

UCSF Faculty Primary Retirement Benefits – UCRP & Savings Choice

**UCSF
HR/BENEFITS**

Presented by Cameron Smith,
UCSF Campus Benefits
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UCRP

- ▶ UCRP – University of California Retirement Plan is a Defined Benefit Plan
 - Traditional pension plan with a vesting requirement
 - Income one receives at retirement is based on a formula and is independent from contributions
 - Monthly benefit is paid for life

UCRP

- ▶ Vesting Requirement
 - 5 years of UCRP service credit
- ▶ ‘Vested’ after accruing 5 full years of UCRP service credit
- ▶ Vesting means one is eligible for a benefit from the ‘Plan’ once they meet the age requirement applicable to respective pension tier

UCRP Member Tiers

▶ 1976 Tier

- Members hired or rehired prior to July 1, 2013

▶ 2013 Tier

- Members hired or rehired – following a tier break in service*, on July 1, 2013 through June 30, 2016

▶ 2016 Retirement Choice – Pension Option**

- Members hired or rehired – following a tier break in service*, on July 1, 2016 or later

* For UCRP membership purposes, a break in service is deemed to have occurred when a member in the 1976 tier or 2013 tier is rehired on or after the first day of the second month following the month the member left UC employment

**Effective July 1, 2016, first-time UCRP eligible employees participate in the Retirement Choice Program and must choose between Pension Choice (2016 Tier) or Savings Choice (DCP) within 90 days. Only employees who elect Pension Choice become UCRP members in the 2016 Tier.

