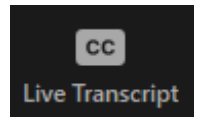


Retirement Choice Program Second Choice Window



Select for Closed Captioning

Retirement Choice Program

Pension Choice

UCRP pension benefit
Supplemental 401(k)-style component

Employee contributes 7%

Pension with predictable benefit payments throughout your lifetime in retirement. Includes disability benefits and options for income for eligible survivors.

OR

Savings Choice

Stand-alone 401(k)-style

Employee contributes 7%

An account you withdraw money from during retirement. Remaining funds can be left to your beneficiaries. Does not include disability or survivor benefits.

Second Choice Window Overview

The Second Choice Window is an opportunity for Savings Choice participants to permanently switch to Pension Choice (UCRP)

Second Choice Window

- Opens based on the year you elected Savings Choice
 - Not impacted by separating from UC (and returning)
- 5 year and 5 month window to elect to switch
- Submit election through RAYS portal or UCRS 216 form
- Elections are effective with the start of the fiscal year (7/1)
 - Elections submitted by May 31 cutoff are effective July 1 immediately following

In 2024...

Active Savings Choice participants who elected in 2016, 2017, 2018, or 2019 may switch to Pension Choice*

Open Second Choice Window

<u>Election Year</u>	<u>Window Opens</u>	<u>Window Closes</u>
2016	1/1/2021	5/31/2026
2017	1/1/2022	5/31/2027
2018	1/1/2023	5/31/2028
2019	1/1/2024	5/31/2029

Second Choice Window Schedule cont...

<u>Election Year</u>	<u>Window Opens</u>	<u>Window Closes</u>
2020	1/1/2025	5/31/2030
2021	1/1/2026	5/31/2031
2022	1/1/2027	5/31/2032
2023	1/1/2028	5/31/2033
2024	1/1/2029	5/31/2034

UCRAYS online portal

<https://retirementatyourservice.ucop.edu>

OR

Submit the UCRS 216 Form

<https://ucnet.universityofcalifornia.edu/forms/pdf/ucrs-216.pdf>

RASC

PO BOX 24570

Oakland, CA 94601

Fax: 800-792-5178

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Retirement At Your Service

Savings Choice Service

5.2701 years

as of 10/31/2021

Membership Details



My UC Retirement



Beneficiary Designations



Second Choice Election

Effective Date of Election Schedule

Second Choice Election Date	Pension Choice Effective Date
1/1/2024 to 5/31/2024	7/1/2024
6/1/2024 to 5/31/2025	7/1/2025

Resources

UCNet

<https://ucal.us/secondchoice>

Program overview

Factsheet

Q&A

Fidelity Workplace Financial Consultants

1-800-558-9182

Retirement Administration Service Center (RASC)

1-800-888-8267

myucretirement.com

What happens to my Savings Choice time after I switch?

Savings Choice Service Credit

- Earned while a Savings Choice participant
- 10 years of service credit to qualify for UC retiree insurance

Savings Choice Service Credit

- Time under Savings Choice counts towards eligibility for Pension Choice benefits, including DC Supplement (if eligible)
 - Does not increase your monthly UCRP pension benefit

Can I stay in Savings Choice?

YES!

