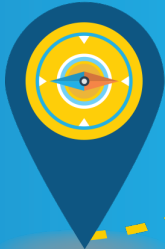




PATHWAY
to Retirement

**UNIVERSITY
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Envisioning your Retirement & Income Planning



“FULFILLMENT”

What does it mean and how do you find it?

“RETIREMENT”

What is it today and how do you define it?



How many years might you need to fulfill?



63

**Average
retirement age
in America**



18

**Average length
of retirement**



30

**Average
Retirement
planning horizon**

4 tips for finding fulfillment in retirement

- 1 Ask key questions...and answer truthfully
- 2 Create your purpose
- 3 Acknowledge this is not “business as usual”
- 4 Do your research

Ask key questions...and answer truthfully



- Are you ready to leave what you have been doing?
- Are you prepared for the challenges of creating a new life?
- Do you have the resources to create your new life?
- Have you coped well with other transitions?
- Are you patient?

Create your purpose



- Identify and nurture your passion if you have one
- Start “living your dream”
- Expand on what you already know and love
- Talk to everyone you know
- Give each new idea 6 months or more to see if it “sticks”

Consider care of you and your family



- **Plan to care for an aging parent**
- **Consider you might become a caregiver**
- **Consider you might become the one needing care**

Acknowledge this is not “business as usual”



- **Expect a transition period – 2 to 5 years**
- **Create a new identity**
- **Embrace a new chapter of freedom**
- **Build and expand your social network**
- **Take the time to do what you’ve always promised yourself you would do**

Where to start?

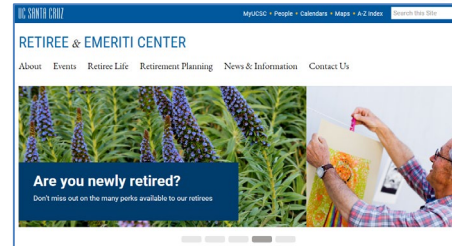
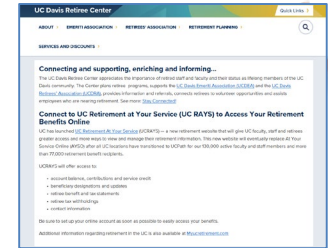
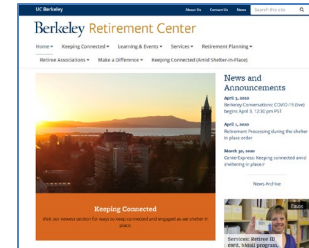
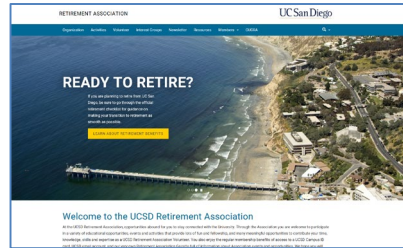
- Blogs and Books
- AARP



Wall Street Journal, "The Best Books of 2018 on Aging Well", 11/20/2018.

Where to start?

- UC Retirement Centers
- Emeriti and Retirees' Associations
- Other happy retirees






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Retirement Income Planning



A detailed **path** that helps you determine how to use your **financial resources** to generate **income to last** the rest of your life.



Benefits of a Retirement Income Plan

- **Decide when you can retire**
 - **Align your income and expenses**
 - **Incorporate income security**
 - **Re-evaluate your investments**
 - **Streamline and keep things simple**
- 



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Decide when you can retire

Part 1: What you want

When?



- By choice?
- By need?

Where?



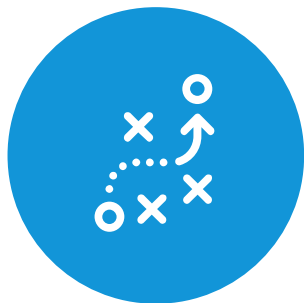
- Downsizing?
- Upsizing?

What?



- Filling your days?
- Days of fulfillment?

Part 2: What you can afford



Ensure your savings last through retirement



Achieve the retirement goals and lifestyle you want



Maintain flexibility for opportunities and emergencies



Preserve your money for a legacy or inheritance



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Align your income and expenses

3

Categories of expenses



**Essential
Expenses**



**Discretionary
Expenses**



**Emergency
Expenses**

Gap

Estimated
income

Estimated
expenses

\$5,000

Estimated income per month

- \$7,000

Estimated expenses per month

.....
- \$2,000

Potential gap per month



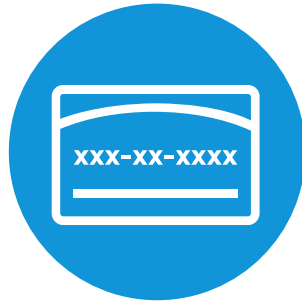
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Incorporate income security

Traditional retirement income sources



**UCRP
(pension)**



**Social
Security**



**UC
Retirement
Savings
Program**



**Other
Savings**


UC Retirement Review

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PRIMARY RETIREMENT BENEFITS | SUPPLEMENTAL RETIREMENT BENEFITS | RETIRE HEALTH & WELFARE BENEFITS | RETIREMENT INCOME | CLASSES, NEWS & HELP | TIPS & TOOLS FOR MEMBERS LIKE YOU | SEARCH | MY UC ACCOUNTS | LOG OUT

ESTIMATED INCOME FROM ALL UC SOURCES

Welcome to your 2021 Retirement Review



Marilyn, your current retirement readiness score is **78%**

Your UC benefits may provide retirement income of about \$4,873 per month, or 78% of your current estimated annual pay. This estimate assumes you will retire from UC at 70 or later. To see how your income stacks up after you add in Social Security and personal savings, select the **YOUR MODELED RETIREMENT READINESS INFORMATION** tab below and start modeling.

