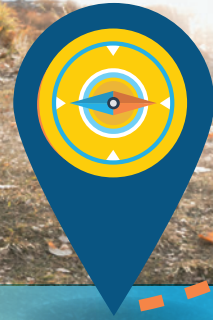




**PATHWAY**  
*to Retirement*



***Your guide to planning for  
and thriving in retirement.***

**UNIVERSITY  
OF  
CALIFORNIA**

Retirement  
System

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**Congratulations!** You have taken an important first step towards planning for a fulfilling and secure retirement. But what else do you need to do?

## How to Use This Guidebook

Retirement may be around the corner or years away. Use this guidebook to organize all the information you will need to plan for and transition into a fulfilling retirement. Be sure to follow the outlined action steps and utilize the highlighted resources.

Along the pathway to retirement, you will need to gather important information, such as your estimated UCRP pension and Social Security benefits. Make sure that everything you need is in one convenient place.



### KEY RESOURCES

Pathway to Retirement Event Page  
[ucal.us/pathwaytoretirement](https://ucal.us/pathwaytoretirement)

Ready to Retire Life Stage Track  
[myUCretirement.com](https://myUCretirement.com)

UC Systemwide News, Benefits, and Policies  
[ucnet.universityofcalifornia.edu](https://ucnet.universityofcalifornia.edu)

UC Retirement Administration Service (RASC) Center  
• **800-888-8267 (U.S.)**  
• **510-987-0200 (Outside U.S.)**  
• [retirementatyour.service.ucop.edu](https://retirementatyour.service.ucop.edu) (UCRAYS)

UC-Dedicated Retirement Planners:  
In-person: [getguidance.fidelity.com/universityofcalifornia](https://getguidance.fidelity.com/universityofcalifornia)  
Over the phone: **800-558-9182**

Health Care Facilitators  
[ucnet.universityofcalifornia.edu/contacts/health-care-facilitators.html](https://ucnet.universityofcalifornia.edu/contacts/health-care-facilitators.html)

**Best of luck on your Pathway to Retirement!**

## Envisioning Your Retirement

Will you simply be filling your days in retirement or will you have days of fulfillment? With an average retirement age of 63, you may be in for a long retirement. Some people dread the thought of retiring; others are giddy with excitement and can hardly wait to start. Regardless where you fall between these two outlooks, what you do with this next chapter is up to you.

Figuring out how and where you'll find fulfillment in retirement takes some time and attention. You now have a chance to define your future years any way you want. We'll help you find your bearings as you embark on your pathway to retirement.

### Summary of Presentation

**Ask key questions...and answer truthfully** – In reality, many folks are unprepared for the major life challenges that come with retirement. It's okay to take your time getting ready to step out of your work routine and into your new life routine.

**Create your purpose** – For many, this is an exploration. Be willing to try new things and continue to search for just the right way to spend your time and talents.

**Acknowledge this is not “business as usual”** – Even well-prepared retirees say the transition can be a little bumpy. Everything is new and different from your daily routine to the demands on your time. Take the time to embrace your newfound freedom.

**Do your research** – There are countless books, articles, and websites dedicated to helping people like you live a fulfilling second chapter. Don't forget to talk to other UC retirees about their experiences.



### Learn More (resource links available on [ucal.us/pathwaytoretirement](https://ucal.us/pathwaytoretirement))

- Watch the webcast, *Are you emotionally ready to retire?* (web, on-demand)
- Visit your local UC Retiree/Emeriti Association and Center
- Read the Council of UC Retiree Association's (CUCRA) survey – UC Retirees: Advocates, Ambassadors, Assets

### Action Steps

- Find out what others like you are doing—talk to other retirees, read the CUCRA survey results to get ideas, reach out to your local UC Retiree/Emeriti Association and Center
- Explore lifelong learning opportunities at all the UC campuses
- Learn ways to stay connected to UC
- Add other ideas you like to this guidebook



## Retirement Income Planning

When you retire, just about everything in your life changes—from your daily routine and the demands on your time to your finances and your concerns about making your money last. Instead of receiving a paycheck from UC, you'll be creating your own. And, that paycheck may need to last for the next 25 or 30 years. A very tall order! How will you successfully get on the right financial path and stay on it throughout retirement? Setting up a comprehensive retirement income plan that incorporates your specific resources will be time well spent. You'll see where your paycheck will come from, where you'll spend your money, and how long it might last. That's the value of a dynamic view of your retirement financial picture—before you retire and each year in retirement.