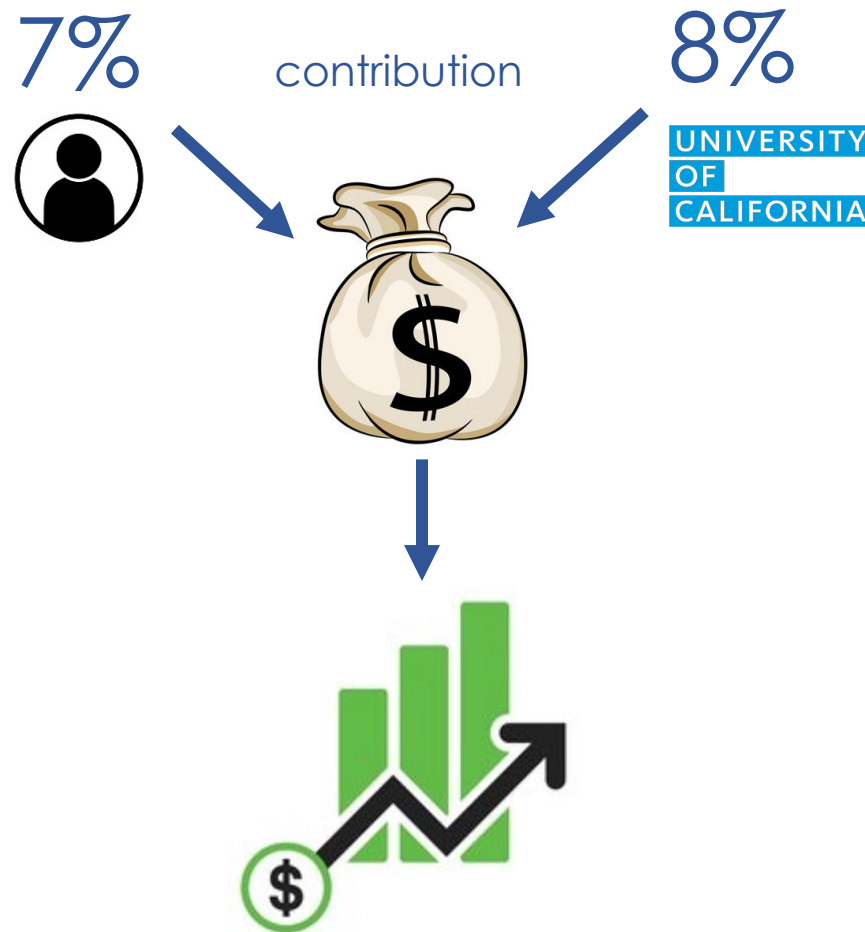
There is no requirement to make a
second choice

Second Choice Window Summary

- Opens based on the year you elected Savings Choice
- 5 year and 5 month window to elect to switch
- Elections are effective with the start of the fiscal year (7/1)
 - Elections submitted by May 31 cutoff are effective July 1 immediately following
- Benefits earned prospectively

Retirement Benefits under Savings Choice

Savings Choice Retirement Benefits

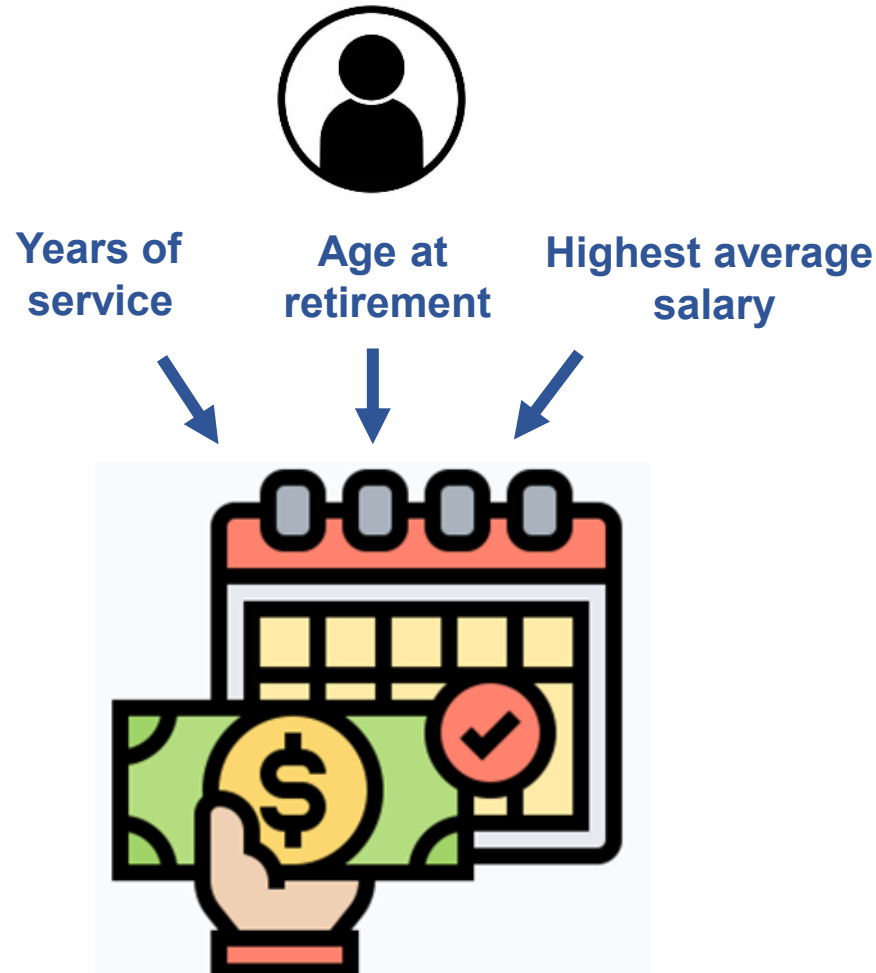


Savings Choice Survivor Benefits

- Remaining account balance (if any) is left to designated beneficiary
- Dependents may be covered under retiree insurance for lifetime of retiree