YOUR CURRENT RETIREMENT READINESS INFORMATION
Does not include any modeled changes

<p>YOU MAY HAVE</p> <p>\$4,873</p> <p>per month</p> <p><i>78% of your current pay, assuming you retire from UC at 70</i></p>	<p>YOU MAY NEED</p> <p>\$5,000</p> <p>per month</p> <p><i>80% of your current pay; you may need more or less than this.</i></p>	<p>POTENTIAL GAP</p> <p>\$127</p> <p>per month</p> <p><i>Use the modeler to see ways to help make up a potential gap.</i></p>
--	---	---

WANT TO SAVE MORE?

You can increase your contributions to the 403(b), 457(b) or DC Plan online.

[NETBENEFITS.COM](#)

DATA USED IN THIS ESTIMATE

Data for the UC 403(b), 457(b) and DC Plans is as of December 31, 2019. Data for the UC Retirement Plan and CAP is as of December 2020.

[SEE DATA](#)

HOW THE ESTIMATE WAS CALCULATED

The Retirement Review is

Set up automatic withdrawals

- **Regular payments**
- **Straight to your bank account**
- **May help offset your IRS
Minimum Required Distributions
(MRDs), requirements**





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Re-evaluate your investments

Professionally managed investments

Do it yourself (Build your own)

TIER I - TARGET DATE FUNDS UC PATHWAY FUNDS		
UC Pathway Income Fund UC Pathway Fund 2020 UC Pathway Fund 2025 UC Pathway Fund 2030	UC Pathway Fund 2035 UC Pathway Fund 2040 UC Pathway Fund 2045 UC Pathway Fund 2050	UC Pathway Fund 2055 UC Pathway Fund 2060 UC Pathway Fund 2065
TIER II - MAIN FUND MENU BOND AND STOCK INVESTMENTS*		
Bond <i>Short-Term</i> UC Savings Fund <i>Intermediate-Term</i> UC Bond Fund <i>Inflation-Protected</i> UC Short Term TIPS Fund UC TIPS Fund	Domestic Stock <i>Broad Cap</i> UC Domestic Equity Index Fund <i>Large Cap</i> UC Growth Company Fund <i>Small Cap</i> UC Domestic Small Cap Equity Fund	Foreign Stock <i>Developed Markets</i> UC International Equity Index Fund UC Diversified International Fund <i>Emerging Markets</i> UC Emerging Markets Equity Fund <i>Specialty Stock</i> UC Global Equity ex Fossil Fuel Fund UC Real Estate Fund UC Social Equity Fund
TIER III - FIDELITY BROKERAGELINK®		

Target Date Funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.

Deferred Lifetime Income Option

(available through the UC Pathway Funds)

- Annual purchase opportunity
- Get all the details about this new feature at myUCretirement.com > Retirement Income > Strategies



Purchase Deferred Lifetime Income using a portion of your Retirement Savings Program account balance.



Start receiving Deferred Lifetime Income payments from the insurer every month until your death (or spouse's death if you select the Joint & Survivor option).



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Streamline and keep things simple

Streamline your accounts

- **Consolidate to one UC plan**
- **Rollover other accounts into a single plan**



Annual check-ins address current topics

**Reduce the
impact of taxes**



**Adjust your
investment mix**

**Help determine
your investments**



Specific Actions Needed at Specific Ages

50s–Quick Plan

- Write down best estimates
- “Super save”
- Set up an initial planning session with Fidelity

60s–Detailed Plan

- Determine Social Security strategies
- Reassess risk and asset allocation
- Build a detailed financial assessment

65+ –Master Plan

- Sign up for Medicare
- Discuss retiree health insurance options with employer
- Prepare portfolio for required minimum distributions

Next steps



**Attend classes
available at
myUCretirement.com/classes**



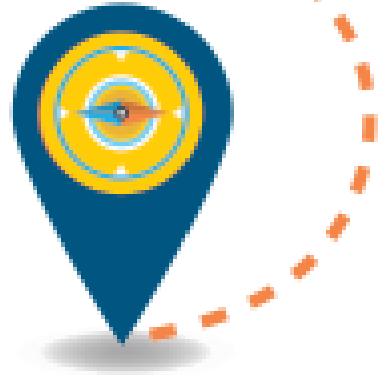
**Gather your UCRP
estimate, UCRSP
account balances
and Social Security
Estimate**



**Read articles on
income planning at
myUCretirement.com**



**Schedule a
planning session
in person or over
the phone
800-558-9182**



The retirement planning information contained herein is general in nature and should not be considered legal or tax advice. Fidelity does not provide legal or tax advice. This information is provided for general educational purposes only and you should bear in mind that laws of a particular state, changes in Social Security rules, and your particular situation may affect this information. You should consult your attorney or tax advisor regarding your specific legal or tax situation.

Investing involves risk, including risk of loss.

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Retirement Income Sources - Social Security


5 Important Questions to Ask Before You Claim

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to Retirement



5 Important questions

- 1 When should I claim (vs. when can I claim)?
 - 2 How can I claim retirement benefits?
 - 3 Where do I get information?
 - 4 What do I need to get my benefits?
 - 5 Where does Social Security fit in my plan?
- 



Q1. When should I claim
(vs. when can I claim)?

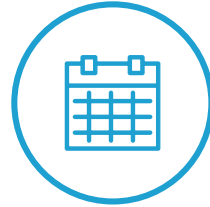
Everyone knows the earliest age to claim, but is that the right time for you?



