Welcome!
Benefits of a Retirement Income Plan -
Matt Vallejo
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
– Identify your sources of income
– Prioritize your financial needs vs. wants
– Understand and help minimize key risks
– Stay on track to live the retirement you want
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
Identify your sources of income
Traditional retirement income sources

- UCRP (pension)
- Social Security
- UC Retirement Savings Program
- Other Savings
Housing and Real Estate

Plans for your home
Rental Income
The gig economy opportunities
Working

• Part-time
• Consulting
• Seasonal work
• Hobbies that generate cash
• Phased retirement
Prioritize your financial needs vs. wants
3

Categories of expenses

- Essential Expenses
- Discretionary Expenses
- Emergency Expenses
Estimated income per month: $2,000
Estimated expenses per month: $7,000
Potential gap per month: -$5,000
Understand and help minimize key risks
Longevity Is the Game Changer

There’s a 25% chance that you may live a long time.

- Men: 92 years
- Women: 94 years
- 1 of a couple: 99 years

\*1. Society of Actuaries Annuity 2000 Mortality Table, assumes a person is in good health and has reached age 65.
\*2. Society of Actuaries Annuity 2000 Mortality Table, updated to 2015 with Schedule G Adjustments. Figure assumes opposite-sex couple with both persons in good health.
Know How Much You Can Withdraw Each Year

It’s not as much as you might like

4% 5% 10%
4% guideline when you need income for 30 years:

\[ \text{\$500,000} \times 4\% = \text{\$20,000} \]

Beginning at 70 ½, you must take required minimum distributions:

\[ \frac{\text{\$500,000}}{27.4} = \text{\$18,428} \]
Other investment and income risks

- Preparing for inflation
- Investing for the long-term
- Anticipating health care costs
Stay on track to live the retirement you want
Your initial plan pulls the pieces together

- Risks
- Income Sources
- Goals
- Distributions
A distribution from a Roth 401(k) is tax free and penalty free, provided the five-year aging requirement has been satisfied and one of the following conditions is met: age 59½, disability, or death.
### Specific Actions Needed at Specific Ages

<table>
<thead>
<tr>
<th>50s–Quick Plan</th>
<th>60s–Detailed Plan</th>
<th>65+ –Master Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Write down best estimates</td>
<td>• Determine Social Security strategies</td>
<td>• Sign up for Medicare</td>
</tr>
<tr>
<td>• “Super save”</td>
<td>• Reassess risk and asset allocation</td>
<td>• Discuss retiree health insurance options with employer</td>
</tr>
<tr>
<td>• Set up an initial planning session with Fidelity</td>
<td>• Build a detailed financial assessment</td>
<td>• Prepare portfolio for required minimum distributions</td>
</tr>
</tbody>
</table>
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.
Important Questions to Ask Before You Claim Social Security - Brandon Moore
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
Earliest age for surviving spouse benefits

PERMANENT REDUCTION IF CLAIMING BEFORE FULL RETIREMENT AGE (FRA)

Lock in 25%–30% reduction

Can reduce surviving spouse benefit

MEDICARE ELIGIBILITY

FULL RETIREMENT AGE

FULL SOCIAL SECURITY benefit available

Maximum surviving spouse benefits

Claiming early locks in permanent reductions

Source: Social Security Administration.
Q2. How can I claim retirement benefits?
4 Ways to claim

1. Individual Worker
2. Spouse
3. Ex-Spouse
4. 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

For illustrative purposes only and based on Social Security rules in effect at the time of publication, and subject to change at any time. All figures assumed to be pretax.
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

Cannot exceed 50% of ex-spouse’s PIA

Reduced payment if you claim before your FRA

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

You “step into his/her shoes”
When the higher-earning spouse / ex dies first

Your ex-spouse dies if you were married 10+ years and did not remarry before age 60
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
Q4. What do I need to get my benefits?
You must first qualify for Social Security

1. You paid into Social Security

2. You earned at least 40 “credits”

3. Reach age 62
You need to know your Full Retirement Age

<table>
<thead>
<tr>
<th>If you were born in...</th>
<th>Your full retirement age is...</th>
</tr>
</thead>
<tbody>
<tr>
<td>1943–1954</td>
<td>66 years</td>
</tr>
<tr>
<td>1955</td>
<td>66 years, 2 months</td>
</tr>
<tr>
<td>1956</td>
<td>66 years, 4 months</td>
</tr>
<tr>
<td>1957</td>
<td>66 years, 6 months</td>
</tr>
<tr>
<td>1958</td>
<td>66 years, 8 months</td>
</tr>
<tr>
<td>1959</td>
<td>66 years, 10 months</td>
</tr>
<tr>
<td>1960 or later</td>
<td>67 years</td>
</tr>
</tbody>
</table>