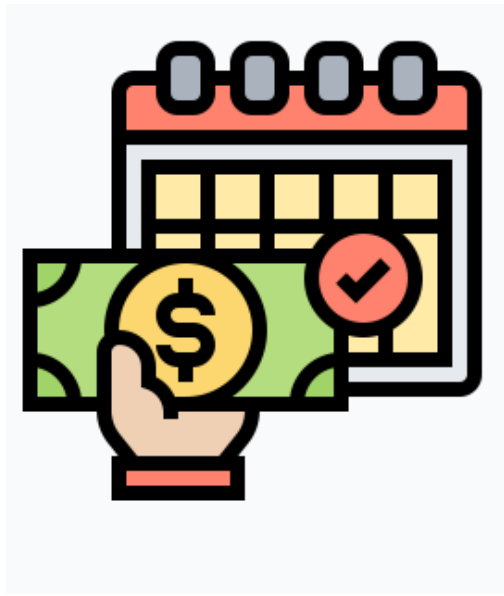
Retirement Benefits Under Pension Choice

Pension Choice Retirement Benefits



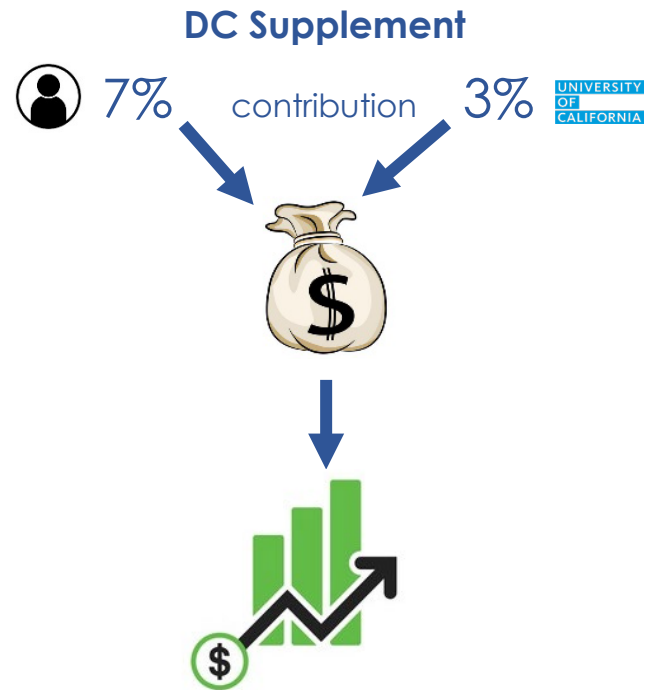
Pension Choice with DC Supplement

Staff *first hired on or after July 1, 2016*



Wages up to \$146,042*

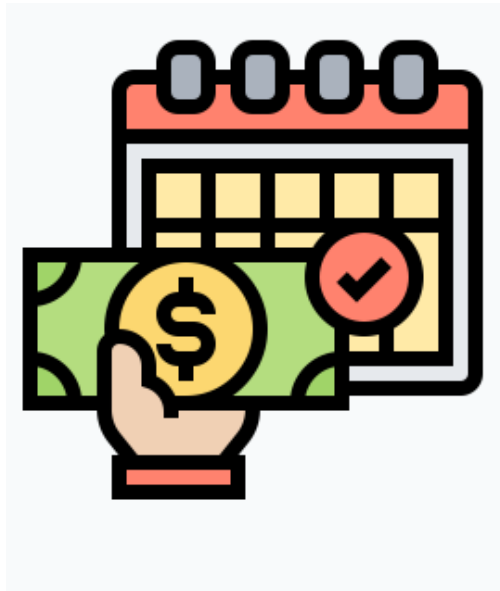
+



**Wages > \$146,042
up to \$330,000***

Pension Choice with DC Supplement

Faculty first hired on or after July 1, 2016



Wages up to
\$146,042*

+

UNIVERSITY
OF
CALIFORNIA

5%

contribution



Wages up to
\$330,000*

+

7% 



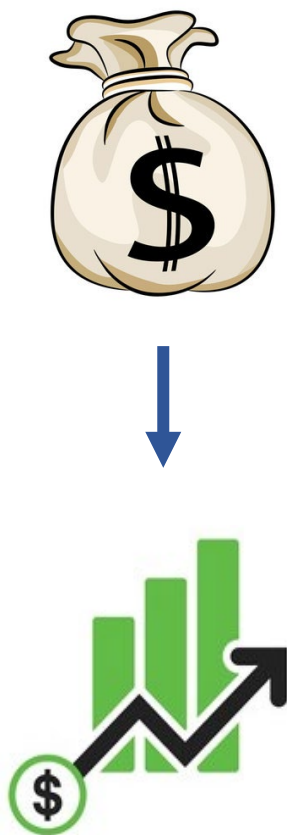
Wages > \$146,042
up to \$330,000*

Pension Choice Survivor Benefits

- Option to name a contingent annuitant
 - Receives monthly lifetime income upon the retirees passing
 - May continue UC sponsored insurance if they are a qualified “survivor” (spouse, domestic partner, disabled child)
- \$7,500 Basic Death Benefit

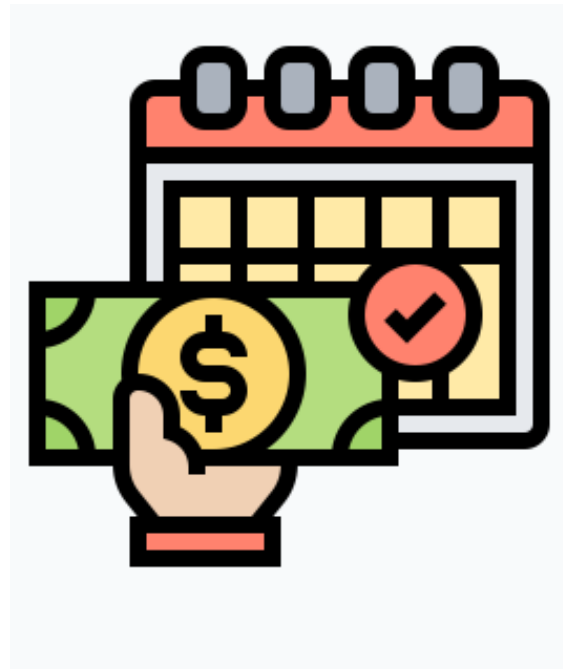
Retirement Benefits Under Second Choice

Second Choice Retirement Income



SAVINGS CHOICE

+



PENSION CHOICE

Second Choice Retirement Income

- 401(k)-style benefit
 - Savings Choice accumulations