**How much income
do you need?**



**What other
income sources
are available?**

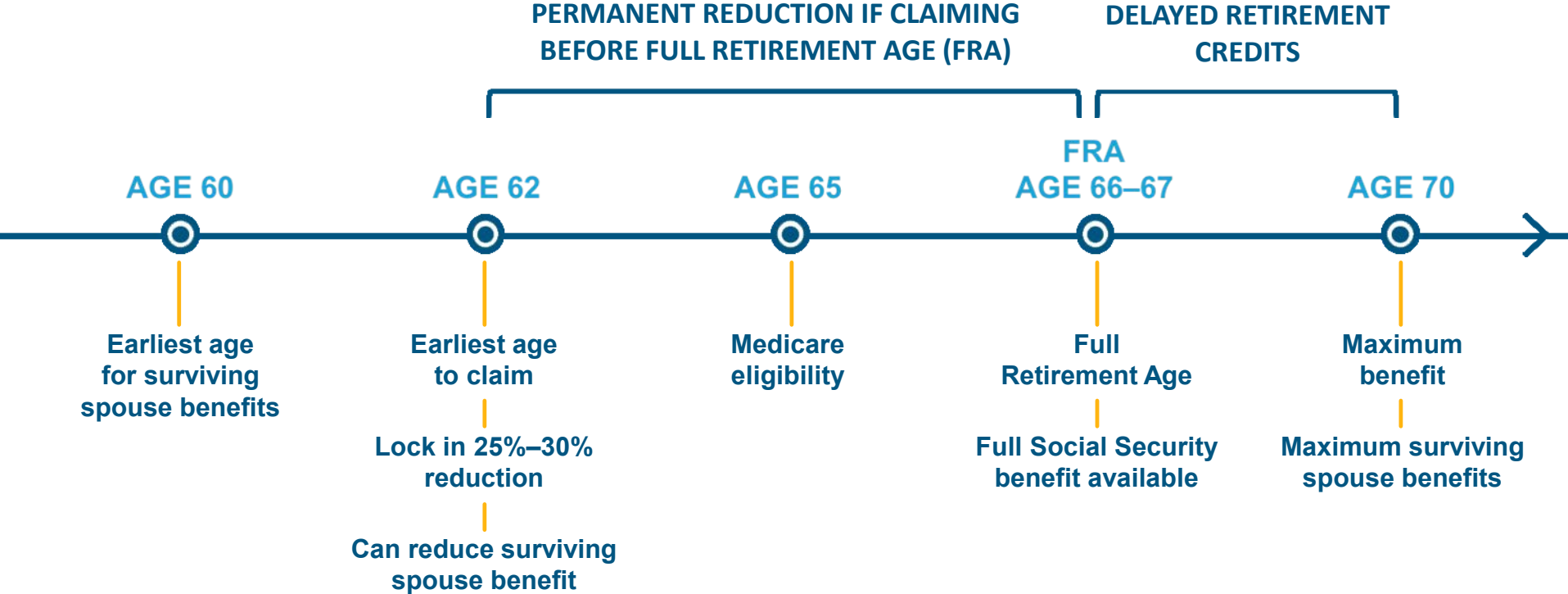


**The longer your
wait, the higher
the benefit**



**Consider
life expectancy and
longevity**

Claiming early locks in permanent reductions





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Q2. How can I claim retirement benefits

4 Ways to claim



**Individual
Worker**



Spouse



Ex-Spouse



**Surviving
Spouse**

Individual worker



MAXIMIZE
BENEFITS
at 70?



OTHER
RESOURCES
AVAILABLE?



CONTINUE
WORKING?

Spouse



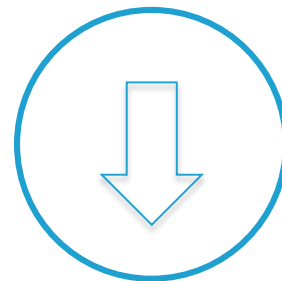
You are married



**Spouse enrolled in
Social Security**

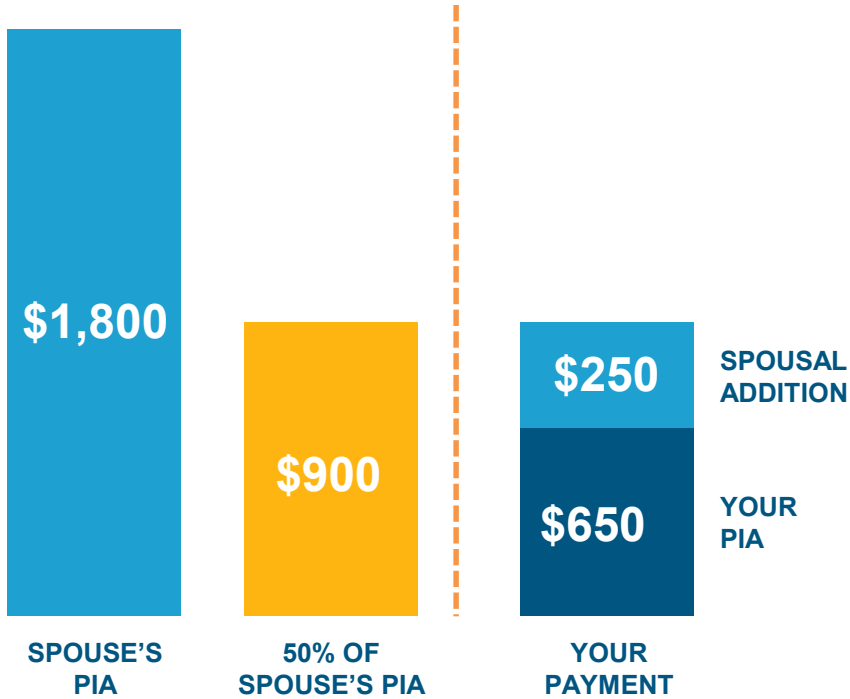


**Maximum benefit:
half of spouse's full
benefit**



**Reduced amount
if you claim
before FRA**

You have a work record and a current spouse



total benefit cannot exceed

50%

of your spouse's Primary Insurance Amount (PIA)