### Summary of Presentation

**Decide when you can retire** – There are two critical considerations before you leave your job: what do you want and how much can you afford. Addressing these goals is the foundation to building your retirement income plan.

**Identify your sources of income** – You'll switch from receiving one single paycheck from UC to building your retirement paycheck from any number of sources, including your UC pension, Social Security, your retirement savings accounts, IRAs, your house, any real estate, and even some work in retirement.

**Prioritize your financial needs vs. wants** – Sorting your expenses into “essentials” and “discretionary” helps you see just how much you have to spend to “keep the lights on” and where you have opportunities for the fun of retirement. Solving for any gaps between what you want and how much you have to spend is a key outcome in your retirement income plan.

**Understand and help minimize key risks** – Address risks you can control—withdrawal rate and asset allocation—and plan for those you don't control—longevity, inflation, and health care costs—as you build your budget and your income plan.

**Stay on track to live the retirement you want** – First build your initial plan, then meet with a UC-dedicated Retirement Planner at least once a year to review and make any adjustments along your path.



### Learn More (resource links available on [ucal.us/pathwaytoretirement](https://ucal.us/pathwaytoretirement))

- Attend the class, *Fundamentals of Retirement Income Planning* (onsite, web, on-demand)
- Attend the class, *Strategies for Drawing Income in Retirement* (onsite, web, on-demand)
- Use the Netbenefits *Planning and Guidance* tool to project how long your money will last

### Action Steps

- Attend classes (onsite, web and on-demand)
- Plan for expenses in retirement—complete the Budget Worksheet and use the Planning & Guidance tool
- Understand all your sources of income in retirement (including benefits through previous employers, other savings, etc.)
- Compare your current paycheck with your estimated “retirement paycheck”—see your expected income from UC sources (Retirement Review) on [myUCretirement.com](https://myUCretirement.com)
- Meet with a UC-dedicated Retirement Planner to get help matching expenses against potential income. You'll get a holistic view of your retirement plan and explore changes that may help you become better prepared



## Retirement Income Sources

For many UC faculty and staff, income in retirement comes from three main sources—Social Security, UC Retirement Plan (Pension), and UC Voluntary Retirement Savings Program 403(b), 457(b), and DC Plans. Understanding how much to expect from each of these sources is key to the planning process.

### Social Security

At first glance, Social Security can be a complicated program. There are thousands of rules and many ways to get lost in the details. It's no wonder so many retirees throw their hands up and just claim as soon as they can. But, there are consequences for claiming too soon and missed opportunities if claiming too late. It's important to understand some of the ins and outs of this program before making your decision to claim. The income you'll receive from Social Security, along with your UC pension, becomes the foundation to your retirement paycheck. Getting more out of this reliable income source may help you make the most of your retirement.

#### Summary of Presentation

**When should I claim (vs. when can I claim)?** Age 62 is the earliest to claim Social Security, but is that really the best time to collect? There are significant implications to your monthly income based on when you claim.

**How can I claim retirement benefits?** Social Security looks at each person in one of four categories: an individual, a spouse, an ex-spouse, or a surviving spouse. Your situation may change over your lifetime, but at any given point, you are only entitled to one benefit. It will be the highest one you are eligible for.

**Where do I get information?** Social Security's website is chock-full of good information, plus you can download your most current statement at [SSA.gov/mySocialSecurity](https://www.ssa.gov/mySocialSecurity). UC and Fidelity also have educational materials available for you to use.

**What do I need to get my benefits?** You first have to qualify for benefits based on your working years and paying Social Security taxes over time. Your benefit is based on your highest 35 years of averaged, indexed earnings.

**Where does Social Security fit in my plan?** The decision you make about Social Security impacts your other savings and income sources. Getting more from Social Security may mean taking less from other sources.



#### Learn More (resource links available on [ucal.us/pathwaytoretirement](https://ucal.us/pathwaytoretirement))

- Attend the class, *Basics of When and How to Claim Social Security* (onsite, web, on-demand)
- Attend the class, *Maximize Social Security in Your Retirement Strategy* (onsite, web, on-demand)
- Watch the webcast, *Get More Out of Social Security* (web, on-demand)
- Visit [SSA.gov](https://www.ssa.gov)

#### Action Steps

- Attend classes (onsite, web, and on-demand)
- Get your Social Security Statement at [SSA.gov](https://www.ssa.gov) and save it in this guidebook
- Think about which claiming strategies may make sense for your situation
- Read articles on Social Security at [myUCretirement.com](https://myUCretirement.com)



## Notes

## UC Retirement System – UC Retirement Plan and Retirement Savings Program

The UC Retirement Plan (UCRP), a traditional pension plan, is designed to provide lifetime monthly income and other retirement and survivor benefits. There are many factors that go into determining your pension benefits, so it is critical that you understand how the plan works.