 - Supplemental Account accumulations (if applicable)

PLUS

- Monthly lifetime income
 - Based on the service credit earned while a Pension Choice participant

Second Choice Retiree Insurance



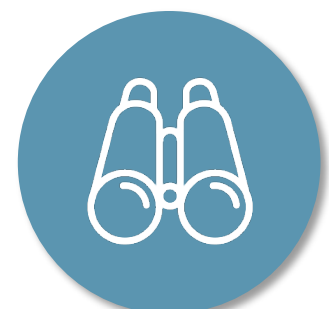
Medical



Dental



Legal



Vision



AD&D



Pet

UCRP

Eligibility for benefits under UCRP

- Pension

- 5 years of service credit to be eligible
 - Savings Choice service counts towards eligibility
- Must be at least age 55 to begin drawing pension

- Disability

- No minimum age
- Minimum of 5 years of service credit
 - Savings Choice service counts

UCRP Pension

Formula based on three factors

- Age at date of retirement (age factor)
- Years of Pension Choice service credit
- Highest Average Plan Compensation (HAPC)

$$\text{Age Factor} \times \text{Service Credit} \times \text{HAPC} = \text{Monthly Basic Retirement Income}$$

Age Factor

- Represents a % of compensation (HAPC) for every year of *UCRP* service credit
 - 1.1% for age 55 (minimum retirement age)
 - Up to 2.5% for age 65 (maximum age factor)
- Increases incrementally each month starting at age 55