Source: Social Security Administration
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
Q5. Where does Social Security fit in my plan?
When you claim Social Security can have a significant impact on your savings

<table>
<thead>
<tr>
<th></th>
<th>Social Security</th>
<th>Your Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FRA (Full Retirement Age)</strong></td>
<td>$1,800</td>
<td>$2,200</td>
</tr>
<tr>
<td><strong>Age 70</strong></td>
<td>$2,232</td>
<td>$1,768</td>
</tr>
<tr>
<td><strong>Age 62</strong></td>
<td>$1,260</td>
<td>$2,740</td>
</tr>
</tbody>
</table>

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
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UC Retirement Income Sources -
Don Goldberg, Matt Vallejo
What we will cover today

- UC Retirement Plan (aka UCRP, Pension)
- Retirement payment vs Employee paycheck
- Capital Accumulation Payment (CAP)
- UC Retirement Savings Program
- Important Resources
UCRP Benefits
UCRP benefits depend on your membership classification

1976 Tier – *coordinated with Social Security*
1976 Tier – *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
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-eligible position
- No service credit earned during unpaid leaves
- Unused sick leave converts to service credit if you elect monthly retirement income
  - unused sick leave hours / 2000 = UCRP service credit
- Unused vacation is paid on your last paycheck
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
Highest average plan compensation (HAPC)

Excludes

- Overtime
- Summer Salary
- Negotiated Annual Additions/Incentive Compensation (Health Sciences)
- Salary that exceeds the Covered Compensation limit
  - IRC 401(a)(17): $275,000
  - UCRP entry date prior to July 1, 1994: $405,000
  - PEPRA limit for 2016 tier member: $121,388
- 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
Monthly Retirement Income
Retirement Estimator on At Your Service Online

<table>
<thead>
<tr>
<th>Monthly alternate payment options at:</th>
<th>Age 60</th>
<th>Age 65</th>
<th>Age 70</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Retirement Income Option</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lifetime monthly amount</td>
<td>$1,717</td>
<td>$2,616</td>
<td>$3,514</td>
</tr>
<tr>
<td>Temporary Social Security Supplement*</td>
<td>$31</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Lump Sum Cashout (LSC) Option</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-time Payment</td>
<td>$278,130</td>
<td>$383,706</td>
<td>$456,146</td>
</tr>
</tbody>
</table>
Cost of Living Adjustments

- Based on changes in Consumer Price Index (CPI)

- **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%
Potential payments upon retiree death

- Basic death payment
- Postretirement survivor continuance
  - Only available to 1976 Tiers
- 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

<table>
<thead>
<tr>
<th>Monthly Retirement Option</th>
<th>Lifetime monthly payment to you</th>
<th>UPON DEATH - Monthly payment to:</th>
<th>Eligible Survivor 25% of BRI</th>
<th>Contingent Annuitant</th>
<th>Combined to Eligible Survivor and Contingent Annuitant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Retirement Income (BRI)</td>
<td>$2,433</td>
<td>$608</td>
<td>not applicable</td>
<td>not applicable</td>
<td></td>
</tr>
<tr>
<td>Payment Option A full continuance</td>
<td>$2,219</td>
<td>$608</td>
<td>$1,611</td>
<td>$2,219</td>
<td></td>
</tr>
<tr>
<td>Payment Option B two thirds continuance</td>
<td>$2,285</td>
<td>$608</td>
<td>$1,118</td>
<td>$1,726</td>
<td></td>
</tr>
<tr>
<td>Payment Option C one half continuance</td>
<td>$2,319</td>
<td>$608</td>
<td>$855</td>
<td>$1,463</td>
<td></td>
</tr>
<tr>
<td>Payment Option D one half continuance to eligible spouse or domestic partner</td>
<td>$2,357</td>
<td>not applicable</td>
<td>$1,178</td>
<td>$1,178</td>
<td></td>
</tr>
</tbody>
</table>
Alternate payment option – no eligible survivor