The UC Retirement Savings Program (RSP) offers additional opportunities to save for retirement on a voluntary basis. When you retire, you can generally keep your money in the plan and take periodic distributions as needed. Similar to the pension, there are very important considerations for planning what to do with your RSP funds.

Note that if you were a Career employee prior to 2010, you previously made mandatory pretax contributions to the RSP, specifically the DC Plan.

### Summary of Presentation

There are several different UCRP membership classifications (“tiers”) that determine your benefits.

Your Basic Retirement Income amount is calculated using your age factor, years of service, and compensation.

There are options that allow your benefit payments to continue to a loved one after your death.

Your net UCRP income in retirement may not be that different from your current paycheck, after accounting for deductions and taxes.

Money in the Retirement Savings Program can stay in the plan after retirement and be accessed through ad hoc or automatic withdrawals.



### Learn More (resource links available on [ucal.us/pathwaytoretirement](https://ucal.us/pathwaytoretirement))

- Attend the class, *Your UC Retirement System* (onsite, web, on-demand)
- Attend the class, *Make the Most of the UC Retirement Savings Program* (onsite, web, on-demand)
- Attend the class, *Guide to Investing in the UC Retirement Savings Program* (onsite, web, on-demand)
- Attend any retirement preparation classes available at your location (onsite)
- Attend the presentation, *Preparing for Retirement* (onsite, web, on-demand)

### Action Steps

- Attend classes (onsite, web, and on-demand)
- Run your UCRP estimate on [retirementatyourservice.ucop.edu](https://retirementatyourservice.ucop.edu)
- See your projected monthly retirement income from UCRP and RSP accounts (“Retirement Review”) on [myUCretirement.com](https://myUCretirement.com)
- Familiarize yourself with all of the resources and plan materials on UCnet (especially the *Retirement Handbook and Fact Sheets*)
- Think about whether you may need to provide someone financial support in retirement
- Gather statements from other savings, employer plans, other sources of income
- Meet with a UC-dedicated Retirement Planner



## Retiree Health and Welfare Coverage

Medical costs in retirement can be significant. Fortunately, when you retire from UC, you may be eligible to continue UC-sponsored health and welfare coverage for you and your dependents.

These benefits are separate from the retirement pension and are not a vested benefit. UC's contributions to these benefits may change or be discontinued at any time.

It's important to understand the eligibility requirements, what plans are available, and how to determine your share of the cost of coverage. Also, what happens once you become eligible for Medicare or move out of California?

### Summary of Presentation

Eligibility and cost of continuing UC-sponsored health benefits depends on many different factors, including Retiree Health Group, service, retirement date, selection of monthly income (vs lump sum cashout), Medicare eligibility, medical plan, and covered dependents.

The first step in determining your benefits is to identify your Retiree Health Group (1, 2, or 3).

UC offers retirees several medical plans that coordinate with Medicare.

Dental, legal, vision, AD&D, and homeowners/renters/auto insurance coverages may also be continued in retirement.



## Learn More (resource links available on [ucal.us/pathwaytoreirement](https://ucal.us/pathwaytoreirement))

- Attend the presentation, *Preparing for Retirement* (onsite, web, on-demand)
- Attend any retirement preparation and Medicare classes available at your location (onsite)

## Action Steps

- Visit UCnet to learn more about UC's Retiree Health and Welfare benefits, including eligibility and costs
- Add your expected health care costs to your retirement income plan
- Read the Medicare Fact Sheet
- Familiarize yourself with the assistance provided through the Health Care Facilitator program
- Contact RASC with questions



## UC Retirement Process

Retiring from UC takes careful planning and knowing where to go for what. The UC Retirement Administration Service Center (RASC) is ready to help you through the process.

Learn what you need to do (and when) for a timely and smooth retirement process, and get familiar with the many resources available to help.

### Summary of Presentation

When you are ready to retire, contact RASC to request a retirement initiation packet.

