

UCRP/CalSTRS Concurrent Retirement

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One reward of public service is a pension—something that’s increasingly rare these days. If you’re a member of both the University of California Retirement Plan (UCRP) and the California State Teachers’ Retirement System (CalSTRS), you might be able to retire with a higher retirement income—or become vested sooner—than if you belonged to just one system. The provision that makes this possible is known as concurrent retirement.

This fact sheet outlines how UCRP’s concurrent retirement benefit works, who is eligible for it, and how to elect it. (It doesn’t cover the details of the CalSTRS concurrent retirement program. For that information, contact CalSTRS directly at strs.ca.gov or 800-228-5453.)

Eligibility

You're eligible for UCRP concurrent retirement benefits if:

- You are or were an active UCRP member any time on or after July 1, 2002, and;
- You are or were a member of CalSTRS at any time, and;
- You retire from UC after July 1, 2002.

Tip:

You don't have to retire from UCRP and CalSTRS on the same date to be eligible for UCRP concurrent retirement benefits. But you'll lose eligibility for concurrent retirement if you earn service credit under UCRP or CalSTRS after you retire from either plan.

How It Works

HIGHER RETIREMENT INCOME

As you probably know, your Highest Average Plan Compensation (HAPC) is an important piece of the formula UC uses to calculate your retirement income. It's your highest average monthly full-time-equivalent compensation during 36 continuous months of employment as an active UCRP member.

Under concurrent retirement, if you earned more while a member of CalSTRS than as a UCRP member, then your CalSTRS compensation can be used in determining your HAPC.* (Note that there's an exception: For any pay period in which you earned service credit under both UCRP and CalSTRS, only your UCRP compensation can be used.) And CalSTRS service credit can't be used toward eligibility for UC health benefits in retirement.

For example, say that Julia worked for seven years at UC and earned \$43,000 per year during her final year. She then worked as a teacher for ten years and became a member of CalSTRS, earning \$55,000 during each of her last three years. She's now 62 and wants to retire. When she elects to retire from UC, the HAPC that helps determine her UC retirement benefits can be based on her \$55,000 CalSTRS compensation rather than the \$43,000 she earned at UC.

* If you became a member of UCRP before July 1, 2013, and are eligible for concurrent retirement, another factor comes into play in determining your HAPC. If you retire from UCRP as an inactive member, your HAPC may also be increased by cost-of-living adjustments (inactive COLAs) for the period after you earned service credit but before you retired. Be aware, though, that COLAs will be added to your HAPC only after you've stopped earning service credit in both plans. (In other words, you aren't eligible for UC inactive COLAs while working for a CalSTRS employer.) COLAs are applied July 1 of each year, so the gap between the time you stopped working and your retirement must include July 1 for you to be eligible for a COLA for that year.

What You Need To Do

EARLIER VESTING

Generally, you need to accrue five years of UCRP service credit to become vested. (Being vested means that your right to receive UC retirement benefits when you leave the university and reach retirement age can't be taken away.) Under concurrent retirement, you can elect to retire from UC with less than five years of UCRP service credit after age 55—provided you are eligible to retire from CalSTRS at that time, unless your eligibility is dependent upon retiring concurrently under UCRP or any other public retirement plan. You'll still need to meet minimum age requirements for retirement based on your membership tier.

For example, say that Mark worked as a teacher and was a member of CalSTRS for 15 years before beginning a job at UC at age 53. When he's 57, after four years at UC, his wife decides to retire, and he wants to do the same. Since he is a member of both retirement systems, he can retire from UC with four years of UCRP service credit instead of five, because his CalSTRS years of service credit count toward UC's requirement.

Since UCRP and CalSTRS provide separate benefits, you'll need to elect benefits from each plan separately. That means that you will have to submit two separate applications, one at UCRP and one at CalSTRS. Filing an application at one does not ensure concurrent retirement at both. For details on how to do this with CalSTRS, contact them directly at strs.ca.gov or 800-228-5453.

For UCRP, your first step is to request a Personal Retirement Profile (PRP) from your Benefits Office or the UC Retirement Administration Service Center. (If you're an inactive member, you can request a PRP from the UC Retirement Administration Service Center at 800-888-8267.) Be sure to mention that you're a member of CalSTRS.

UC will verify your CalSTRS membership and request your CalSTRS compensation history. They'll review your years of service credit in both systems and calculate your HAPC based on your CalSTRS compensation, your UCRP compensation or a combination of both. Then it's up to you to make a decision about the best time to retire.

Got questions?

For UC questions, check out your retirement benefits account (ucal.us/accounts). Or contact the UC Retirement Administration Service Center at 800-888-8267 or your local Benefits Office.

For CalSTRS questions, go to strs.ca.gov, call 800-228-5453, or write:
California State Teachers' Retirement System
Public Service Office
P.O. Box 15275
Sacramento, CA 95851-0275

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