UCRP



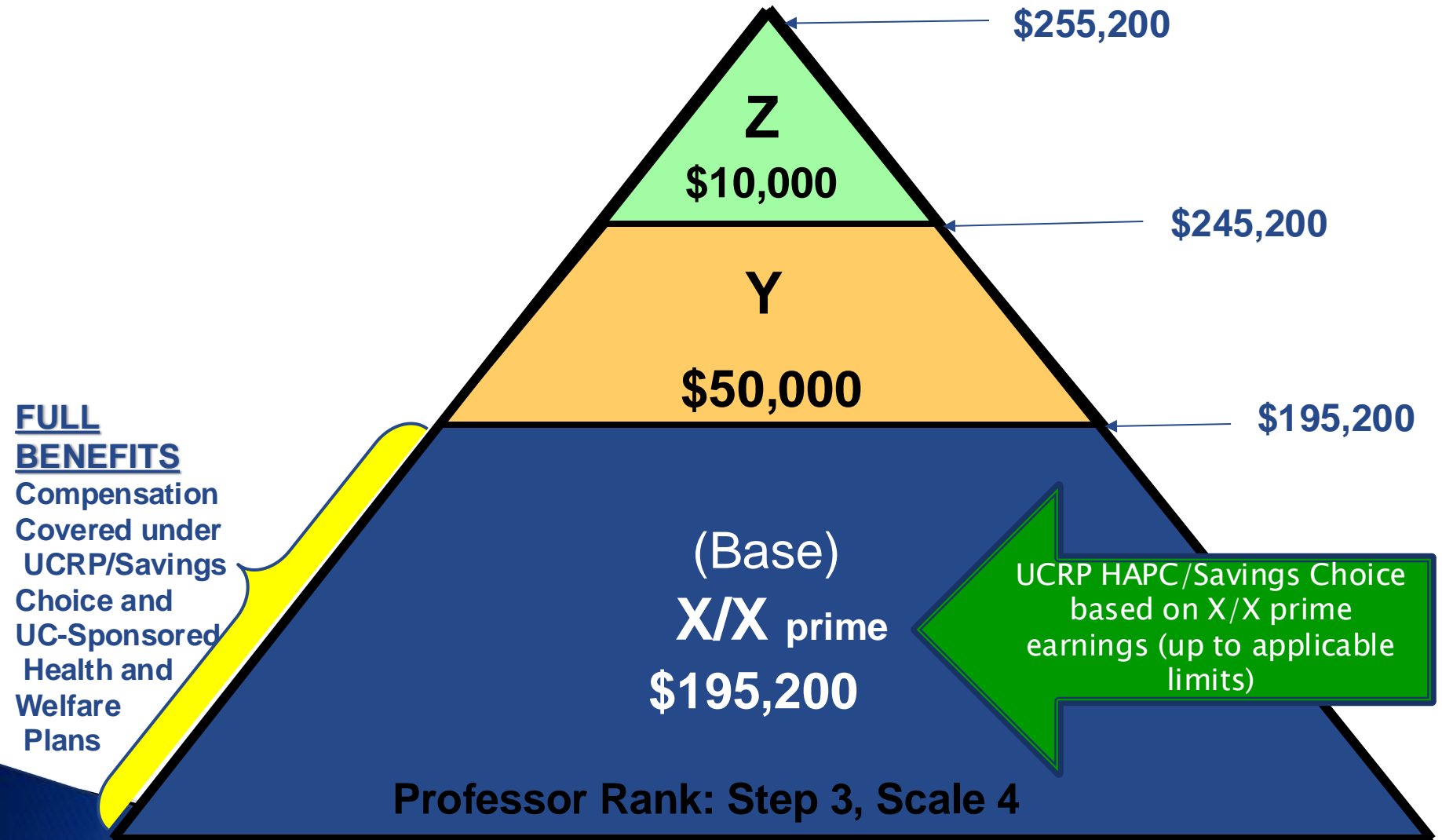
Monthly Retirement Income

UCRP

▶ How is the Basic Retirement Income Calculated?

- Based on a formula with three components on the date faculty retires—applies to all tiers:
 1. **Age Factor** – based on one’s age on the date of retirement
 - 1976 Tier: Earliest age one can retire is age 50, factors increase to age 60
 - 2013 and 2016: Earliest age one can retire is age 55, factors increase to age 65
 2. **Years of UCRP Service Credit**
 - Based on actual time worked up to 100%
 3. **Your HAPC (Highest Average Plan Compensation)**
 - Average of faculty’s 36 continuous months of highest base salary (X/X prime) – based on full time equivalent up to the applicable compensation limits
 - ✓ If newly hired after July 1, 2016 with no prior affiliation to UC, 2016 Pension Choice Members are subject to PEPRA, which limits the amount of pay which can apply to the pension. Their HAPC is capped at PEPRA max, which is \$134,974 in 2022.
 - ✓ This population of faculty receive a 5% supplement of eligible pay, paid by UC.
 - ✓ 1976 Tier Members Coordinated with Social Security: HAPC is reduced by a one-time ‘Social Security Off-set’ of \$133.00
 - ✓ Monthly ‘supplement’ restores reduction until you reach age 65
- ▶ UCRP benefit is independent of the amount of UCRP contributions made

Health Sciences Compensation Plan



UCRP - 1976 Tier

Benefit Percentage Table

University of California Retirement Plan (UCRP), 1976 Tier
Benefit Percentage (For Members With or Without Social Security*)