A retirement counselor will prepare your paperwork based on your election worksheet and answer questions.

The retirement process can take up to three months.

It's important to keep your contact and beneficiary information up-to-date during retirement.



### Learn More (resource links available on [ucal.us/pathwaytoretirement](https://ucal.us/pathwaytoretirement))

- Attend the presentation, *Preparing for Retirement* (onsite, web, on-demand)
- Attend any retirement preparation classes available at your location (onsite)

### Action Steps

- Follow the UC Retirement Checklist (on opposite page) and Preparing for Retirement roadmap on UCnet
- Read the Retirement Handbook and related Fact Sheets to understand your benefit options
- Once you have decided your retirement date, contact RASC to initiate the retirement process
- Meet with a UC-dedicated Retirement Planner to help you create a plan to help your income last throughout retirement by managing cash flow, investing, and adjusting your portfolio to reflect life changes
- Get ready for the next phase of your life!

## Retirement Checklist

Now that you've decided to begin the retirement process, use this checklist to help you keep on track so you're able to retire and receive your benefits without delay. Contact a RASC retirement counselor with any questions or concerns.

### REVIEW THE MATERIALS IN YOUR RETIREMENT INITIATION PACKET

- o Personal Retirement Profile and cover letter
- o *Retirement Handbook, Lump Sum Cashout Fact Sheet & Special Tax Notice for UC Retirement Plan Distributions*
- o *Monthly Retirement Income & Lump Sum Cashout Election Worksheets* (one each); if your retirement request requires special processing, you will instead receive additional information about how to complete your elections.

### CONTACT FIDELITY RETIREMENT SERVICES ABOUT YOUR RETIREMENT SAVINGS PROGRAM ACCOUNTS

Let a retirement counselor know if you would like to talk with a UC-dedicated Retirement Planner about how to manage your UC retirement savings plans (DC, 403(b) or 457(b) Plans). The retirement counselor can ask a Retirement Planner to contact you. This step is optional and can be done at any time.

### IF YOU ARE READY TO PROCEED WITH RETIREMENT, COMPLETE AN ELECTION WORKSHEET

Complete either the *Monthly Retirement Income Election Worksheet* or the *Lump Sum Cashout Election Worksheet* for the benefit you've chosen, and mail, email, or fax the entire worksheet to a retirement counselor.

- o Are you eligible for CalPERS or CalSTRS benefits? Contact them now to determine if you can take advantage of reciprocal or concurrent retirement benefits. Reciprocity/concurrent retirement may or may not increase your UCRP benefit.

### REVIEW YOUR ELECTION PACKET

(Please allow 10 business days following receipt of your election worksheet to receive the packet.) Depending on whether you submitted the *Monthly Retirement Income* or *Lump Sum Cashout Election Worksheet*, your packet will include:

#### **Monthly Retirement Income (MRI)**

- o Cover Letter & MRI Election Checklist
- o *Monthly Retirement Income Election Form*, UBEN 161
- o Medicare Packet, if you or your spouse/domestic partner may be eligible for Medicare within 90 days of your retirement

#### **Lump Sum Cashout (LSC)**

- o Cover Letter & LSC Election Checklist
- o *Lump Sum Cashout Election Form*, UBEN 165

### COMPLETE YOUR RETIREMENT ELECTION

Sign the election form, and then mail or fax all pages of the form with any required documents (if applicable). If you have a spouse or domestic partner, he/she also must sign your election form (make sure you have the required paperwork on file establishing your domestic partnership).

### TELL YOUR DEPARTMENT HEAD OR SUPERVISOR THAT YOU ARE RETIRING

It's your responsibility to notify your department that you are leaving UC.

### WAIT FOR THE REVIEW PROCESS TO BE COMPLETED

This can take four to six weeks after the Retirement Administration Service Center receives your signed *Monthly Retirement Income* or *Lump Sum Cashout Election Form* with all supporting documents (if applicable).

### RECEIVE YOUR CONFIRMATION STATEMENT AT THE ADDRESS ON YOUR ELECTION FORM

It summarizes your retirement elections and provides information about:

- o The deadline to change or cancel your retirement elections
- o The date your first retirement benefit payment will be deposited in your bank account or mailed to you
- o The date your Capital Accumulations Payment (if applicable) will be mailed to you

### CONGRATULATIONS!!!

You are officially **retired!**







***Investing involves risk, including risk of loss.***

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. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here.

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.

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