Service Credit

- Based on actual time worked in a UCRP eligible position
 - Time under Savings Choice does *not* increase pension benefit but does counts towards vesting in UCRP
 - No option to purchase UCRP service credit for time under Savings Choice
- No service credit earned during unpaid leaves (LOA)
 - Option to purchase service credit for unpaid LOA under Pension Choice

HAPC

- Highest average salary over 36 consecutive months
- Calculated based on Covered Compensation
 - Full time equivalent pay received for your regular and normal appointment
 - Includes; administrative stipends and shift differentials
 - Excludes; Savings Choice compensation, overtime, bonuses, summer salary, negotiated / incentive compensation (Health Sciences)

HAPC continued

Covered Compensation used in HAPC is subject to a limit

- **PEPRA** limit
 - Employees *first* hired on or after July 1, 2016
 - \$151,446 in 2024 plan year
 - May be eligible for DC Supplement
- OR -
- **IRC 401(a)(17)** limit
 - \$345,000 in 2024 plan year
 - NOT eligible for DC Supplement

Monthly Retirement Income Example

- Elected Savings Choice on July 15, 2016
- Switched to Pension Choice effective on July 1, 2023
- 12 years of UCRP service credit (earned from July 1, 2023 through retirement date in 2035)
- Retire at age 65
- HAPC = \$7,000 / month

Monthly Retirement Income Example

Age Factor = .025

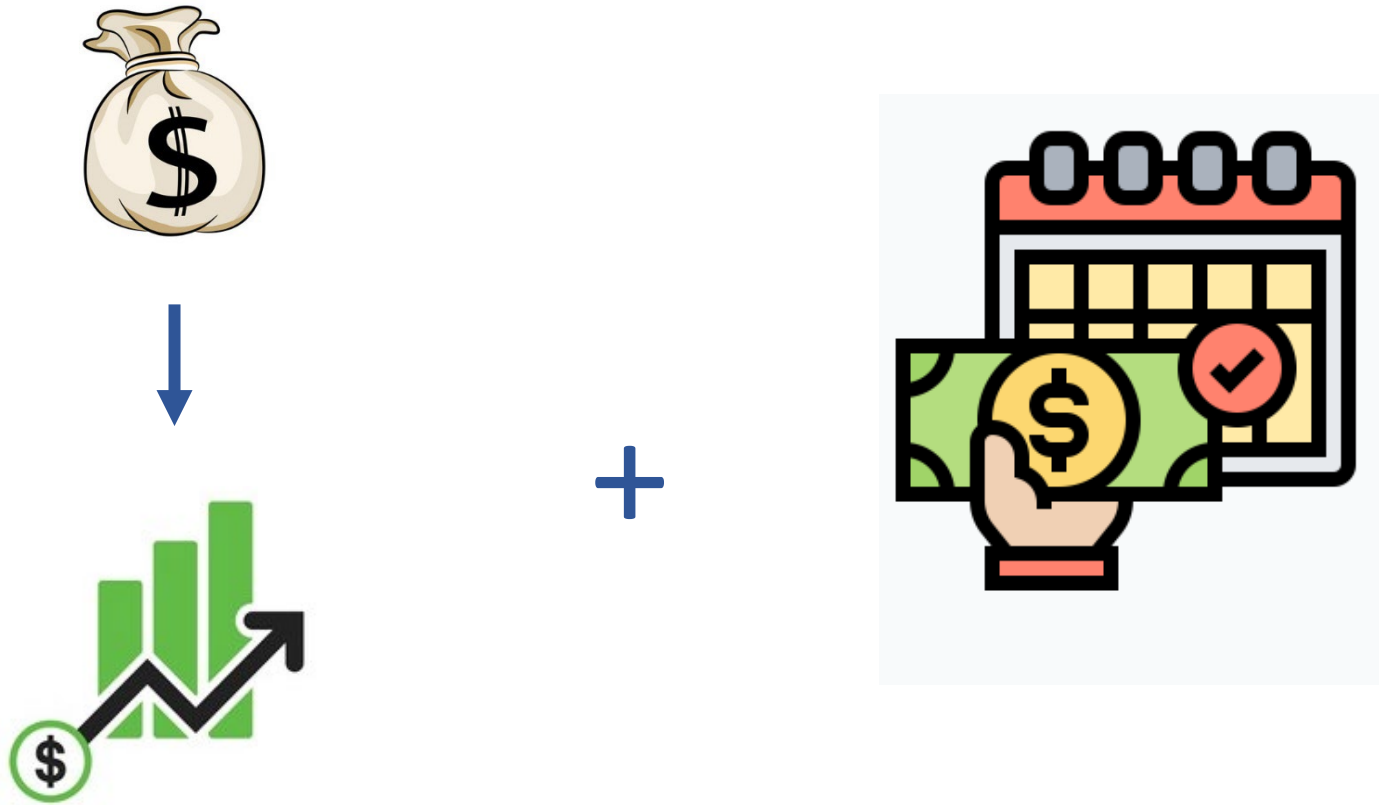
Pension Choice Service Credit = 12 years

