Retirement Administration Service Center (RASC)

UCRP – Lump Sum Cashout Annual Report
UCRS Advisory Board
December 2020

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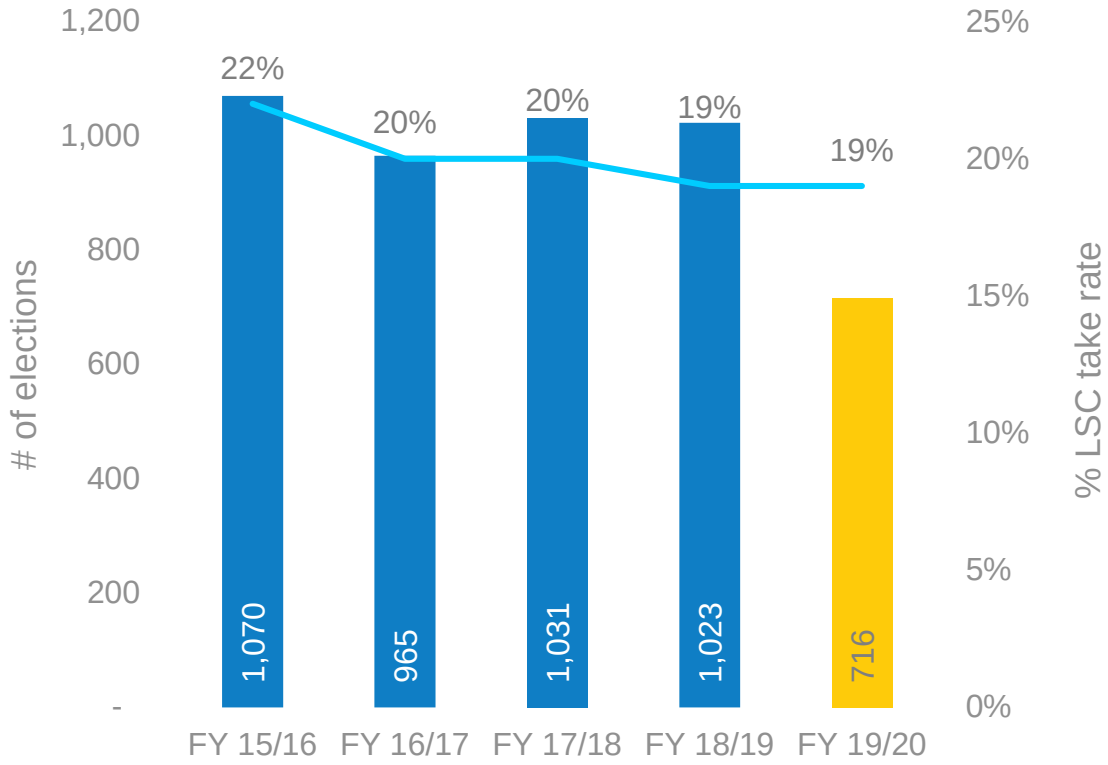
Each year, the UCRS Advisory Board is presented with a report on Lump Sum Cashout (LSC) payments.

The LSC is available to eligible UCRP members who separate from service and retire, and to former spouses who want a lump sum payment as a result of a qualified domestic relations order (QDRO).

The LSC amount for members is actuarially equivalent to the member's expected lifetime basic retirement income including assumed cost-of-living adjustments. For former spouses, the LSC amount is the actuarial present value of their community property interest in UCRP and is available if the member is eligible to retire.

