached age 30, or, for those who were already age 30, until the July 1 after one full year of service. At retirement, the member's benefit is reduced by the value of the missed member contributions during the noncontributory period, unless the offset is eliminated as described in the next column.

For approved leaves (including military leaves) during the noncontributory period (July 1, 1966, through June 30, 1971), members earned service credit although neither the member nor the University contributed to the Plan. At retirement, the member's benefit is reduced because there were no member or University contributions during this period.

For more details, see the *UCRP Service Credit Purchase Guide* available online at ucal.us/purchase.

Service Credit Purchase

A "service credit purchase" (formerly called a "buyback") is payment to establish service credit for eligible leaves, reestablish service credit for previous UCRP membership or to eliminate a noncontributory offset. The service credit purchase option is available only to active UCRP members.

A SERVICE CREDIT PURCHASE IS AVAILABLE FOR:

APPROVED LEAVES

Approved leave without pay; partially paid sabbatical leave; extended sick leave; temporary layoff or furlough (except during a partial-year career appointment); incomplete TRIP agreement or completed TRIP agreement of less than 75 percent time; and reduction in appointment under Temporary Reduction In Time (TRIT) from July 1, 1993, to Oct. 28, 1993; or

PREVIOUS UCRP MEMBERSHIP

UCRP service for which a refund of accumulations was received; or

ELIMINATING NONCONTRIBUTORY OFFSETS

The noncontributory offset, which affects many who were members during the period July 1, 1966, through June 30, 1971; and the leave offset, which affects all who took an approved leave during the period July 1, 1966, through June 30, 1971.

A SERVICE CREDIT PURCHASE IS NOT AVAILABLE FOR:

- Any break-in-service period
- Any period of ineligible service, such as temporary employment or indefinite layoff
- Any furlough during a partial-year career appointment
- A completed TRIP agreement of 75 percent time or more (the member accrued 100 percent of service credit for the period)
- A reduction in appointment (except under a TRIT agreement)
- Any period of CalPERS membership
- Any period of service that preceded a lump-sum cashout
- Any period of less than four weeks, unless necessary for vesting purposes
- Any period of military leave July 1, 1966, or later (the member receives full service credit without making contributions; for military leaves from July 1, 1966, through June 30, 1971, however, the leave offset applies) or
- A CAP distribution

You can find complete service credit purchase information as well as instructions in the *UCRP Service Credit Purchase Guide*, available online at ucal.us/purchase.

Capital Accumulation Payment

For certain UCRP members, the Capital Accumulation Payment (CAP) provides a supplement to other UCRP benefits. The CAP benefit is based on allocations made to UCRP member accounts on certain dates. Each allocation was calculated as a percentage of covered compensation during a specified period.

CAP allocations made in 1992, 1993 and 1994 earn interest equal to an annual percentage yield of 8.5 percent.

Allocations made in 2002–2003 earn interest equal to the UCRP assumed earnings rate, an annual percentage yield of 6.75 percent as of Jan. 1, 2020.

Interest on all CAP allocations is credited monthly.

CAP benefits were vested immediately. They are paid in a lump sum when the member leaves University employment³ and:

- Elects a refund of Plan accumulations (if any)

- Elects a lump sum cashout
- Elects retirement income or
- Begins receiving UCRP disability income
- Is not entitled to one of the benefits described above and is not eligible to become an inactive member

You can also take a distribution of your CAP balance, if any, when you leave University employment and become an inactive Plan member as long as any other UCRP accumulations remain in the Plan.

Payment of the CAP balance after a member's death is considered a death benefit (see "Death Benefits" on page 16).

For more information about rolling over your CAP balance, see the *Special Tax Notice for UC Retirement Plan Distributions*, available on UCnet (ucal.us/specialtaxnotice).

CAPITAL ACCUMULATION PAYMENTS

Allocation Date	Percentage of Covered Compensation	Eligibility Requirements
April 1, 1992	5% of covered compensation paid during calendar year 1991	Active UCRP member continuously from 12/31/1991–4/1/1992
July 1, 1992	2.5% of covered compensation paid 7/1/1991–6/30/1992	Active UCRP member on 6/1/1992
July 1, 1993	2.5% of covered compensation paid 7/1/1992–6/30/1993	Active UCRP member on 7/1/1993
Nov. 1, 1993	5.26% of covered compensation paid 7/1/1993–10/31/1993	<ul style="list-style-type: none"> • Active UCRP member on 10/1/1993, and • Salary reduced by 5% as of 10/1/1993, under the '93–94 Salary Plan; or participating in TRIP as of 10/1/1993
July 1, 1994	2.67% of covered compensation paid 11/1/1993–6/30/1994	<ul style="list-style-type: none"> • Active UCRP member on 6/1/1994, and • Salary reduced by 2.6% as of 6/1/1994, under the '93–94 Salary Plan; or participating in TRIP as of 6/1/1994; or AFSCME member with salary reduced by 4.16% as of 6/1/1994
April 1, 2002	3% of covered compensation paid 4/1/2001–3/31/2002	Active UCRP member on 4/1/2002
April 1, 2003	5% of covered compensation paid 4/1/2002–3/31/2003	Active UCRP member on 4/1/2003

³ For UCRP members employed at Los Alamos National Laboratory as of May 31, 2006, who opted to transfer their UCRP accrued benefits to the Los Alamos National Security, LLC, Defined Benefit Pension Plan, CAP benefits are not payable until they leave LANS employment. For UCRP members employed at Lawrence Livermore National Laboratory as of Sept. 30, 2007, who opted to transfer their UCRP accrued benefits to the Lawrence Livermore National Security, LLC, Defined Benefit Pension Plan, CAP benefits are not payable until they leave LLNS employment and must be paid at retirement.

Refund of Accumulations

Members who are not eligible for inactive membership upon leaving University employment may receive a distribution of their Plan accumulations, if any, or leave them in the Plan (University contributions to the Plan remain in the Plan).

Members who are eligible for inactive membership may request a refund of their money in the Plan. However, a refund of accumulations cancels the member's right to any future Plan benefits based on that period of service unless the member returns to University employment and reestablishes the service credit (see the *UCRP Service Credit Purchase Guide* available online at ucal.us/purchase).

If you request a distribution of your accumulations in the Plan, you also will receive a distribution of your CAP balance, if any. To request a distribution of Plan accumulations and CAP, you must complete form UBEN 142 (*Distribution Request—Refund of Accumulations*) and UBEN 142CAP (*Distribution Request—CAP Balance*), and send both forms to UC Human Resources. Distribution forms are available from your local Benefits Office or from the UC Retirement Administration Service Center.

A refund of any remaining accumulations after a member's death is considered a death benefit (see "Death Benefits" on page 16).

For more information, see the *Special Tax Notice for UC Retirement Plan Distributions*, available on UCnet (ucal.us/specialtaxnotice).

Lump Sum Cashout

The lump sum cashout is a present value projection of the member's lifetime basic retirement income as of the cashout date and includes assumed cost-of-living increases. It is an option available to members who leave University employment and are eligible to retire. (See "Retirement Benefits" on page 13 for eligibility requirements.) The lump sum cashout may be chosen in lieu of monthly retirement income. However, members who have drawn UCRP retirement income and later return to University employment and to active UCRP membership may not elect the lump sum cashout upon subsequent separation.