HAPC = \$7,000

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

.025 x 12 x \$7,000 = \$2,100 / month

Total UC Retirement Income Example



Contributions through 2023

Service from 2023 – 2035

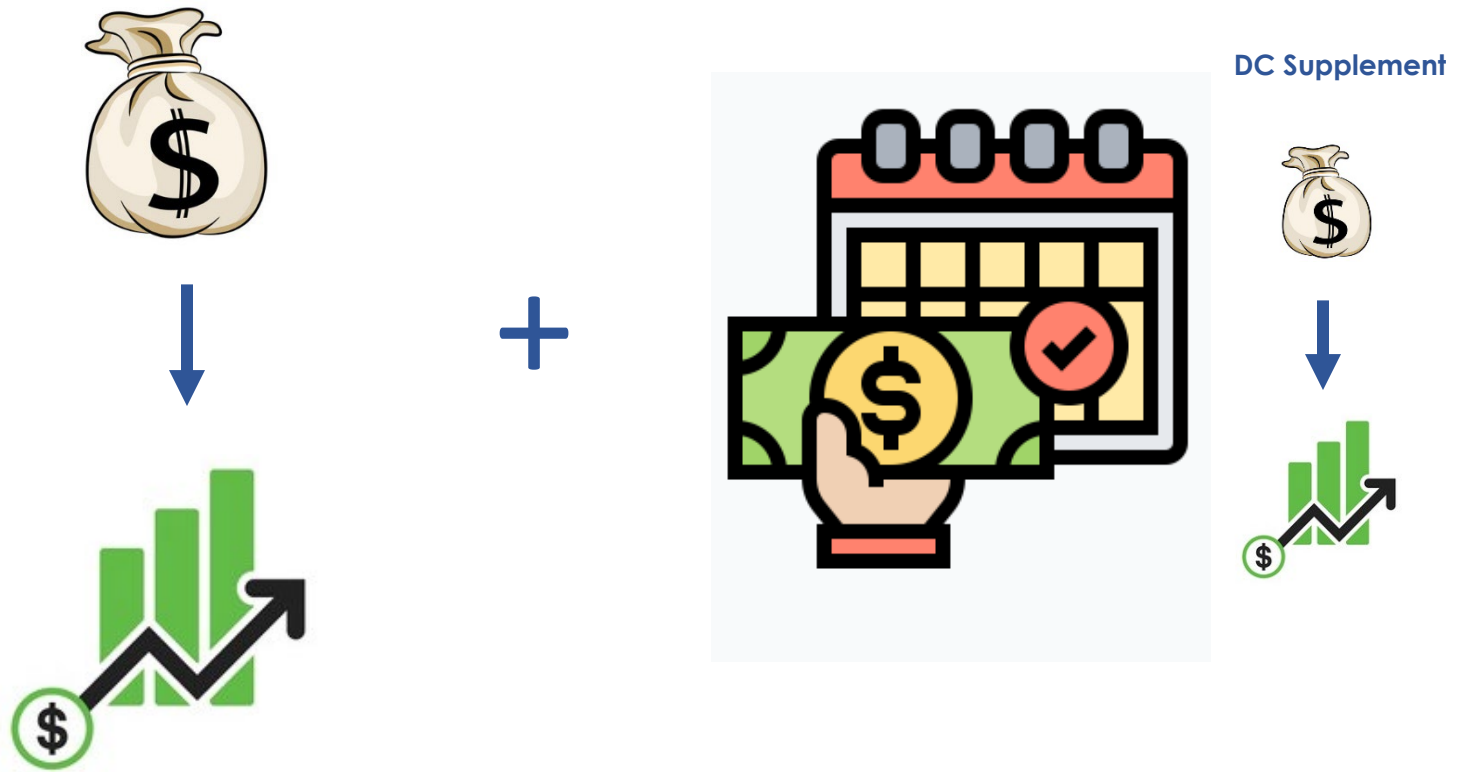
Retirement Income Example

- Savings Choice accumulations
 - 15% of covered compensation from July 2016 to June 2023
 - Investment earnings