Member LSC Elections



Member LSC elections decreased by 30% from FY 2018-19

LSC Take Rate remained at 19% year over year

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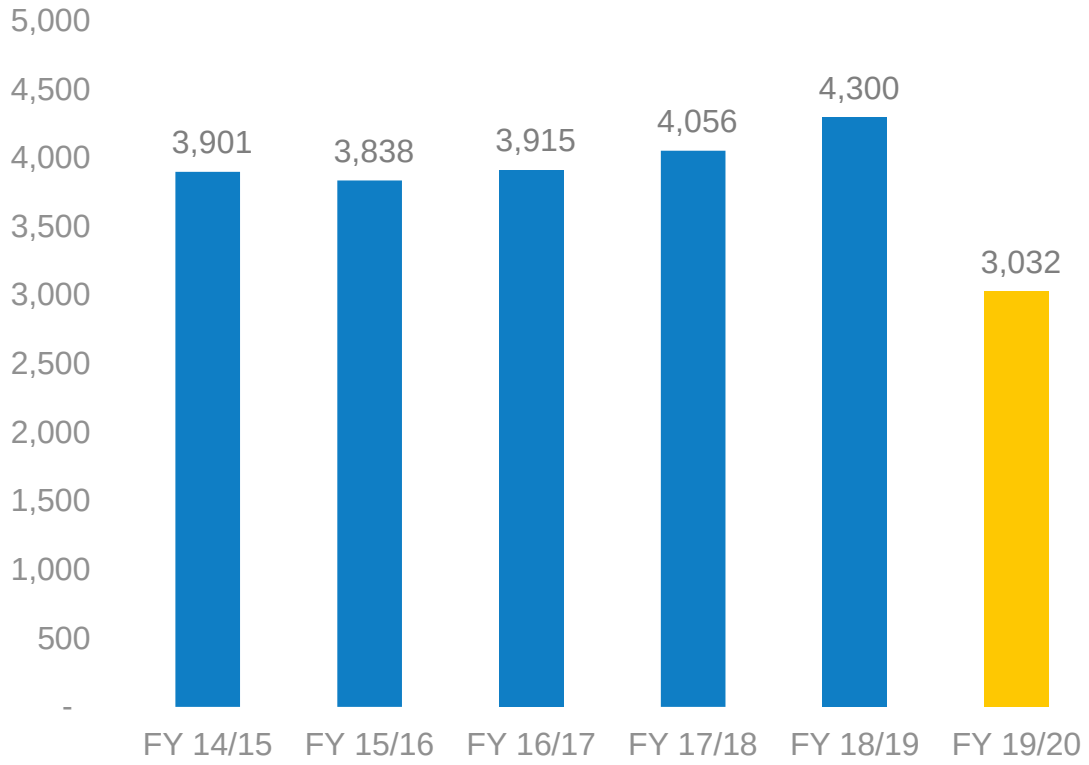
Member Monthly Retirement Income (MRI) Elections



Monthly Retirement Elections (MRI) decreased by 29% from FY 2018-19

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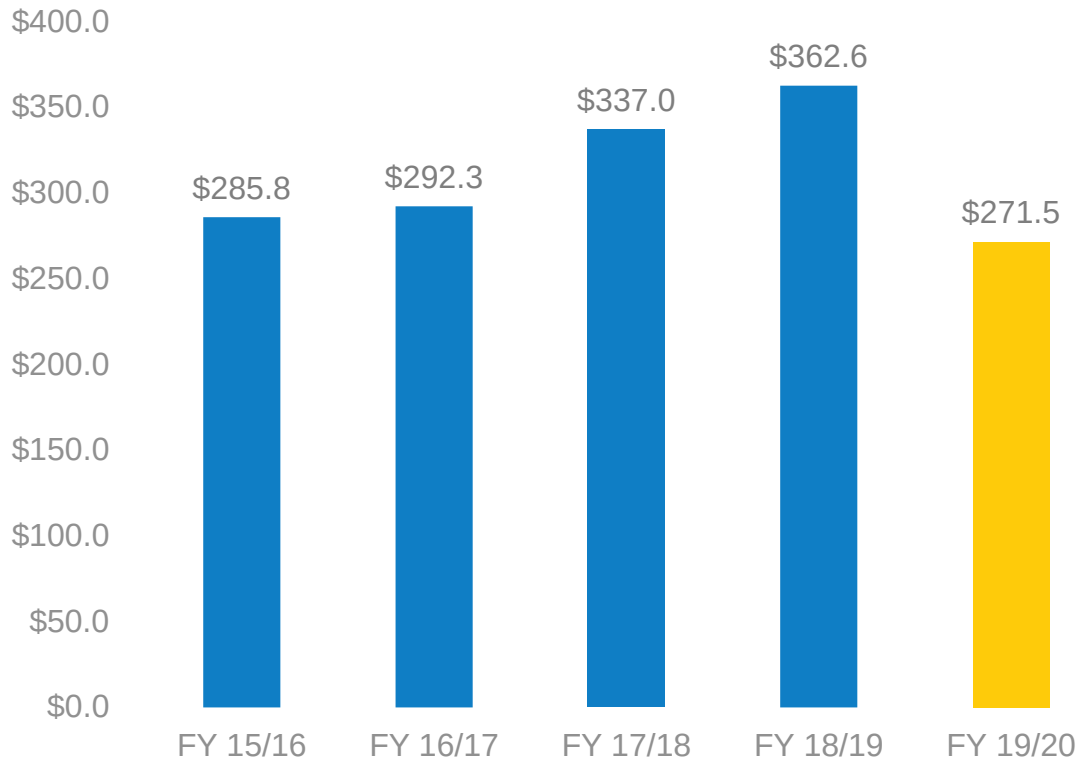
LSC payment amounts (in millions)