A member who elects the cashout forfeits all other retirement benefits—such as credit for converted sick leave—and death benefits—such as the basic death payment, the postretirement survivor continuance and contingent annuitant benefits. Eligibility for retiree medical, dental and legal benefits, if any, is also forfeited.

If the member elects the lump sum cashout and dies before payment is made, the cashout will be paid to the member's beneficiary.

ELECTING A LUMP SUM CASHOUT

To receive a lump sum cashout, you must obtain an election form from the Retirement Administrative Service Center or your local Benefits Office and submit it to UC Human Resources along with any other required forms or documents. (If you're an inactive member, call the UC Retirement Administration Service Center to request a lump sum cashout.) A member's cashout date cannot be earlier than the first of the month in which the request is received by the UC Retirement Administration Service Center or the day following your separation from University service, whichever is later.

UC Human Resources must receive your election form no more than 90 days before or 90 days after the cashout date you are requesting. After receiving your election form, UC Human Resources will send you a confirmation letter. After you receive the confirmation letter and agree with the information provided, you do not have to take any further action to receive your lump sum cashout. If you do not receive a confirmation letter within a reasonable time, contact the UC Retirement Administration Service Center or your Benefits Office. You may cancel or change your election at any time up to your cashout date (or 15 days after your confirmation letter is sent, if later). After that time, your lump sum cashout election becomes irrevocable.

For more information, see the *Special Tax Notice for UC Retirement Plan Distributions*, available on UCnet (ucal.us/specialtaxnotice).

Retirement Benefits

Members can elect to retire and receive benefits at any time after they become eligible—that is, when they reach age 50 and leave University employment with at least five years of service credit.⁴

If You Leave UC and Don't Retire

In most cases, vested members who leave University employment at or before age 60 and do not, or are not eligible to, retire at the time they separate should not delay electing retirement benefits past age 60. Generally, at age 60, an inactive member will have attained the maximum UCRP benefit payable under the Plan. No retroactive benefits will be paid to inactive members who delay electing retirement benefits past age 60.

ELECTING RETIREMENT INCOME

To elect retirement income, your first step in forming your decision should be to read the *Retirement Handbook*, available on UCnet or from local Benefits Offices or the UC Retirement Administration Service Center. Once you have familiarized yourself with the basic information this booklet provides, contact your local Benefits Office or UC Retirement Administration Service Center to confirm retirement procedures, because they vary depending on your UC location.

A member's retirement date cannot be earlier than the first of the month the request is submitted.

BASIC RETIREMENT INCOME

Basic retirement income is the member's normal monthly lifetime benefit. This basic amount is adjusted if the member wants to provide monthly survivor income for a spouse or another person (see "Alternate Payment Options" on page 15). An additional adjustment is required if the monthly benefit exceeds maximum benefit levels. See also "Limitations" (see page 16) and "Internal Revenue Code Provisions," (see page 20).

For members without Social Security, basic retirement income is a percentage of the member's average salary, or HAPC (highest average plan compensation—see definition on page 26), minus a reduction for any noncontributory/leave offset (see "Noncontributory Service" on page 10). The percentage is based on the member's service credit and age at retirement.

BENEFIT CALCULATION

The general formula for calculating basic retirement income is:

**Service credit x age factor = benefit percentage
(not to exceed 100%)**

Benefit percentage x HAPC = monthly benefit

Age factors are based on the member's age in complete years and months on the date of retirement as shown in the chart on page 14.

In the examples that follow, benefit amounts are rounded down to the nearest dollar.

Example 1—Benefit percentage

A member retires at age 60 (age factor .0250), with 20 years of service credit.

20 years x .0250 = 50% (benefit percentage)

CALCULATING BASIC RETIREMENT INCOME

The initial formula for basic retirement income is:

**Benefit percentage x HAPC = basic retirement income
(not to exceed 100% of HAPC)**

HAPC is the member's average monthly salary (full-time equivalent compensation—100 percent of covered compensation that would be paid for a normal, regular full-time position) calculated over the highest 36 continuous months preceding retirement. This is usually, although not necessarily, the period just before employment ends. Also see the definition on page 26.

Example 2—Calculating basic retirement income

The member's benefit percentage is 50%. The HAPC is \$4,000.

50% of \$4,000 = \$2,000

The member's basic retirement income is \$2,000 per month.

For adjustments to HAPC for disabled or inactive members who retire, see "Cost-of-Living Adjustments" on page 17.

If you have noncontributory service, an offset is applied to your basic retirement income (see "Service Credit—Noncontributory Service" on page 10).

If you participated in the Strict Full Time Salary Plan or had a partial-year career appointment, ask your benefits representative for information about your basic retirement income.

NONCONTRIBUTORY/LEAVE OFFSET

For members with noncontributory service, the retirement benefit is reduced because of contributions the member has not made. The retirement benefit is the higher of the two following calculations:

⁴ Employees who became UCRP members on or before July 1, 1989, are vested regardless of service credit if they leave University employment in an eligible position after reaching age 62.

Retirement Benefits

- One that counts service credit accrued during the noncontributory period and includes an offset based on the balance at the time of retirement and
- One that excludes service credit accrued during the noncontributory period and the offset

For members who took an approved leave (including military leave) during the noncontributory period, a further reduction is applied to account for University contributions that were not made.

POSTRETIREMENT SURVIVOR CONTINUANCE

When a retired member dies, part of the retirement benefit is paid to the surviving spouse, or surviving domestic partner (the marriage or domestic partnership must have existed for at least one year before the member's retirement and continuously until the member's death), or if none, to the eligible children, or if none, to the eligible dependent parents (see the definition on page 26). If the survivor dies while receiving this benefit, or if children become ineligible, benefits are paid to the next eligible survivor, for as long as someone is eligible.

Note: Benefits for domestic partners became effective in July 2002. State and/or UC documentation of the partnership is required (see the definition on page 25 and the *Benefits for Domestic Partners* (available on UCnet) for more information).

Postretirement survivor continuance

- Is not optional
- Is built into the retirement benefit (basic retirement income is not reduced to pay for it) and
- May be paid only to those eligible as described above

HOW POSTRETIREMENT SURVIVOR CONTINUANCE IS CALCULATED

50% of the member's basic retirement income = postretirement survivor continuance

Example

50% of \$2,000 = \$1,000 survivor continuance

When the member dies, the surviving spouse or domestic partner (or another eligible survivor) receives \$1,000 each month for life. If the eligible survivors die first, the member's benefit is not affected.