Ex-spouse



**Marriage for
10 years**



**You have not
remarried**

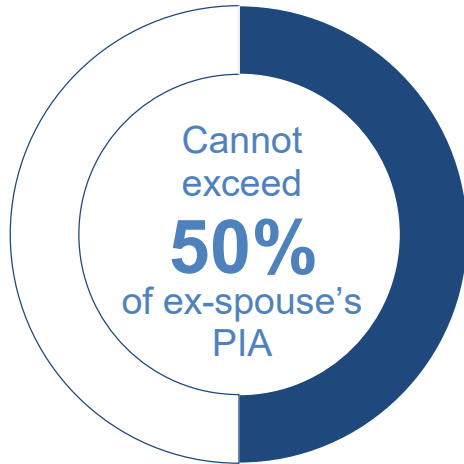


**Both at least
age 62**



**Divorced 2+ years or
ex is claiming**

Ex's can claim on each other's records



Confidentiality:

- Between you and the SSA
 - Marriage certificate
 - Divorce decree
 - Ex's SSN
 - Other required proof and documentation
-

Surviving Spouse or Surviving Ex-Spouse

Your spouse dies



Your ex-spouse dies
if you were married 10+
years and did not remarry
before age 60

You “step into his/her shoes”

When the higher-earning
spouse / ex dies first



Survivor benefit considerations:

- Survivor benefits available as early as age 60
- Early claims will be reduced
- Can switch between survivor and individual benefits
- You are responsible for notifying the SSA



Q3. Where do I get information?

Social Security website: SSA.gov

Social Security

SEARCH MENU LANGUAGES SIGN IN/UP

What should I do if I get a call claiming there's a problem with my Social Security number or account?

Online Services

Employers: File W2s online

Retirement

Disability

Medicare Enrollment


my Social Security
Check out your *Social Security Statement*, change your address & manage your benefits online today.

Social Security Number
Your Social Security number remains your first and continuous link with Social Security.

Retirement Estimator
Calculate your benefits based on your actual Social Security earnings record.

FAQs
Get answers to frequently asked questions about Social Security.

UC and Fidelity Resources



**CLAIMING
SOCIAL SECURITY:
HELPFUL TIPS**

Choosing when to start claiming Social Security benefits is an important decision, with pluses and minuses for every option. This guide will help you make a more informed decision.



Provided by
Fidelity

When should you claim SOCIAL SECURITY?

If you are 50 or over, it's a good time to start thinking about how Social Security fits into your overall plan. The right strategy could mean a significant difference in your retirement benefits, so let us show you an example of how you can get the most for your future.

I WAS BORN 





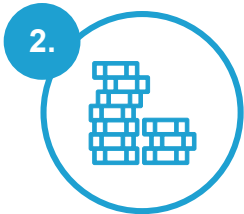
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Q4. What do I need to get
my benefits?

You must first qualify for Social Security



You paid into
Social Security



You earned at
least 40 “credits”



Reach age 62

You need to know your Full Retirement Age

If you were born in...	Your full retirement age is...
1943–1954	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 or later	67 years

You need to understand the implications



Average of
your 35 highest-
earning years



Actuaries
determine PIA



Claiming Age

Not waiting:
Permanent reduction
As much as **30%** less

Waiting:
Increases until age 70
Up to **32%** more





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Q5.

**Where does Social Security
fit in my plan?**

When you claim Social Security can have a significant impact on your savings

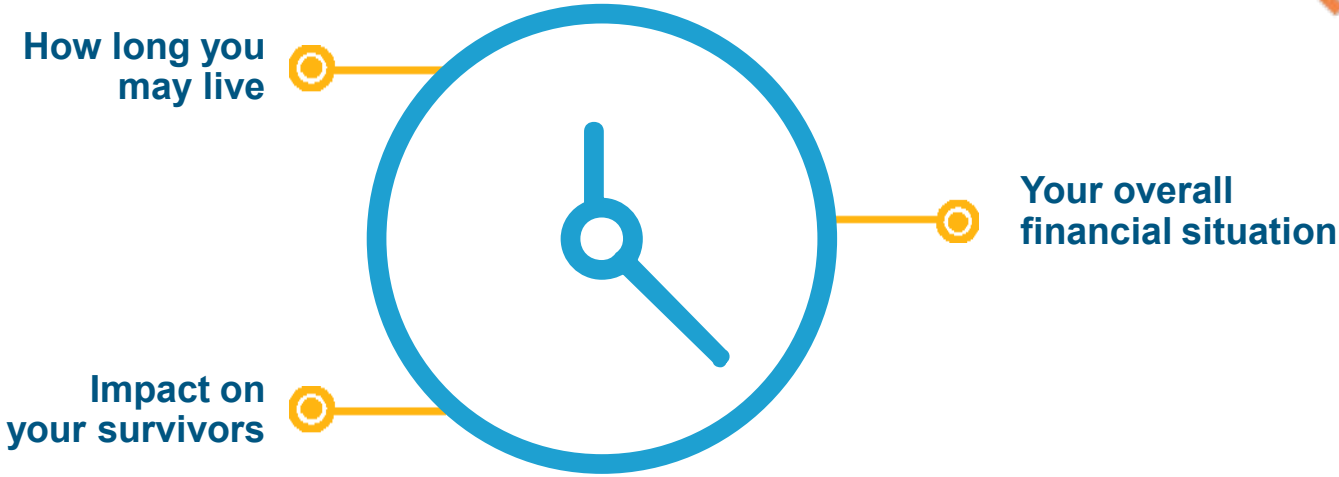
	Social Security	Your Portfolio
FRA (Full Retirement Age)	\$1,800	\$2,200
Age 70	\$2,232	\$1,768
Age 62	\$1,260	\$2,740

77%

\$972

Hypothetical example to illustrate how different Social Security claiming dates deliver different income amounts. Assumes FRA is 67. Essential expense need is \$4,000 per month.