Effective January 1, 2001

Age Factor: Retirement Age in Years	0.011 50	0.0124 51	0.0138 52	0.0152 53	0.0166 54	0.018 55	0.0194 56	0.0208 57	0.0222 58	0.0236 59	0.0250 60
Years of Service Credit											
5	5.50%	6.20%	6.90%	7.60%	8.30%	9.00%	9.70%	10.40%	11.10%	11.80%	12.50%
6	6.60%	7.44%	8.28%	9.12%	9.96%	10.80%	11.64%	12.48%	13.32%	14.16%	15.00%
7	7.70%	8.68%	9.66%	10.64%	11.62%	12.60%	13.58%	14.56%	15.54%	16.52%	17.50%
8	8.80%	9.92%	11.04%	12.16%	13.28%	14.40%	15.52%	16.64%	17.76%	18.88%	20.00%
9	9.90%	11.16%	12.42%	13.68%	14.94%	16.20%	17.46%	18.72%	19.98%	21.24%	22.50%
10	11.00%	12.40%	13.80%	15.20%	16.60%	18.00%	19.40%	20.80%	22.20%	23.60%	25.00%
11	12.10%	13.64%	15.18%	16.72%	18.26%	19.80%	21.34%	22.88%	24.42%	25.96%	27.50%
12	13.20%	14.88%	16.56%	18.24%	19.92%	21.60%	23.28%	24.96%	26.64%	28.32%	30.00%
13	14.30%	16.12%	17.94%	19.76%	21.58%	23.40%	25.22%	27.04%	28.86%	30.68%	32.50%
14	15.40%	17.36%	19.32%	21.28%	23.24%	25.20%	27.16%	29.12%	31.08%	33.04%	35.00%
15	16.50%	18.60%	20.70%	22.80%	24.90%	27.00%	29.10%	31.20%	33.30%	35.40%	37.50%
16	17.60%	19.84%	22.08%	24.32%	26.56%	28.80%	31.04%	33.28%	35.52%	37.76%	40.00%
17	18.70%	21.08%	23.46%	25.84%	28.22%	30.60%	32.98%	35.36%	37.74%	40.12%	42.50%
18	19.80%	22.32%	24.84%	27.36%	29.88%	32.40%	34.92%	37.44%	39.96%	42.48%	45.00%
19	20.90%	23.56%	26.22%	28.88%	31.54%	34.20%	36.86%	39.52%	42.18%	44.84%	47.50%
20	22.00%	24.80%	27.60%	30.40%	33.20%	36.00%	38.80%	41.60%	44.40%	47.20%	50.00%
21	23.10%	26.04%	28.98%	31.92%	34.86%	37.80%	40.74%	43.68%	46.62%	49.56%	52.50%
22	24.20%	27.28%	30.36%	33.44%	36.52%	39.60%	42.68%	45.76%	48.84%	51.92%	55.00%
23	25.30%	28.52%	31.74%	34.96%	38.18%	41.40%	44.62%	47.84%	51.06%	54.28%	57.50%
24	26.40%	29.76%	33.12%	36.48%	39.84%	43.20%	46.56%	49.92%	53.28%	56.64%	60.00%
25	27.50%	31.00%	34.50%	38.00%	41.50%	45.00%	48.50%	52.00%	55.50%	59.00%	62.50%
26	28.60%	32.24%	35.88%	39.52%	43.16%	46.80%	50.44%	54.08%	57.72%	61.36%	65.00%
27	29.70%	33.48%	37.26%	41.04%	44.82%	48.60%	52.38%	56.16%	59.94%	63.72%	67.50%
28	30.80%	34.72%	38.64%	42.56%	46.48%	50.40%	54.32%	58.24%	62.16%	66.08%	70.00%
29	31.90%	35.96%	40.02%	44.08%	48.14%	52.20%	56.26%	60.32%	64.38%	68.44%	72.50%
30	33.00%	37.20%	41.40%	45.60%	49.80%	54.00%	58.20%	62.40%	66.60%	70.80%	75.00%
31	34.10%	38.44%	42.78%	47.12%	51.46%	55.80%	60.14%	64.48%	68.82%	73.16%	77.50%
32	35.20%	39.68%	44.16%	48.64%	53.12%	57.60%	62.08%	66.56%	71.04%	75.52%	80.00%
33	36.30%	40.92%	45.54%	50.16%	54.78%	59.40%	64.02%	68.64%	73.26%	77.88%	82.50%
34	37.40%	42.16%	46.92%	51.68%	56.44%	61.20%	65.96%	70.72%	75.48%	80.24%	85.00%
35	38.50%	43.40%	48.30%	53.20%	58.10%	63.00%	67.90%	72.80%	77.70%	82.60%	87.50%
36	39.60%	44.64%	49.68%	54.72%	59.76%	64.80%	69.84%	74.88%	79.92%	84.96%	90.00%
37	40.70%	45.88%	51.06%	56.24%	61.42%	66.60%	71.78%	76.96%	82.14%	87.32%	92.50%
38	41.80%	47.12%	52.44%	57.76%	63.08%	68.40%	73.72%	79.04%	84.36%	89.68%	95.00%
39	42.90%	48.36%	53.82%	59.28%	64.74%	70.20%	75.66%	81.12%	86.58%	92.04%	97.50%
40	44.00%	49.60%	55.20%	60.80%	66.40%	72.00%	77.60%	83.20%	88.80%	94.40%	100.00%

Use Benefit Percentage to estimate UCRP Basic Retirement Income: Benefit Percentage x Salary** = Basic Retirement Income (estimated***)

* This Benefit Percentage Table does not apply to Safety and Tier Two Benefits and is subject to collective bargaining.