RETIREMENT AGE FACTORS

Age	Complete Months from Last Birthday to Retirement Date											
	0	1	2	3	4	5	6	7	8	9	10	11
50	.0110	.0111	.0112	.0114	.0115	.0116	.0117	.0118	.0119	.0121	.0122	.0123
51	.0124	.0125	.0126	.0128	.0129	.0130	.0131	.0132	.0133	.0135	.0136	.0137
52	.0138	.0139	.0140	.0142	.0143	.0144	.0145	.0146	.0147	.0149	.0150	.0151
53	.0152	.0153	.0154	.0156	.0157	.0158	.0159	.0160	.0161	.0163	.0164	.0165
54	.0166	.0167	.0168	.0170	.0171	.0172	.0173	.0174	.0175	.0177	.0178	.0179
55	.0180	.0181	.0182	.0184	.0185	.0186	.0187	.0188	.0189	.0191	.0192	.0193
56	.0194	.0195	.0196	.0198	.0199	.0200	.0201	.0202	.0203	.0205	.0206	.0207
57	.0208	.0209	.0210	.0212	.0213	.0214	.0215	.0216	.0217	.0219	.0220	.0221
58	.0222	.0223	.0224	.0226	.0227	.0228	.0229	.0230	.0231	.0233	.0234	.0235
59	.0236	.0237	.0238	.0240	.0241	.0242	.0243	.0244	.0245	.0247	.0248	.0249
60+	.0250											

Example: For a member born on March 8, 1958, and retired on July 1, 2013, the age factor is .0184 (55 years plus three months).

ALTERNATE PAYMENT OPTIONS

If you want to provide a monthly lifetime benefit for another person—called a contingent annuitant—several options are available.

The contingent annuitant is a person you choose, and you may choose only one. The selection of the option and contingent annuitant becomes irrevocable on the retirement date on the election form (or 15 days after the date of the letter confirming that your election has been received, if later). See “Electing Retirement Income” on page 13. Also, there are legal and financial considerations when designating a contingent annuitant (see “Designation of Beneficiary or Contingent Annuitant” on page 23).

If you are married or have a registered domestic partner and designate someone other than your legal spouse or partner as a beneficiary or contingent annuitant, you need to consider the spouse’s/partner’s community property rights. See “Community Property” on page 23 for more information.

To provide a contingent annuitant benefit, you receive a reduced retirement benefit for life. The amount of the reduction varies according to the option you choose as well as the average life expectancy of you and the contingent annuitant. If the person you name as contingent annuitant dies before you, you cannot name another contingent annuitant and your benefit will not be adjusted.

Please note that an Internal Revenue Code regulation places a limitation on the extent your monthly benefits can be reduced to provide for a non-spouse contingent annuitant who is more than ten years younger than you. As a result, some or all of the alternate payment options may not be available for you to elect if the contingent annuitant is more than ten years younger than you. (See “Minimum Distribution Incidental Benefit” on page 21 for more information.)

Before the reduction is determined, the 50 percent postretirement survivor continuance is set aside. The remaining 50 percent of the member’s basic retirement income is adjusted for the payment option selected. This adjusted portion is referred to as the option portion. If no one is eligible for the postretirement survivor continuance at the time of retirement, the entire basic retirement income is adjusted for the payment option.

The benefit paid to the member during his or her lifetime consists of both parts—the 50 percent survivor continuance portion and the option portion—for as long as the member lives. The benefit paid to the contingent annuitant when the member dies is based only on the option portion. The contingent annuitant, if eligible, will also receive the survivor continuance when the member dies. In no case will the member’s benefit be adjusted if the contingent annuitant and/or eligible survivors die first.

Paid in addition to the 50 percent survivor continuance, the payment options are:

OPTION A

Full Continuance to Contingent Annuitant

The retired member receives a reduced monthly benefit for life. When the member dies, the contingent annuitant receives a lifetime benefit equal to the option portion.

OPTION B

Two-Thirds Continuance to Contingent Annuitant

The retired member receives a reduced monthly benefit for life. When the member dies, the contingent annuitant receives a lifetime benefit equal to two-thirds of the option portion.

OPTION C

One-Half Continuance to Contingent Annuitant

The retired member receives a reduced monthly benefit for life. When the member dies, the contingent annuitant receives a lifetime benefit equal to one-half of the option portion.

ALTERNATE PAYMENT OPTION CALCULATIONS

The examples that follow assume that both the retiring member and the contingent annuitant are age 60. (If the age were different, the dollar amounts would vary somewhat because different reduction factors would be used.) Benefit amounts are rounded down to the nearest dollar.

Example—Calculating Payment Option A (Full Continuance)—spouse or domestic partner is contingent annuitant

Basic retirement income is \$2,000. The spouse or domestic partner is eligible for the 50 percent (\$1,000) postretirement survivor continuance; however, the member wants to provide the spouse or domestic partner with an additional monthly lifetime benefit. The member names the spouse or domestic partner as contingent annuitant and chooses Option A.

Step 1

The 50% (\$1,000) survivor continuance is set aside.

$$\$2,000 - \$1,000 = \$1,000 \text{ (the remaining 50\%)}$$

Step 2

The reduction factor is applied to the remaining 50%.

$$0.919948 \times \$1,000 = \$920 \text{ (option portion)}$$

Step 3

The 50% survivor continuance is added back.

$$\$920 + \$1,000 = \$1,920 \text{ (member's benefit)}$$

The member’s retirement benefit is \$1,920, to be paid every month for life. Thereafter, the spouse or domestic partner will receive both the \$1,000 survivor continuance and the option

Retirement Benefits

portion of \$920, for a total monthly benefit of \$1,920 (the same amount as the member received).

Example—Calculating Payment Option A (Full Continuance)—spouse or domestic partner is not contingent annuitant (variation of prior example)

In this example, the spouse or domestic partner is eligible for survivor continuance, but the member names someone else—for example a cousin—as contingent annuitant.

The calculation and the member's benefit are the same as in the prior example. When the member dies, the surviving spouse or domestic partner receives the \$1,000 survivor continuance and the contingent annuitant receives the \$920 option portion. Each benefit is paid for the recipient's lifetime.

Example—Calculating Payment Option A (Full Continuance)—postretirement survivor continuance is not payable (variation of example on page 15)

In this example, the member has no eligible survivors but wants to provide for a friend. The member chooses Option A with the friend as contingent annuitant. Because no one is eligible for the survivor continuance, the option payment is based on the entire basic retirement income of \$2,000.

0.9199 x \$2,000 = \$1,839.80 monthly retirement benefit

The member receives \$1,839.80 each month for life. Thereafter, the friend—as contingent annuitant—receives \$1,839.80 each month for life.

Options B and C are calculated and paid in the same way as Option A; only the reduction factors differ.

LIMITATIONS

The maximum UCRP basic retirement income is 100 percent of the member's HAPC. This limit applies to a member's retirement income taking into account all University employment, including any eligible CalPERS service. However, the limit on basic retirement income affects only a few UCRP members, most of whom have 40 years or more of service credit. If part of your UCRP benefit has been awarded to an alternate payee (see "Qualified Domestic Relations Orders" on page 24), the maximum benefits will be determined by taking into account any service credit assigned to the alternate payee. The member cannot "earn back" this service credit by working longer than the number of years on which the maximum benefit was based (generally 40).

Retirement benefits, which may include additional elements, such as a CAP or Social Security supplement, may also be limited by the IRC (see "IRC Limit on Plan Benefits" on page 20).