The dollar amount of total LSC payments decreased by 25% from FY 2018-19

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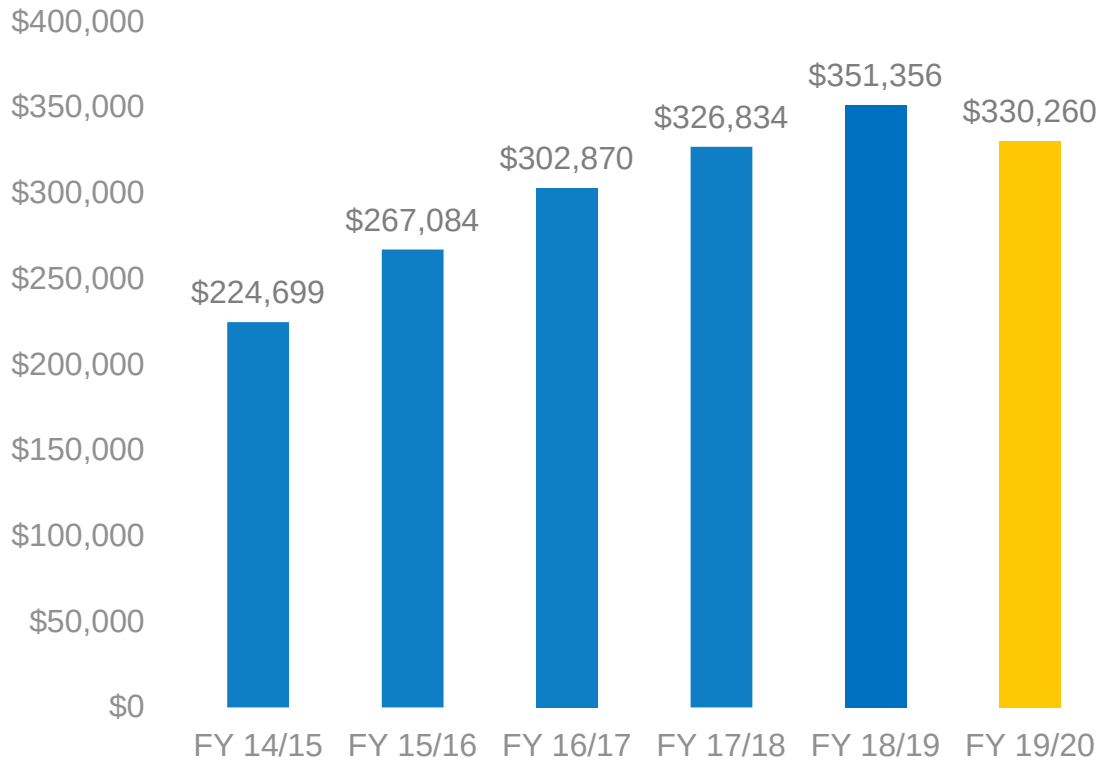
Average LSC payment amount