Deciding when to claim is a key piece of your retirement income plan



Next steps



Attend Social Security classes available at myUCretirement.com/classes



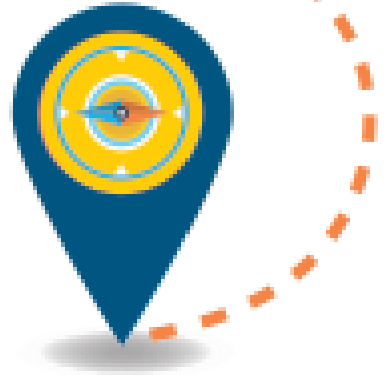
Get your Social Security Statement at SSA.gov



Read articles on Social Security at myUCretirement.com



Schedule a planning session in person or over the phone [800-558-9182](tel:800-558-9182)



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Retirement Income Sources UC Retirement System



What we will cover today



- **UC Retirement Plan (aka UCRP, Pension)**
- **Retirement payment vs Employee paycheck**
- **Capital Accumulation Payment (CAP)**
- **UC Retirement Savings Program**
- **Retiree Health Benefits**
- **Retirement Process and Important Resources**



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UCRP Benefits

UCRP benefits depend on your membership classification



1976 Tier: *Coordinated with Social Security*
 NOT coordinated with Social Security

Safety

2013 Tier
2013 Modified Tier*

2016 Tier*

Multi-tier – *service in more than one tier*

*UCRP benefits are subject to collective bargaining and may be different for members of certain unions.

Your Basic Retirement Income is based on:

- 1 Age on the date of retirement
- 2 Years of UCRP service credit
- 3 Highest average plan compensation (HAPC)

**Age Factor x Service Credit x HAPC =
Basic Retirement Income**

1 Age Factor

1976/2013 Modified Tier – ranges from:

- 1.1% for age 50 (minimum retirement age)
- Up to 2.5% for age 60 (maximum age factor)

2013/2016 Tier – ranges from:

- 1.1% for age 55 (minimum retirement age)
- Up to 2.5% for age 65 (maximum age factor)

Higher age factor = higher monthly benefit

2 Service Credit

Based on actual time worked in a UCRP position

- No service credit earned during unpaid leaves
- Unused sick leave converts to service credit if you elect monthly retirement income
 - › $\text{unused sick leave hours} / 2000 = \text{UCRP service credit}$
- Unused vacation is paid on your last paycheck

3

Highest average plan compensation (HAPC)

Highest average salary over 36 consecutive months

- Calculated based on Covered Compensation
 - › Full time equivalent pay received for your regular and normal appointment
 - › Administrative stipends
 - › Shift differentials
- 1976 Coordinated Tier – HAPC is reduced by \$133
 - › Monthly supplement restores reduction until 65

3

Highest average plan compensation (HAPC)

Excludes

- Overtime
- Summer Salary
- Negotiated Annual Additions/Incentive Comp (Health Sciences)
- Salary exceeding the Covered Compensation Limit (in current plan year)
 - › IRC 401(a)(17): \$290,000
 - › UCRP entry date prior to July 1, 1994: \$430,000
 - › PEPRA limit for 2016 tier member: \$128,059
 - › If your HAPC is from a prior period, the salary limits imposed for that calendar year apply

Additional limits on your pension benefit

- Cannot exceed 100% of your HAPC. Generally:
 - › 1976 & Modified 2013 Tiers: Age 60 and 40 years service credit
 - › 2013 & 2016 Tiers: Age 65 and 40 yrs
 - › Safety Members: Age 50 and 33.34 yrs
- Maximum total benefit payable from a pension
 - › 415(m) Restoration Plan restores the difference



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Monthly Retirement Income

Retirement Estimator on UC Retirement At Your Service (UCRAYS)

UCRP Benefit Estimate

If eligible, upon separation from UC employment, you may choose either monthly retirement income or, if eligible, the one-time lump sum cashout. If you are currently working at UC, the estimates below assume that you will continue working for UC until the ages listed. These estimates are not a guarantee of eligibility or benefit amounts.

Basic Retirement Income Option	Age 53	Age 58	Age 63
Lifetime Monthly Amount*	\$2,298.83	\$4,149.83	\$5,261.08
Temporary Social Security Supplement**	\$52.87	\$91.32	\$115.77

Lump Sum Cashout (LSC) Option	Age 53	Age 58	Age 63
One Time Payment	\$422,279.71	\$713,354.57	\$829,821.49

*If you are a multi-tier member and retire prior to age 55, any monthly retirement income attributable to a 2013 and/or 2016 tier service credit will not be payable until you reach age 55. A lump sum cashout is not payable for any service credit in the 2013 and/or 2016 tier.

Retirement Estimator on UCRAYS

UCRAYS

Profile

Messages

My Account >

Manage Contacts

Upcoming Seminars

Contact Us

Quick Links >

Create a Retirement Estimate

The retirement estimate allows you to model different retirement scenarios utilizing current employment data and information you provide.

To create a customized retirement estimate, complete the following steps:


- Step 1: Review your membership account(s)
- Step 2: Enter retirement details
- Step 3: Review and customize estimate details
- Step 4: Enter eligible survivor details
- Step 5: Enter contingent annuitant details
- Step 6: Review and create estimate

[Create a Retirement Estimate](#)

Cost of Living Adjustments

- **Retirement COLA:** effective July 1 after one full year of retirement
 - › Paid annually on August 1 pension check
 - › Ranges from 0% to 6%; generally 1-2%
- **Inactive COLA:** One-time adjustment to your HAPC, resulting in a higher benefit
 - › 1976 Tier and Safety Members only
 - › Maximum of 2%
- Based on changes in Consumer Price Index (CPI)

Potential payments upon retiree death

- Basic death payment
 - Postretirement survivor continuance
 - › Only available to 1976 Tiers and Safety members
 - Alternate monthly payment option
 - › Lifetime monthly income to designated contingent annuitant
 - › Your basic retirement income is reduced to provide for potential payments to second person
 - None available under lump sum cashout
- 