Death Benefits

PAYMENTS TO BENEFICIARIES

When an active, inactive, disabled or retired member dies, UCRP pays a basic death payment of \$7,500 to the member's beneficiary, in addition to any monthly UCRP income that may be payable to eligible survivors or to the contingent annuitant.⁵ Beneficiaries of active, disabled or inactive members also receive any CAP payment.

After the deaths of the member, eligible survivors and contingent annuitant, any remaining balance (member contributions and earnings) is paid to the member's beneficiary.

If a member dies after electing but before receiving the lump sum cashout, the cashout amount and CAP balance, if any, are paid to the member's beneficiary. No additional death benefits are payable.

UCRP death benefits are not the same as University life insurance benefits or departmental death benefits. For information about these benefits, see the appropriate *Survivor and Beneficiary Handbook*, available on UCnet or from your local Benefits Office or the UC Retirement Administration Service Center.

PRERETIREMENT SURVIVOR INCOME

If an active member dies with at least two years of service credit, or if a disabled member dies, monthly income is paid to the member's eligible survivors—that is, eligible spouse or domestic partner, or if none, eligible child(ren), or if none, eligible dependent parent(s); see the definition on page 26.

In the case of an inactive member's death, monthly income is paid to a surviving spouse or surviving domestic partner only if the member is eligible to retire at the time of death.

For active members, the amount paid to the eligible survivor(s) is a percentage of the member's final salary. The percentage depends on the number of eligible survivors with certain minimums as shown in the table below:

Number of Eligible Survivors	Percent of Final Salary	Minimum Monthly Benefit
1	25%	\$200
2	35%	\$300
3	40%	\$300 + 5% of final salary
4	45%	\$300 + 10% of final salary
5 or more	50%	\$300 + 15% of final salary

⁵ Beneficiaries of active members who became Plan members before Oct. 1, 1990, receive \$1,500 plus one month's final salary, if this amount is greater than \$7,500.

Cost-of-Living Adjustments

DEATH WHILE ELIGIBLE TO RETIRE

If an active, inactive or disabled member dies while eligible to retire (that is, age 50 with at least five years of service credit, or, for those who became Plan members July 1, 1989, or earlier, age 62 regardless of service credit), a lifetime retirement benefit may be payable to the surviving spouse or surviving domestic partner.

This benefit is calculated as though the member had elected to retire on the day after the date of death and had chosen Option A (full continuance) with the spouse or domestic partner named as contingent annuitant. If the deceased is an active or disabled member and the spouse or domestic partner also qualifies as an eligible survivor, both the preretirement survivor income and the Option A benefit are calculated and the higher benefit is paid. The benefit is payable beginning the day after the member's death.

For benefits payable when a member dies after electing retirement income, see "Postretirement Survivor Continuance" on page 14.

After receiving benefits for one year, UCRP members are eligible to receive an annual cost-of-living adjustment (COLA), paid each July 1. The COLA is based on the Consumer Price Index (CPI) increase for the preceding year. Generally, the COLA for any Plan year equals:

- 100 percent of the CPI increase up to 2 percent
- 75 percent of the CPI increase over 4 percent
- Maximum COLA 6 percent

If the CPI decreases, UCRP benefits are not reduced.

The CPI used to determine the annual COLA is an average of the CPIs for the Los Angeles and San Francisco metropolitan areas and is measured from February to February.

For preretirement survivor income, the COLA is calculated from the July 1 date after one full year following the member's death. This applies even if benefits are not payable until a later time, as in the case of a surviving spouse or surviving domestic partner who reaches the qualifying age at a later date.

For members who began receiving UCRP disability income before Nov. 5, 1990, a COLA is applied to the member's HAPC when he or she retires. The total adjustment is equal to the percentages of COLAs that accrued to Plan benefits during the period of the member's disability (from July 1 following the date of disability to the July 1 coinciding with or immediately preceding the retirement date). For those who begin receiving UCRP disability income Nov. 5, 1990, or later, the HAPC is not increased by COLAs prior to retirement.

When an inactive member retires or elects a lump sum cashout, the HAPC is increased to include a COLA of 2 percent compounded annually between the July 1 following the separation date and the July 1 coinciding with or immediately preceding the retirement or cashout date (or the actual CPI increase over that same period, if lower).

Disability Income

Disability income is available to active members who satisfy certain minimum requirements and who submit a timely application (see “Applying for Disability Benefits” at right). The service requirements, definitions and reevaluation standards vary depending on the UCRP membership date. The length of the disability income period varies depending on the UCRP disability date.

If the member is eligible to retire, elections for disability and retirement should be made simultaneously so retirement benefits will commence in the event disability benefits are not approved.

GENERAL REQUIREMENTS

The Plan Administrator determines a member’s eligibility to receive UCRP disability income based on qualified medical evidence and in accordance with written procedures governing the consideration and disposition of disability issues. These procedures include a member’s right to review decisions concerning his or her status. Once established, eligibility is reevaluated periodically by the Plan Administrator.

A member applying for disability income is required to submit medical evidence, which is considered in determining eligibility for the benefit. To receive disability income initially and at any time while receiving it—a member also may be required to undergo medical examination(s) by physician(s) chosen by the Plan Administrator, or to participate in vocational assessment or rehabilitation programs. A member who does not comply is not eligible to receive UCRP disability income.

DISABILITY DEFINITIONS

While almost all members without Social Security became Plan members before April 1, 1980, more recent provisions will apply in some cases. These provisions apply to members who left University employment, took a refund of accumulations, and were then rehired in an eligible appointment April 1, 1980, or later and did not reestablish service credit for their earlier period of membership.

Employees who became Plan members on April 1, 1980, or later must have five years of service credit to qualify for disability income.⁶

For these members, “disabled” means being unable to engage in substantial gainful activity (as defined in the next paragraph) because of a medically determinable physical or mental impairment that is permanent or expected to last 12 continuous months or longer from the UCRP disability date.

Initially, “substantial gainful activity” means physical or mental activities that pay 50 percent or more of the member’s final salary (adjusted for cost-of-living increases; see “Cost-of-Living Adjustments” on page 17). After the first year of disability income, the member’s impairment is reevaluated. Disability income continues if the member is unable to earn the amount defined annually by the Social Security Administration in determining substantial gainful activity. In 2018, this amount is \$1,180 per month.

Employees who became Plan members before April 1, 1980, must have two years of service credit to qualify for disability income.⁶

For these members, “disabled” means being unable to perform the duties of their current University position or a comparable position (see below) because of a medically determinable physical or mental impairment that is permanent or expected to last for 12 continuous months or longer from the UCRP disability date.

“Comparable position” means a University position for which the member is qualified and is medically able to perform—whether or not such a position is available—and that pays at least 80 percent of the member’s final salary, adjusted for cost-of-living increases (see “Cost-of-Living Adjustments” on page 17).

Within two years, the disabled member’s situation is reevaluated. Disability income continues if the impairment prevents the member from holding a position (at the University or elsewhere) that could reasonably be expected to pay 70 percent or more of the member’s final salary, adjusted for cost-of-living increases (see “Cost-of-Living Adjustments” on page 17). This includes employment, self-employment and the rendering of any type of service.