AND

- Pension Choice monthly income of \$2,100 / month
 - Based on 12 years of service, age factor of 2.5% and HAPC of \$7,000/month

Retirement Income with DC Supplement



Contributions through 2023

Service from 2023 – 2035

UCRP Disability

- Percentage of Final Salary based on your years of UCRP service credit
 - Minimum of 5 years of UCRP service credit to qualify. Time under Savings Choice counts towards satisfying the 5 years*
 - Combined with voluntary short and long-term disability plan (currently administered by Lincoln Financial)
 - Maximum of 25%
- Continuation of insurance offered while on UCRP disability
 - Savings Choice does *not* offer a long-term disability option that provides sponsored medical and dental insurance

Second Choice Window

- Opens based on the year you elected Savings Choice
 - Not impacted by separating from UC (and returning)
- 5 year and 5 month window to elect to switch
- Submit election through RAYS portal or UCRS 216 form
- Elections are effective with the start of the fiscal year (7/1)
 - Elections submitted by May 31 cutoff are effective July 1 immediately following

Questions?

The information contained herein has been provided by the University of California and is solely the responsibility of the University of California.

Extra Examples

The information contained herein has been provided by the University of California and is solely the responsibility of the University of California.

Monthly Retirement Income Example

- First hired July 9, 2016
- Elected Savings Choice on July 15, 2016
- Submitted second choice election on April 11, 2023
 - Start earning UCRP service credit on July 1, 2023
- 2 years of UCRP service credit when they retire on July 1, 2025 at age 65
- Covered Compensation
 - 7/1/2023 – 6/30/2024 = \$6,000 / month
 - 7/1/2024 – 6/30/2025 = \$7,000 / month

Monthly Retirement Income Example

Age Factor = .025

Pension Choice Service Credit = 2 years

HAPC = \$6,500

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

.025 x 2 x \$6,500 = \$325 / month

Total UC Retirement Income Example

- Savings Choice accumulations
 - 15% of covered compensation from July 2016 to June 2023
 - Investment earnings

AND

- Pension Choice monthly income of \$325 / month
 - Based on 2 years of service, age factor of 2.5% and HAPC of \$6,500/month

Monthly Retirement Income - FACULTY

- First hired July 1, 2018
- Elected Savings Choice on July 3, 2018
- Submitted second choice election on June 15, 2023
 - Start earning UCRP service credit on July 1, 2024
- 20 years of UCRP service credit when they retire on July 1, 2044 at age 60
- Total Salary = \$350,000
- Pension Salary = PEPRA limit - \$12,170.17 / month

Monthly Retirement Income Example

Age Factor = .018

UCRP Service Credit = 20 years

HAPC = \$12,170.17

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

.018 x 20 x \$12,170.17 = \$4,381.26 / month

Total UC Retirement Income Example

- Savings Choice accumulations
 - 15% of covered compensation from July 2018 to June 2024
 - Investment earnings

PLUS

- Pension Choice monthly income of \$4,381 / month
 - Based on 20 years of service, age factor of 1.8% and HAPC of \$12,170.17/month

PLUS

- Faculty DC Supplement accumulations
 - Earned during pension choice period July 2024 to June 2044
 - 5% employer contribution on wages up to IRC limit
 - 7% employee contribution on wages above PEPRA up to IRC
 - Investment earnings

Monthly Retirement Income Example

Age Factor = .025

UCRP Service Credit = 20 years

HAPC = \$12,170.17

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

.025 x 20 x \$12,170.17 = \$6,085.09 / month

Total UC Retirement Income Example

- Savings Choice accumulations
 - 15% of covered compensation from July 2018 to June 2024
 - Investment earnings

PLUS

- Pension Choice monthly income of \$6,085 / month
 - Based on 20 years of service, age factor of 2.5% and HAPC of \$12,170.17/month

PLUS

- Faculty DC Supplement accumulations
 - Earned during pension choice period July 2024 to June 2044
 - 5% employer contribution on wages up to IRC limit
 - 7% employee contribution on wages above PEPRA up to IRC
 - Investment earnings