Alternate payment option – with eligible survivor

Example for 1976 Tier coordinated with SS, retiree age 60, C.A. age 57

MONTHLY RETIREMENT INCOME OPTIONS				
Monthly Retirement Option	Lifetime monthly payment to you	UPON DEATH - Monthly payment to:		
		Eligible Survivor <i>25% of BRI</i>	Contingent Annuitant	Combined to Eligible Survivor and Contingent Annuitant
Basic Retirement Income (BRI)	\$2,433	\$608	<i>not applicable</i>	<i>not applicable</i>
Payment Option A <i>full continuance</i>	\$2,219	\$608	\$1,611	\$2,219
Payment Option B <i>two thirds continuance</i>	\$2,285	\$608	\$1,118	\$1,726
Payment Option C <i>one half continuance</i>	\$2,319	\$608	\$855	\$1,463
Payment Option D <i>one half continuance to eligible spouse or domestic partner</i>	\$2,357	<i>not applicable</i>	\$1,178	\$1,178

Alternate payment option – no eligible survivor

Example for 2013 Tier retiree age 60, C.A. age 57

MONTHLY RETIREMENT INCOME OPTIONS

Monthly Retirement Option	Lifetime monthly payment to you	UPON DEATH - Monthly payment to:	
		Eligible Survivor <i>25% of BRI</i>	Contingent Annuant
Basic Retirement Income (BRI)	\$2,433	<i>not applicable</i>	<i>not applicable</i>
Payment Option A <i>full continuance</i>	\$2,148	<i>not applicable</i>	\$2,148
Payment Option B <i>two thirds continuance</i>	\$2,235	<i>not applicable</i>	\$1,490
Payment Option C <i>one half continuance</i>	\$2,282	<i>not applicable</i>	\$1,141
Payment Option D <i>one half continuance to eligible spouse or domestic partner</i>	<i>not applicable</i>	<i>not applicable</i>	<i>not applicable</i>



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Lump Sum Cashout


Lump sum cashout (LSC)

- One time, lump sum payment
- May elect instead of lifetime monthly income
- Based on the present value of the retirement income you would receive over your life expectancy
 - › Basic Retirement Income x Single Payment Factor
- Available under 1976 Tier, Safety, & 2013 Modified Tier
 - › Not available to 2013 or 2016 Tier members

LSC – important considerations

- Forfeit other benefits:
 - › Health benefits
 - › UCRP basic death benefit
 - › UCRP survivor and contingent annuitant benefits
- Sick leave is not converted to service credit in calculating the lump sum cashout
- More restrictive return-to-work rules

LSC – Payout

- Subject to taxes the year in which it is paid
 - May roll over into another eligible retirement account and defer taxes
 - › UC Retirement Savings Plans—403(b), 457(b), DC Plan
 - › Other qualified employer retirement plans
 - › IRA
 - Decision to take cashout is irrevocable
- 



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Retirement Payment vs. Current Paycheck

Active vs Retired “Paycheck”

	ACTIVE	RETIRED
Monthly gross income	SALARY	UCRP
Deductions, withholdings		
Federal, state, local tax	✓	✓
Social Security (OASDI)	✓	--
Medicare	✓	--
Health Benefits	✓	✓
UCRP Contribution	✓	--
Parking, commuter costs	✓	--
Other work-related deductions	✓	--
Monthly net income	Difference may be less than you think	



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Other Sources of Retirement Income

Other sources of retirement income

- **Capital Accumulation Payment (CAP)**
- **Retirement Savings Program**
- Social Security
- Other Retirement Systems

Capital Accumulation Payment (CAP)


- Special allocations to UCRP members based on a percentage of compensation
 - › CAP I – issued 1992-1994 (earns 8% annual interest)
 - › CAP II – issued 2002-2003 (currently 6.75% annual interest)
- Must be distributed upon retirement
 - › Rollover or a taxable distribution paid to you

Check your CAP balance at: <https://retirementatyourservice.ucop.edu/>

Retirement Savings Program – While Active

- **Defined Contribution Plan (DC Plan)**
 - › Voluntary contributions on an after-tax basis
 - › Mandatory pretax contributions:
 - › UCRP eligible employees working between 1990 and 2010
 - › DC Supplement, DC Safe Harbor, Savings Choice
- **403(b) & 457(b) Plans**
 - › Voluntary pre-tax contributions
 - › Deferral limit = \$20,500 + \$6,500 if over age 50 to each plan
- **Invest in funds managed by the UC Office of the Chief Investment Officer**

RSP – options after you retire

- Can maintain RSP accounts as long as balance is greater than \$2,000
 - Access your money through full or partial distributions
 - › Can set up systematic withdrawals
 - Consolidate retirement savings in one place
 - › CAP, LSC (rollover not subject to taxes)
 - › Other employer plans and IRAs
 - Continue to manage investments
 - If you return to work at UC after retirement, you may be limited in taking distributions from some or all plans if under age 59 ½
- 

RSP – withdrawals

- Taxed as income in year received, unless after-tax money or rolled over to another qualified plan
- Subject to early distribution penalty if taken before age 59 ½, unless:
 - › 457(b) funds
 - › Leaving UC during or after year in which you turn 55
- Minimum Required Distributions
 - › Generally after you turn 72



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UC Retiree Health & Welfare coverage

Health & welfare benefits that may continue into retirement



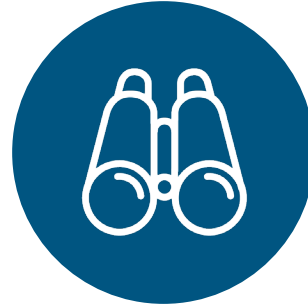
Medical



Dental



Legal



Vision




Accidental Death
& Dismemberment

UC retiree health & welfare eligibility requirements



- Enrolled in or eligible for UC employee health coverage
- 10 or more years of UCRP service credit
- Elect monthly retirement income. Not available with LSC
- Retirement date within 120 days of UC separation date
- Continue employee coverage until date retirement income begins
- Rehires must work at least 12 months in an eligible position