APPLYING FOR DISABILITY BENEFITS

To apply for UCRP disability income, you should contact your local Benefits Office to explore your various disability income options. Be prepared to provide medical information to substantiate your application. You should make an appointment to apply for disability benefits as soon as it appears you won’t be able to return to work because of your disability. (Inactive members are eligible to apply for disability income within 12 months of leaving University employment if medical evidence shows that the disability has been continuous from before the separation date.) But, to preserve your right to continue UC-sponsored health coverage, you must apply within 120 days of your separation.

⁶ Any service credit that was purchased for an unpaid leave is not included in determining eligibility for disability benefits.

DISABILITY DATE

If a member is eligible as defined by the Plan, disability income is payable. The first day of eligibility, or the disability date, is the later of:

- The first of the month in which the Plan Administrator receives the application or
- The day after the member's last day on pay status

DISABILITY INCOME

For members without Social Security, disability income is a percentage of the member's monthly final salary. The percentage is based on years of service credit and number of eligible children as of the disability date, as shown below:

	Number of Eligible Children				
	0	1	2	3	4+
Years of Service Credit	Monthly Benefit (percent of final salary)				
2 (less than 3)	25%	30%	35%	40%	45%
3 (less than 4)	30%	35%	40%	45%	50%
4 (less than 5)	35%	40%	45%	50%	55%
5+	40%	45%	50%	55%	60%

MAXIMUM DISABILITY INCOME

The maximum disability income that may be payable, when combined with income from other sources, depends on the UCRP membership date. Members who become eligible for disability income will receive further details.

LENGTH OF THE DISABILITY INCOME PERIOD

Members with a UCRP disability date of Nov. 5, 1990, or later who continue to be disabled as defined by the Plan, can receive UCRP disability income as follows:

- Members under age 65 on the UCRP disability date may receive disability income for up to five years or until age 65, whichever comes later
- Members aged 65 or older on the UCRP disability date may receive disability income for up to 12 months or until age 70, whichever comes later

For members with a UCRP disability date before Nov. 5, 1990, who continue to be disabled as defined by the Plan, disability income stops:

- When the member becomes eligible to retire and potential retirement income equals or exceeds disability income, or
- At the latest, when the member reaches age 67

A disabled member who is or becomes eligible to retire can elect to retire at any time.

**WHEN DISABILITY INCOME STOPS
(REGARDLESS OF UCRP DISABILITY DATE)**

In all cases, members who are eligible to retire when disability income stops can elect UCRP retirement income or the lump sum cashout.

The Plan Administrator will notify you in advance as to when and how your benefits will be affected so that you can decide about retirement before your disability income stops. See "Retirement Benefits," below, for eligibility requirements, calculations and other provisions.

If a disabled member dies, survivor benefits may be payable either immediately or at a future date (see "Death Benefits" on page 16).

Reappointment After Retirement

In certain instances where there are compelling circumstances, UC retirees are rehired to help fill a particular staffing need. Under UC policy, those retired employees who later return to UC in staff or Senior Management Group positions must follow these provisions:

- Reemployment must not occur until there has been a break in service of at least 30 days, and preferably 90 days
- The appointment must be limited to no more than 43 percent time in a 12-month period
- Employment must not exceed a total of 12 months (if reemployment is necessary after 12 months, the request for continued employment must follow the same approval process as the original appointment) and
- Reemployment must result from University need (for example: the retired employee possesses skills and institutional knowledge that the hiring department cannot otherwise obtain with equal cost effectiveness; the hiring department anticipates a prolonged process for hiring a replacement or the need for the retired employee to assist the replacement in acquiring necessary skills and knowledge)

These provisions apply to former employees who elect either a lump sum cashout or a UCRP monthly retirement income.

Rehired employees who receive a monthly retirement benefit must submit a completed *UCRP Reemployed Retiree Notification Form* (UBEN 1039), available from the Benefits Office. Employees who received a lump sum cashout do not need to complete the form.

A retired employee who is receiving UCRP monthly retirement income may be hired into a career position after the required break in service, provided there has been an appropriate recruitment process and that the employee agrees to suspend the retirement income payments. A retired employee who takes a lump sum cashout may not be reemployed into a career appointment.

For more information, see the *Returning to UC Employment After Retirement Fact Sheet*, available on UCnet.

Internal Revenue Code Provisions

The UCRP is a tax-qualified defined benefit plan, which means that the UCRP is subject to Internal Revenue Code (IRC) provisions that limit covered compensation and annual benefit payments. The IRC also specifies the date by which distributions (in minimum benefit amounts) must begin and, in some cases, limits the allowable benefit options. Each of these IRC provisions is described below.

IRC LIMIT ON COVERED COMPENSATION

IRC §401(a)(17) sets an annual dollar limit on covered compensation upon which retirement plan contributions and benefits may be based. The limit for the Plan's fiscal year beginning July 1, 2021, is \$290,000 for employees who became members as of July 1, 1994, or later. For those who were active members before July 1, 1994, the limit is \$430,000.

If you believe your retirement benefits may be affected by the IRC §401(a)(17) limits, contact your local Benefits Office for preliminary testing and counseling.

IRC LIMIT ON PLAN BENEFITS

IRC §415(b) places a limit on the total benefits payable in any calendar year, which varies depending on the member's age. For example, the limit for age 62 and older in 2021 is \$230,000. The limit applies not only to retirement income but to lump-sum distributions, such as the lump sum cashout and any CAP payment on a prorated basis. The limit does not apply to any portion of a benefit attributable to after-tax employee contributions.

The University of California 415(m) Restoration Plan—a nonqualified pension plan—became effective Jan. 1, 2000, to pay earned UCRP benefits that would not otherwise be payable because of the §415(b) limit. If your UCRP benefits are affected by the §415(b) limit when you elect retirement income or a lump sum cashout, you will receive additional information about the 415(m) Restoration Plan from the UC Retirement Administration Service Center.

IRC MINIMUM DISTRIBUTION REQUIREMENTS

IRC §401(a)(9)(A) requires that you must begin receiving minimum distributions from the Plan by April 1 of the calendar year following the later of:

- The year in which you leave UC employment or
- The year in which you turn age 70½ (if born before July 1, 1949) or age 72 (if born on or after July 1, 1949)

Generally, the UCRP formulas for retirement income satisfy the minimum distribution requirements. If you do not apply for retirement benefits by the required date, basic retirement income will begin automatically and any CAP balance will be distributed. Minimum required distributions are not eligible for rollover.

Each year, UC Human Resources notifies members who are subject to the minimum distribution requirements and provides information and individual calculations to help them comply. Minimum required distributions are calculated in accordance with U.S. Treasury regulations.

MINIMUM DISTRIBUTION INCIDENTAL BENEFIT (MDIB)

IRC §401(a)(9)(G), Minimum Distribution Incidental Benefit (MDIB), limits the percentage of the member's monthly income that may be paid to a non-spouse contingent annuitant designated by the member, including a domestic partner, who is more than 10 years younger than the retiring member. As a result, some or all of the UCRP alternate payment options may not be allowed if you designate a contingent annuitant who is more than ten years younger than you. If this limitation applies in your situation, please contact the Retirement Administration Service Center or your local benefits office to make sure you have accurate information about your payment options.

