UCRS Advisory Board

Meeting of December 4, 2020

AGENDA ITEM E

UCRS – CUCRA/CUCEA Recommendations for the Retirement Choice Program – Discussion

Hyun Swanson, Director for the Retirement Savings Program (RSP), will lead a discussion on comments, questions and suggestions raised by the CUCRA/CUCEA Joint Benefits Committee (JBC) with respect to the Retirement Choice Program, which the JBC felt should be discussed by the UCRS Advisory Board.

The JBC memorialized their observations and suggestions in a report for their April 30, 2020 meeting. The bulleted points from the JBC report concerning the Retirement Choice Program are provided below. The full report for the April 30, 2020 JBC meeting may be accessed from the following link:

http://cucra.ucsd.edu/meetings/2020-04Meeting/MeetingDocs/2020-04JBC-Report.html

- Simply asking the employee for the reason for his/her choice would be the best way to determine why employees make their choice.

- Why do new employees at some campuses/units make more decisive choices evidenced by fewer default pension choice decisions?

- The JBC also suggests some improvements to the Pension/Savings modeler. We believe that the new hire client should have more control over the inputs and in viewing the results.

- The University should review the guidance for Pension/Savings Choice. The JBC notes that UC Benefits offers many resources that may be used by new hires. How many employees take advantage of the advice? How many use the estimator?

- A pension calculator should be designed to cover the wide variation in pension payouts for faculty in the Health Sciences Compensation Plan. The current pension savings modeler program is not configured to provide guidance to health science faculty. Affected people should be directed to a modeler that is more appropriate for their circumstances.

- Some further issues that should be summarized in the Pension/Savings report: Correlate choice with job titles. Keep track of the time that Savings choice members remain at UC. Compare the participation data per unit for the years 2016, 2017, 2018, ... to see if the percentage choosing Pension or Savings is constant. Report number of Savings Choice members who have asked to change to Pension Choice.

- UC should make sure that present enrollees in the Savings plan can switch their enrollment to the Pension Plan for up to five years after initial hire.