How much you pay for UC retiree medical and dental depends on

- Total premium cost of selected medical/dental plan
 - UC's contribution amount
 - Percentage of UC's contribution for which you are eligible
 - Who is covered
 - Medicare coordination with your UC medical plan
 - May be subject to collective bargaining
- 

UC Retiree Health Eligibility Groups

GROUP 1	GROUP 2	GROUP 3
Original UCRP entry date without break in service: Before January 1, 1990	UCRP entry date without break in service: January 1, 1990 - June 30, 2013*	UCRP entry date, or rehired after a break in service: On/after July 1, 2013*
% of UC Contribution received: 100%	% of UC contribution received: 50-100% based on service	% of UC contribution received: 0-100% based on age and service

*Subject to collective bargaining

Retiree Health Group 1

- UCRP entry before January 1, 1990
- 100% of UC contribution amount

Retiree Health Group 2 – Graduated Eligibility*

- UCRP entry or rehired January 1, 1990 – June 30, 2013

Years of UCRP service credit	% of UC contribution
5 - 9	<ul style="list-style-type: none">• 50%, if age + service \geq 75• Otherwise, not eligible
10	<ul style="list-style-type: none">• 50%
11 - 20	<ul style="list-style-type: none">• 50% + 5% per year over 10• 100% at 20 years
Over 20	<ul style="list-style-type: none">• 100%

*Subject to collective bargaining

Retiree Health Group 3 – Graduated Eligibility*

▪ UCRP entry or rehired on/after July 1, 2013

Age, years of UCRP service credit	% of UC contribution
age 50 – 55 or less than 10 yrs service	<ul style="list-style-type: none">• 0% under age 56 with 10+ yrs service credit• Otherwise, not eligible
age 56-65 and 10-20+ yrs service	<ul style="list-style-type: none">• 5% + increases with each full year in age and full year service credit• 100% at age 65 and 20 years
age 65+ and 20+ yrs service	<ul style="list-style-type: none">• 100%

*Subject to collective bargaining

Example of cost calculations – non-Medicare

	<u>Example A</u> Eligible for 100% of UC contribution	<u>Example B</u> Eligible for 75% of UC contribution	<u>Example C</u> Eligible for 50% of UC contributions
Total monthly premium (Health Net B&G, couple)	\$1,552	\$1,552	\$1,552
UC contribution	\$1,002	\$752	\$501
Your monthly cost	\$550	\$800	\$1,051

Medical plan options



- **Non-Medicare (pre65) Retirees**
 - › Same plan options as actives
 - › Also applies to over 65 not coordinated with SS

- **Medicare (post65) Retirees**
 - › Medicare Advantage Plans (comprehensive coverage)
 - › Medicare supplemental plans (pay after Medicare)
 - › Medicare exchange plan outside of California

Medicare – Made up of three parts*



Part A: Hospital insurance

- › Financed by payroll taxes
- › If you are eligible to receive it based on your own or your spouse's contributions during employment, you do not pay a premium.



Part B: Medical insurance

- › Monthly premium, usually deducted from SS check



Part D: Prescription drug insurance

- › Most UC retirees do not pay extra premium, but may pay premium if income above certain threshold

*Part C is not a component, but a type of Medicare Advantage plan

What happens when you* turn age 65?

- **Are age 65+ during retirement process**
 - › The RASC will provide a Medicare Packet which includes the Request for Employment form to submit to Social Security Administration for Medicare application
- **Turn age 65 after retirement**
 - › UC will notify you prior to turning age 65 with information about Medicare and instructions for applying

*or your covered dependents

Medicare and UC

- **Employees: may delay enrollment until retirement**
 - › Domestic partners contact Social Security
- **Retirees: if eligible for premium-free Medicare Part A (hospital), you must enroll in Part B (medical)**
 - › Eligible under your own record or that of a current, former, or deceased spouse
 - › Part B premium paid directly to Medicare
 - › Failure to enroll in Part B will permanently cancel UC medical coverage

Medicare and UC retiree medical

- **Medicare becomes your primary insurance**
 - › You will switch to a version of your UC medical plan that coordinates with Medicare or a Medicare partner plan
 - › Some UC medical plans do not have Medicare coordination and you will have to change to another medical plan
 - **Once enrolled in UC-sponsored Medicare plan**
 - › UC may reimburse a portion of your Part B premium if the monthly UC contribution exceeds the cost of your plan
 - **Most UC medical plans coordinate with Part D**
 - › Do not need to enroll in separate plan
 - › If do enroll in separate plan, you may lose your UC medical coverage
- 

More about UC retiree health coverage

- Can cover same eligible family members as active health
- Certain qualifying events allow changes mid year
- Make changes during Open Enrollment
- You may suspend medical and dental
- Your eligible survivors may continue health benefits depending on your tier and retirement election

Medicare Exchange



- For retirees living outside California
- All family members in Medicare
- More choices
- Individual plans for each family member
- Maximum \$3,000 health reimbursement arrangement (HRA) for each covered member

Other Health & Welfare Benefits

Benefits that can continue into retirement

- › **Legal:** premiums deducted from retirement check
- › **Vision Service Plan & AD&D:** premiums paid directly to VSP & Prudential
- › **Homeowners/renters/auto insurance:** premiums paid directly to California Casualty

Benefits that end at retirement

- › **Life Insurance:** conversion or portability options possible
- › **Health FSA:** ends on last day of last month you contributed
- › **Disability:** ends on last day of work