ROLLOVERS

INTO THE PLAN

UCRP does not accept rollovers, except for service credit purchases.

FROM THE PLAN

The following UCRP distributions are eligible for direct rollover:

- The taxable portion of a refund of accumulations
- CAP payment
- Lump sum cashout
- Lump sum death payment to a surviving spouse
- Lump sum distributions to a spouse or former spouse under a qualified domestic relations order (QDRO)

- Lump sum death payments to a non-spouse beneficiary (to an inherited IRA and not to another plan)

A distribution that is eligible for direct rollover is subject to mandatory 20 percent federal tax withholding unless it is directly rolled over from the Plan to a traditional IRA or a Roth IRA, to another employer plan that accepts rollovers, or to the University's Defined Contribution, Tax-Deferred 403(b) or 457(b) Deferred Compensation Plan (see "Internal Rollovers," at right).

UCRP distributions that are not eligible for rollover include:

- Monthly retirement, disability or survivor income
- QDRO monthly income or
- Lump sum QDRO distributions to a non-spouse

Members (or spouses or former spouses) may also roll over an eligible Plan distribution that has been paid to them, as long as the rollover to the IRA or new plan occurs within 60 days of receipt of the distribution. A member who wants to roll over 100 percent of the distribution must replace, from personal savings or other sources, an amount equal to the taxes that were withheld when the distribution was issued. Any amount not rolled over will be taxed as ordinary income for the year in which the distribution was issued. It may also be subject to early distribution penalties. See "Tax Withholding," on page 22. For more detailed information, see the *Special Tax Notice for UC Retirement Plan Distributions* available on UCnet.

INTERNAL ROLLOVERS

Retired or inactive members who have an account in UC's Defined Contribution Plan, Tax-Deferred 403(b) Plan, or 457(b) Deferred Compensation Plan may roll over eligible UCRP distributions to these plans.

TAXES ON DISTRIBUTIONS

INCOME TAX

Except as described below, all distributions from UCRP are subject to federal and state income taxes.

Until July 1, 1983, member contributions to UCRP were made on an after-tax basis. These payments and any payments for service credit purchases made on an after-tax basis are not taxable when distributed. Any pretax portion of a distribution is taxable income in the year the distribution is issued.

EARLY DISTRIBUTION PENALTIES

In addition to being taxed as ordinary income, the taxable portion of a refund of accumulations, lump sum cashout or CAP payment taken before age 59½ (early distributions) may also be subject to nondeductible federal and state penalty taxes—currently a 10 percent federal tax and a 2½ percent California

Internal Revenue Code Provisions

state tax. There are, however, a number of circumstances in which early distributions may be exempt from the penalty taxes. The exceptions are described in the *Special Tax Notice for UC Retirement Plan Distributions* available on UCnet.

UC Human Resources does not assess early distribution penalties when a distribution is paid. Members who are subject to the penalties are responsible for reporting them to the IRS when they file their income tax returns.

TAX WITHHOLDING

The Plan Administrator withholds federal and California state income taxes (for California residents) in accordance with federal and state law. Income tax for states other than California is not withheld. Members should consult a tax advisor about tax liability.

DISTRIBUTIONS ELIGIBLE FOR ROLLOVER

Distributions that are eligible for rollover (see “Rollovers” on page 21) are subject to 20 percent federal tax withholding if they are paid to the member, spouse, former spouse or non-spouse beneficiary. No taxes are withheld if the distributions are directly rolled over to a traditional IRA, a Roth IRA or to another employer plan. For more information, see the *Special Tax Notice for UC Retirement Plan Distributions* available on UCnet.

TAX STATEMENT

Each January, the Plan Administrator files a Form 1099R with federal and state tax authorities, with a copy to the individual, for each distribution paid during the previous year. The form shows the total and taxable amounts of the individual’s distribution(s).

Those who receive more than one type of distribution (for example, a lump sum cashout and a CAP payment) are sent a separate Form 1099R for each distribution.

Additional Information

CLAIMS PROCEDURES

A member, survivor, contingent annuitant or beneficiary must submit a request to receive benefits or a distribution from the Plan. Claims for benefits must be made in accordance with procedures established by the UC Retirement Administration Service Center. No Plan distribution will be made until the claimant has provided all pertinent information requested by the UC Retirement Administration Service Center.

Generally, claims are processed within 90 days after the UC Retirement Administration Service Center receives the request and any other required information. If a claim is denied, the UC Retirement Administration Service Center will notify the claimant in writing, explaining the reason for denial and notifying the claimant that he or she, or his or her authorized representative, may appeal the denial by requesting an independent review by the Plan Administrator. The appeal must be made within 60 days of the notification of the denial. The appeal must be in writing, accompanied by documentation supporting the claim, and sent to Plan Administrator, UC Human Resources (see inside front cover for address). The claimant will receive a written notice and explanation of the Plan Administrator’s decision on the appeal within 90 days of the Plan Administrator’s receipt of the appeal, unless circumstances require a longer period. In general, such period will not exceed 120 days.

If, after exhausting administrative appeal procedures, the claimant still believes that a benefit has been improperly paid or denied, the claimant has the right to initiate legal proceedings.

SERVICE OF PROCESS

Service of process should be made to the Regents of the University of California, Trustee of the University of California Retirement Plan, c/o Office of the General Counsel, 1111 Franklin Street, 8th Floor, Oakland, CA 94706.

PLAN ADMINISTRATION

The Vice President of Human Resources is the Plan Administrator with responsibilities for the day-to-day management and operation of the Plan. The Retirement Administration Service Center provides the necessary record keeping, accounting, reporting, receipt and disbursement of Plan assets to eligible Plan members.

The Office of the Chief Investment Officer has primary authority for investing the assets of the Plan trust consistent with the investment policies established by The Regents. The Office of the Chief Investment Officer also serves as custodian of the Plan trust.

PLAN CHANGES

The Plan is subject to change and to independent audit to comply with applicable federal and state statutes, IRC regulations and industry standards. Members are notified in writing whenever substantive changes to the Plan occur. Although the Plan is expected to continue indefinitely, the Regents reserve the right to amend, improve or terminate the Plan at any time. The University will take appropriate action concerning proposed changes that may trigger notice, consultation, and meeting and conferring obligations under the Higher Education Employer-Employee Relations Act.

DESIGNATION OF BENEFICIARY OR CONTINGENT ANNUITANT

BENEFICIARY

Employees should designate a beneficiary immediately upon becoming Plan members. When a member dies, the beneficiary receives the basic death payment, the CAP payment, if any, and any accumulations remaining after all benefits have been paid. A member may name more than one beneficiary and specify the percentage that each beneficiary is to receive. A beneficiary may be a person, trustee or organization.