** Salary = Highest Average Plan Compensation (HAPC) over three consecutive years. For Members with Social Security, reduce HAPC by \$133 per month.

*** NOTE: Actual Basic Retirement Income may vary depending on additional months of age and/or an additional partial year of service credit and any applicable offsets.

UCRP - 2013/2016 Tiers

University of California Retirement Plan (UCRP)
2013 Tier and 2016 Retirement Choice, Pension Option** Effective July 1, 2016
Benefit Percentage Table
Benefit Percentage (For Members With Social Security*)

Age Factor: Retirement Age in Years	0.011 55	0.0124 56	0.0138 57	0.0152 58	0.0166 59	0.018 60	0.0194 61	0.0208 62	0.0222 63	0.0236 64	.025 65
Years of Service Credit											
5	5.50%	6.20%	6.90%	7.60%	8.30%	9.00%	9.70%	10.40%	11.10%	11.80%	12.50%
6	6.60%	7.44%	8.28%	9.12%	9.96%	10.80%	11.64%	12.48%	13.32%	14.16%	15.00%
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Use Benefit Percentage to estimate UCRP Basic Retirement Income: Benefit Percentage x Salary** = Basic Retirement Income (estimated***)

* This Benefit Percentage Table does not apply to Safety, Tier Two Benefits and 1976 Tier Members and is subject to collective bargaining.

** Salary = Highest Average Plan Compensation (HAPC) over three consecutive years up to the IRS 401(a)(17) Limit or up to the PEPRA Limit for applicable 2016 Retirement Program members.

*** NOTE: Actual Basic Retirement Income may vary depending on additional months of age and/or an additional partial year of service credit and any applicable offsets.

UCRP

▶ Example – 1976 tier member, coordinated with Social Security

- Age at Retirement 60 = Age Factor of .025
- UCRP Service Credit = 27 Years
- HAPC = \$16,300

- Formula

✓ (age factor) x (years of service credit) x (HAPC)*
(.025) x (27) x (\$16,300– 133*) =

\$10,831 a month in Basic Retirement Income

* Reduced by SS offset of \$133 for 1976 tier members coordinated with Social Security

UCRP

▶ Example – 2013 tier member, coordinated with Social Security

- Age at Retirement 60 = Age Factor of .018
- UCRP Service Credit = 27 Years
- HAPC = \$16,300
- Formula
 - ✓ (age factor) x (years of service credit) x (HAPC)*
(.018) x (27) x (\$16,300) =

\$7,921 a month in Basic Retirement Income

Savings Choice Participants (not UCRP members)

- Faculty who were hired after July 1, 2016, and elected Savings Choice during 90-day retirement choice window
- Savings Choice participants are not UCRP members. Savings Choice is 401a plan, which is similar in style to a 401k.
- Savings Choice participants contribute to 'Defined Contribution Plan' with Fidelity, where they manage investments independently.
 - Contribute 7% of eligible pay (X + X Prime) per pay period, UC matches 8% of eligible pay into DCP account
 - Vested in UC contributions after working at UCSF for 1 year post eligibility date
- Contributions subject to 401(a)(17) IRC limit (not Public Employee Pension Reform Act/PEPRA)
 - \$305,000 in 2022

Second Choice Window

- ▶ If a faculty enrolled in Savings Choice in the first 90 days, they will have a chance between 5–10 years after hire date to switch to pension choice, after that choice is irrevocable
- ▶ Switching to pension choice after window opens will:
 - Allow faculty to keep Savings Choice account balance they currently have with Fidelity
 - Service credit earned as participant in Savings Choice will count toward vesting in UCRP, but will not count toward calculation of pension benefit

Questions?

Resources

- ▶ UCRP
 - [1976 Tier Summary Plan Document](#)
 - [2013 Tier Summary Plan Document](#)
 - [2016 Pension Choice – Complete Guide to Retirement](#)
- ▶ [Savings Choice – Complete Guide to Retirement](#)
- ▶ [Retirement Choice Window](#)
 - [Second Choice Window](#)
- ▶ [Retirement Choice Modeling Tool, created by Academic Senate for new faculty](#)