PATHWAY
to Retirement

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UC Retiree Process



First steps

- Attend UC retirement planning presentations, workshops, or webinars (schedule and registration on UCnet)
- Review your UCRP estimate and retirement savings balances
- See your projected Social Security benefit
- Find out if you qualify for benefits from previous employers
- Consult with your tax or financial advisor
- Talk to a Fidelity Workplace Financial Consultant to create a retirement income plan



Decide your retirement date



- Select a retirement date and begin the retirement process up to three months in advance
- Staff employees: inform your department
- Academic appointees: notify your Academic Personnel Director

Initiate your retirement



Within 90 days of your retirement date

- Log on to UCRAYS and create your Personal Retirement Profile (PRP):
 - Retirement > Initiate & Elect Retirement > Create PRP

or

- Fill out the Request for Retirement Initiation Packet form:
<http://ucal.us/retirementform>

Review your Personal Retirement Profile



- Review the retirement options in your PRP
- Read the Retirement Handbook
- Contact the Retirement Administration Service Center (RASC) for questions
- Complete your retirement election on UCRAYS or via your Election Planning Worksheet

The election process



- Log on to UCRAYS and follow the prompts to prepare your retirement election
- Sign and submit your election
 - Your spouse or domestic partner must also sign
- Upload any required documents
 - Marriage certificate/Domestic partner documentation
 - Birth evidence for contingent annuitant, eligible children

Final Review



- RASC reviews your retirement election documents
- Receive confirmation letter in about 45 days
- Change or cancel election up to retirement date or 15 days after confirmation letter sent, whichever is later



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Now That I'm Retiring

What to expect with your retirement payment



- Paid around the first of each month
- Electronically deposited to your bank
- Benefit Income Statements on UCRAYS
- Income reported on 1099R tax form

Keep your personal information up-to-date

Use UCRAYS to update:

- Address, phone and email
- Tax withholding
- Direct deposit information
- UCRP beneficiary designation and contact information
- Health benefits changes

Use Fidelity to update:

- Retirement Savings Program beneficiaries: www.netbenefits.com

Stay connected



- *New Dimensions* newsletter
- myUCretirement.com
- UCnet
- Local resources
 - › Emeriti and Retiree Associations
 - › Retirement Centers
 - » Location and contact information available on UCnet:
ucnet.universityofcalifornia.edu/retirees
 - › Health Care Facilitator



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Important Resources

myUCretirement.com

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PRIMARY RETIREMENT
BENEFITS

SUPPLEMENTAL RETIREMENT
BENEFITS

RETIREE HEALTH & WELFARE
BENEFITS

RETIREMENT INCOME
ESTIMATES

CLASSES, NEWS & HELP

TIPS & TOOLS FOR MEMBERS
LIKE YOU

SEARCH

MY UC ACCOUNTS

MYUCRETIREMENT.COM
Your source for
"All Things Retirement"

SEE HOW IT WORKS



! See strategies for coping with market volatility

Choose a track to see information and next steps for UC members like you.



Recently Joined UC



Working and Saving



Ready to Retire



In Retirement

COMPENSATION & BENEFITS

[UC Fair Wage/Fair Work Plan](#)

[Health Plans](#)

Retirement Benefits

[Primary Retirement Benefits](#)

[Voluntary Retirement Savings Program](#)

[Retiree Health & Welfare Benefits](#)

[Retirement Planning Resources](#)

[When You're Ready to Retire](#)

[UCRS Advisory Board](#)

[Disability, Life & Accident Insurance](#)

[Other Benefits](#)

[Using Your Benefits](#)

[Eligibility](#)

When You're Ready to Retire

Are you thinking about retiring in the next few years — or in the next few months? Congratulations! It's a good idea to start preparing as soon as possible, and UC offers plenty of resources to help.

Preparing for Retirement webinars

For UCRP members who are planning to retire within the next five years and for vested inactive members of UCRP. Live and recorded webinars cover topics such as understanding UCRP pension benefits, retirement savings and retiree health coverage.

The UC Retirement Process — Step by Step webinar

For UCRP members who are planning to retire within the next 4-12 months. Live and recorded webinars explain everything you need to know about the retirement process, including required forms, important deadlines and helpful resources.

Webinar registration

Preparing for Retirement (schedule)

The UC Retirement Process – Step by Step (schedule)

When you register, you will receive a confirmation with relevant webinar information including the instructions for logging in.

If you are not already a Zoom user, you may need to download the Zoom app or a plugin for your browser.

WEBSITE RESOURCES

[Retirement Benefits](#)

[Preparing for retirement](#)

[UCRAYS](#)

[myUCretirement](#)

RETIREMENT PUBLICATIONS AND FORMS

[Request for Retirement Initiation Packet](#) [\[PDF\]](#)

[Retirement Handbook](#) [\[PDF\]](#)

[Complete Retirement Benefits Guide for Employees](#) [\[PDF\]](#)

[UCRP Summary Plan Description for 2013 Tier Members](#) [\[PDF\]](#)

[UCRP 1976 Tier Summary Plan Description](#) [\[PDF\]](#)

[403b Summary Plan Description](#) [\[PDF\]](#)

[457\(b\) Deferred Compensation Plan](#) [\[PDF\]](#)

[Defined Contribution Plan Summary Plan Description](#) [\[PDF\]](#)

[Medicare Fact Sheet](#) [\[PDF\]](#)

[New Dimensions](#)

[CONTACTS](#)

Questions?



UCRP/CAP

- › RASC – (800) 888-8267 or via secure messaging on your UCRAYS account
- › Additional RASC Retirement Webinars – registration on UCnet

Social Security/Medicare

- › For Medicare enrollment and eligibility information, call Social Security at 800-772-1213. You can also find Medicare information online at www.medicare.gov.

Retirement Savings Program

- › Fidelity's UC-Dedicated Workplace Financial Consultants (800) 558-9182
- › myUCretirement.com/classes

THANK YOU!