If no beneficiary has been named or if the beneficiary is no longer living, any benefits will be paid to the member's survivors in the following order of succession:

- Surviving legal spouse or surviving domestic partner; or, if none
- Surviving children, natural or adopted, on an equal-share basis (children of a deceased child share their parent's benefit); or, if none
- Surviving parents on an equal-share basis; or, if none
- Brothers and sisters on an equal-share basis; or, if none
- The member's estate

Beneficiary designations should be made online by signing in to your UCRAYS account. You may name or change your beneficiary online at any time.

If you do not have internet access or are unable to use the online application, complete form UBEN 116 (*Designation of Beneficiary—Employees*). Retirees, former employees and others must use form UBEN 117 (*Designation of Beneficiary—Retirees, Former Employees and Others*) to name UCRP beneficiaries. These forms are available on the UCnet website, local Benefits Offices or the UC Retirement Administration Service Center.

Note: To designate a beneficiary for the Retirement Savings Program (Defined Contribution Plan, Tax-Deferred 403(b) Plan

and 457(b) Deferred Compensation Plan), contact Fidelity Retirement Services directly at 866-682-7787.

Members should periodically review their beneficiary designation(s) to reflect any changes in their family situation—for example, marriage, the birth of a child, divorce or death.

CONTINGENT ANNUITANT

A contingent annuitant is designated by the member at retirement when the member wants to provide a monthly lifetime benefit for that person.

Please note that an Internal Revenue Code regulation places a limitation on the extent your monthly benefits can be reduced to provide for a non-spouse contingent annuitant who is more than 10 years younger than you. As a result, some or all of the alternate payment options may not be available for you to elect if the contingent annuitant is more than ten years younger than you. (See "Minimum Distribution Incidental Benefit" on page 21 for more information.)

As of your retirement date, the designation is irrevocable—you cannot name a new contingent annuitant (see "Alternate Payment Options" on page 15).

COMMUNITY PROPERTY

Married members and members in a registered domestic partnership who designate someone other than their legal spouse or domestic partner as a beneficiary or contingent annuitant may need to consider the spouse's or domestic partner's community property rights. For residents of a community property state such as California, a designation of beneficiary or contingent annuitant may be subject to challenge if the spouse or registered domestic partner would consequently receive less than his or her share of the benefit attributable to community property.

A will does not supersede a designation of beneficiary or contingent annuitant, nor does either supersede the Plan's default beneficiary rules (described at left) that apply in the absence of a valid beneficiary designation.

ASSIGNMENT OF BENEFITS

Generally, UCRP benefits payable to members, survivors or beneficiaries cannot be attached by creditors, nor can anyone receiving benefits assign payments to others. UCRP benefits are intended solely for the security and welfare of members and their beneficiaries and survivors.

There are some exceptions, however, in which the University complies with the legal requirements. For example, the IRS may attach retirement benefits to collect unpaid taxes, or a court may order certain benefits to be paid for child or spousal support or as a division of community property.

Additional Information

QUALIFIED DOMESTIC RELATIONS ORDERS (QDROS)

If a member is divorced or legally separated or ends a registered domestic partnership, the court may include Plan assets as community property to be divided between the member and the former spouse, registered domestic partner or other dependent. In such cases, the domestic relations order must be approved, or qualified, by the Special Claims unit of the Retirement Administration Service Center as being in compliance with California community property law and with the Plan.

Under a qualified domestic relations order (QDRO), a separate UCRP account may be established for the non-member spouse, registered domestic partner or dependent for the community property portion of accumulations and service credit specified by the court. Based on the non-member account and in accordance with Plan regulations, the non-member may elect a refund of accumulations, a lump sum cashout or retirement income. UCRP disability income is not subject to property settlements made in accordance with a QDRO.

The University cooperates fully with the member and spouse, partner or dependent, as well as their attorneys and the court in divorce cases. Both spouses/partners and the court have the right to request information about the benefits earned by the member during the marital period and how those benefits are derived, as well as information about the options available to the non-member. To release this information, UCRS must be joined as a party to the domestic relations proceeding if the proceeding will be heard in a California court. Otherwise, the request for information must be accompanied by a signed release from the member. All requests should include the member's name, Social Security number, address (or name and address of the member's attorney), date of marriage and marital separation date.

FURTHER INFORMATION

To help members better understand the Plan's benefits, UC Human Resources provides personalized account information. Members who have access to the internet can find current, comprehensive information about their UCRP account as well as any other UC accounts they may have and make certain online Plan transactions by visiting UC's Human Resources website, UCnet (ucnet.universityofcalifornia.edu). UCnet also contains a link to the Fidelity Investments' website so you may access your Defined Contribution Plan, Tax-Deferred 403(b) Plan and 457(b) Deferred Compensation Plan balances.

Annual reports containing audited financial statements are available on UCnet or from the UC Retirement Administration Service Center.

Summary plan descriptions are available on UCnet or from your local Benefits Office or the UC Retirement Administration Service Center.

Members may obtain a copy of the University of California Retirement Plan document online at ucal.us/UCRSdocuments or by writing to the UC Retirement Administration Service Center. (See inside front cover.)

All notices or communications sent to a member will be effective when sent by first-class mail or conveyed electronically to the member's address of record. The University and the Regents are entitled to rely exclusively upon any notices, communications or instructions issued in writing or electronically conveyed by UC Human Resources that are believed to be genuine and to have been properly executed.

Plan Definitions

Certain key terms are used throughout this Summary Plan Description that are specific to UCRP and its benefit provisions. They are defined as follows:

BREAK IN SERVICE

Leaving University employment, including any period on pay status but without covered compensation, or any period off pay status for four or more consecutive months. The following periods do not constitute a break in service for UCRP membership as long as the member returns to pay status at the end of the period:

- Approved leave of absence without pay
- Temporary layoff (less than four months)
- Furlough
- Period of right to recall and preference for reemployment
- Return to pay status the next working day after leaving University employment
- Return to pay status after a military leave in accordance with employees' reemployment rights or
- Return to pay status from a medical separation within the time allowed under University policy

TIER BREAK IN SERVICE

Active UCRP members in the 1976 Tier or 2013 Tier who leave UC employment and then return to a UCRP-eligible position before the first day of the second month following the month the member left employment will remain in their tier and continue to accrue benefits under the terms of that tier. For example, if a member leaves UC employment on July 5, 2021 and returns to a UCRP-eligible appointment before Sept. 1, 2021, for purposes of determining tier membership, the member will not have incurred a break in service. In this case, the rehired member will not be eligible for the Retirement Choice Program.