The average LSC payment amount decreased by 6% from FY 2018-19

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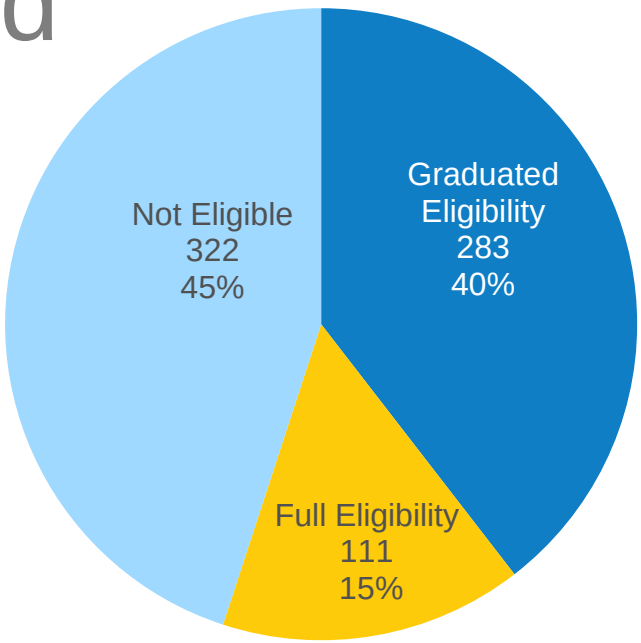
Eligibility for Retiree Medical & Dental Coverage if MRI elected



Of the 716 members who elected an LSC payment during FY 2019/20

45% would not have been eligible to continue coverage if they had elected retirement income

15% had full eligibility and would have received the maximum UC contribution

40% had graduated eligibility and would have received 50% - 95% of the maximum UC contribution based on their total service credit.

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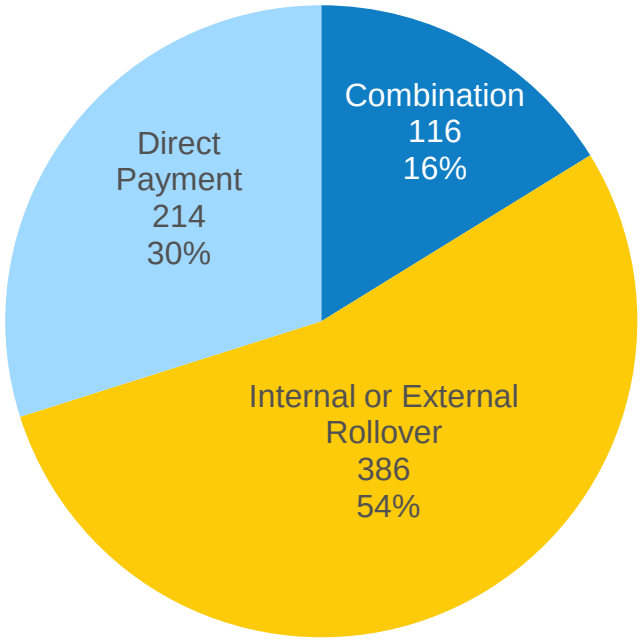
FY 2019/20 LSC payments by disbursement type



Members have the option of having an LSC paid to them directly, rolled over to another employer's plan or to an Individual Retirement Account (IRA) (external rollover), or having the pretax portion rolled over to the UC DC Plan, 403(b) Plan or 457(b) Plan (internal rollover).

They also may choose a combination of a direct payment and either an internal or external rollover.

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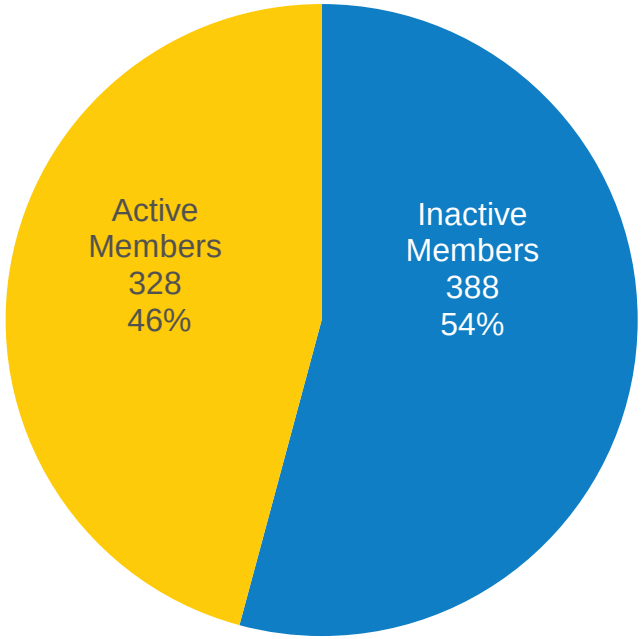
FY 2019/20 LSC payments by status at retirement



Of the 716 members who elected an LSC payment during FY 2019/20

46% were active members

54% were inactive members

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