COVERED COMPENSATION

The gross monthly pay that an active employee receives for a regular and normal appointment, including pay while on sabbatical or other approved leave of absence with pay. Not included are:

- Pay for overtime unless in the form of compensatory time off
- Pay for correspondence courses, summer session, intersession and for interquarter or vacation periods or University extension courses, unless such employment constitutes part of an annual or indefinite appointment
- Pay for a position that is not normally full time except if paid on a salary or hourly rate basis

- Pay that exceeds the full-time rate for the regular, normal position to which the member is appointed
- Pay that exceeds the base salary as negotiated under the General Health Sciences Compensation Plan or Medical School Clinical Compensation Plan
- Pay that exceeds the established base pay rates, including non-elective deferred compensation, honoraria and consulting fees
- Payments received as uniform allowance, unless included as part of compensation for a regular and normal appointment
- Pay that exceeds the IRC §401(a)(17) dollar limit. The earnings limit for the Plan's fiscal year beginning July 1, 2021, is \$290,000 for employees who became members as of July 1, 1994, or later (\$430,000 for those who were active members before July 1, 1994)
- Payments received as housing allowance beginning with January 1994 earnings
- Pay from sources other than the University of California

DOMESTIC PARTNER

An individual of the same or opposite gender whom you have designated as your domestic partner by one of three possible methods (any single method is sufficient):

- Registration of your domestic partnership with the State of California
- Registration of your same-gender union, other than marriage, in another jurisdiction that is substantially equivalent to a California domestic partnership
- Sign and file a *UC Declaration of Domestic Partnership* (UBEN 250) with UC Human Resources Records Management (P.O. Box 24570, Oakland, CA 94623-1570). Please note that both the UCRP member and the domestic partner must sign the UBEN 250 form. If both you and your domestic partner are employees eligible for UCRP, you must each submit a separate UBEN 250, signed by both partners.

Please note: While establishing your partnership for UCRP benefits can be done at any time, it is very important to know that if you pass away before doing so, your partner cannot be considered for UCRP survivor benefits. See *Benefits for Domestic Partners*, available on UCnet.

Some UCRP survivor and death benefits, including preretirement survivor benefits and post-retirement survivor benefits, require an established domestic partnership of at least one year. However, there is no one-year partnership requirement for benefits paid to your domestic partner if you die while eligible to retire, as long as the partnership has been established through one of the above methods.

Plan Definitions

ELIGIBLE CHILD

The biological or adopted child or stepchild of a disabled or deceased member, or the natural or adopted child of the member's eligible domestic partner, who:

- Received at least 50 percent support from the member for one year before the member's death, disability date or retirement, whichever occurs first and
- Is under age 18
- Is under 22 and attending an educational institution full time or
- Is disabled (The disability must have occurred while the child was eligible based on age, as above)

The one-year support requirement does not apply to a member's child as follows:

For a biological child:

- If the child is born after the member's disability date or
- Is born within 10 months after the member's death or
- Is born less than one year before the member's death, disability or retirement date

For an adopted child, it does not apply if the adoption is finalized:

- After the member's disability date or
- As of the date of the member's death or disability or
- Less than one year before the member's death, disability or retirement date

A stepchild or an eligible domestic partner's biological or adopted child must have been living with or in the care of the member just before the member's death, disability or retirement.

An eligible child may qualify for pre- or postretirement survivor benefits.

ELIGIBLE DEPENDENT PARENT

The biological or adoptive mother or father of an active, disabled or retired member who received at least 50 percent support from the member for the year just before the member's death, disability or retirement.

An eligible dependent parent may qualify for pre- or postretirement survivor benefits.

ELIGIBLE SPOUSE OR ELIGIBLE DOMESTIC PARTNER

The widow or widower or surviving domestic partner of a deceased active member or a disabled member. The date of marriage or partnership must have been at least one year before the member's death and the spouse or domestic partner must:

- Be responsible for the care of an eligible child who is disabled or under age 18 (if the deceased was a member before July 1, 1979, a spouse's eligibility may continue if the spouse is responsible for the care of an eligible child who is under age 22 and attending an educational institution on a full-time basis)
- Be disabled or
- Have reached age 60

If the spouse or domestic partner is responsible for the care of an eligible child who is the member's natural child, the one-year marriage or partnership requirement is waived.

The spouse or domestic partner of a deceased retired member is eligible to receive the postretirement survivor continuance if the date of the marriage or partnership is at least one year before the retirement date.

FINAL SALARY

The monthly full-time equivalent compensation of an active member at the time of death or disability date (or, if higher, on the member's separation date).

If the member worked less than full time during the last 12 months of continuous employment, whether on an annual or partial-year career appointment, the monthly full-time equivalent compensation is adjusted based on the average percentage of time on pay status over the last 36 months of continuous service.

Whether the member has worked full time is determined without regard to sabbatical leave, extended sick leave, a medically determinable physical or mental condition that causes the member to apply for disability income or participation in an approved rehabilitation program. Periods of approved leave of absence without pay are excluded from the 36 months—the time before and after a leave is considered continuous.

HIGHEST AVERAGE PLAN COMPENSATION (HAPC)

A member's average monthly full-time equivalent compensation, including any stipends, during the 36 highest continuous months preceding retirement. Periods of approved leave of absence without pay are excluded from the 36 months; the time before and after a leave, or before and after a period of inactive membership, is considered continuous. Service credit purchased for a leave period or for past (refunded) service will be included in determining these 36 months.

For a member on a partial-year appointment, compensation earned on a 9-, 10- or 11-month appointment is spread over a year to determine the member's annual full-time equivalent compensation, and compensation for each month within the 12-month period is treated as 1/12th of the total amount. The HAPC attributable to service while on a partial-year career appointment is based on the 36 continuous months that produce the highest average compensation.

For TRIP and START participants, HAPC is calculated without regard to any reduction in covered compensation resulting from the reduction in time.

Information for Members with Service Credit from a Previous Period of Employment

If you worked at UC prior to July 1, 2013, earning UCRP service credit in the 1976 Tier, and resume active membership in UCRP after a tier break in service on or after July 1, 2013, you will earn additional service credit in the 2013 and/or 2016 Tier. Since you will have earned retirement benefits in more than one tier of the Plan, you will be subject to the provisions of all applicable tiers and your retirement benefits will be calculated taking the benefits accrued under all tiers into account.

Please note: Effective July 1, 2013, if you leave UC employment as an active member of UCRP in the 1976 Tier and return to work at UC in a UCRP-eligible position before the first day of the second month following the month you left employment, you will remain in the 1976 Tier and continue to accrue benefits under the terms of that tier. For example, if you leave UC employment on July 5, 2021, and return to a UCRP-eligible appointment before Sept. 1, 2021, for tier membership purposes only, you will be treated as if you have not incurred a break in service that otherwise would put you in the 2016 Tier.

RETIREMENT DATE

You have only one retirement date, even if you earn benefits under than more than one tier and your benefits begin on different dates. If you retire before age 55 (the minimum age for the 2013 or 2016 Tier), you will receive only the benefit accrued under the 1976 Tier until you reach age 55. The date your 1976 Tier benefits begin will be considered your retirement date. When you reach age 55, benefits accrued under the 2013 and/or 2016 Tier will begin automatically and you will receive the combined amount (unless you chose a lump sum cashout for the 1976 Tier benefit).

Please contact the UC Retirement Administration Service Center if you have questions at 800-888-8267.

By authority of the Regents, University of California Human Resources, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. For more information, employees should contact their Human Resources Office and retirees should call the UC Retirement Administration Service Center (800-888-8267).

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Systemwide AA/EEO Policy Coordinator, University of California, Office of the President, 1111 Franklin Street, 5th Floor, CA 94607, and for faculty to the Office of Academic Personnel and Programs, University of California, Office of the President, 1111 Franklin Street, Oakland, CA 94607.