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

<table>
<thead>
<tr>
<th>Monthly Retirement Option</th>
<th>Lifetime monthly payment to you</th>
<th>UPON DEATH - Monthly payment to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Retirement Income (BRI)</td>
<td>$2,433</td>
<td>not applicable</td>
</tr>
<tr>
<td>Payment Option A &lt;br&gt; full continuance</td>
<td>$2,148</td>
<td>not applicable</td>
</tr>
<tr>
<td>Payment Option B &lt;br&gt; two thirds continuance</td>
<td>$2,235</td>
<td>not applicable</td>
</tr>
<tr>
<td>Payment Option C &lt;br&gt; one half continuance</td>
<td>$2,282</td>
<td>not applicable</td>
</tr>
<tr>
<td>Payment Option D &lt;br&gt; one half continuance to eligible spouse or domestic partner</td>
<td>not applicable</td>
<td>not applicable</td>
</tr>
</tbody>
</table>
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 you take the payout
- 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
Retirement Payment vs. Current Paycheck
# Active vs Retired “Paycheck”

<table>
<thead>
<tr>
<th></th>
<th>ACTIVE</th>
<th>RETIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly gross income</strong></td>
<td>SALARY</td>
<td>UCRP</td>
</tr>
<tr>
<td><strong>Deductions, withholdings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal, state, local tax</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Social Security (OASDI)</td>
<td>✓</td>
<td>--</td>
</tr>
<tr>
<td>Medicare</td>
<td>✓</td>
<td>--</td>
</tr>
<tr>
<td>Health Benefits</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>UCRP Contribution</td>
<td>✓</td>
<td>--</td>
</tr>
<tr>
<td>Parking, commuter costs</td>
<td>✓</td>
<td>--</td>
</tr>
<tr>
<td>Other work-related deductions</td>
<td>✓</td>
<td>--</td>
</tr>
<tr>
<td><strong>Monthly net income</strong></td>
<td>Difference may be less than you think</td>
<td></td>
</tr>
</tbody>
</table>
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 II – issued 2002-2003

- Must be distributed upon retirement
  - Rollover or a taxable distribution paid to you

Check your CAP balance at: https://atyourserviceonline.ucop.edu/ayso
Retirement Savings Program – While Active

- **Defined Contribution Plan (DC Plan)**
  - UCRP eligible employees working between 1990 and 2010 have pretax money in this plan
  - Voluntary contributions on an after-tax basis

- **403(b) & 457(b) Plans**
  - Voluntary pre-tax contributions
  - Deferral limit = $19,000 + $6,000 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 accounts in RSP as long as plan balance 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.
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 70 ½
YOUR UC RETIREMENT BENEFITS

Preparing for a successful retirement is one of the biggest financial responsibilities you’ll face. UC offers a comprehensive array of retirement benefits, savings programs and educational and counseling resources to help you plan for retirement.

UC’s primary retirement benefits provide a strong foundation, with costs shared by you and UC. Voluntary savings programs and retirement planning resources give you the tools to save even more toward a financially secure future.
Questions?

**UCRP, CAP**
- RASC (800) 888-8267
- ucal.us/askrasc
- Preparing for Retirement Webinar - live, twice/month

**Retirement Savings Program**
- UC-Dedicated Fidelity Retirement Planner (800) 558-9182
- myUCretirement.com/classes
THANK YOU
The information contained herein has been provided by the University of California and is solely the responsibility of the University of California.
Retiree Health Coverage

UC Retiree Health Benefits - Don Goldberg
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 (for medical and dental)
- 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

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

*Subject to collect bargaining
Retiree Health Group 1

- UCRP entry before January 1, 1990
- 100% of UC contribution amount
Retiree Health Group 2 – Graduated Eligibility*


<table>
<thead>
<tr>
<th>Years of UCRP service credit</th>
<th>% of UC contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 - 9</td>
<td>• 50%, if age + service &gt;= 75</td>
</tr>
<tr>
<td></td>
<td>• Otherwise, not eligible</td>
</tr>
<tr>
<td>10</td>
<td>• 50%</td>
</tr>
<tr>
<td>11 - 20</td>
<td>• 50% + 5% per year over 10</td>
</tr>
<tr>
<td></td>
<td>• 100% at 20 years</td>
</tr>
<tr>
<td>Over 20</td>
<td>• 100%</td>
</tr>
</tbody>
</table>

*Subject to collect bargaining
## Retiree Health Group 3 – Graduated Eligibility*

**UCRP entry on/after July 1, 2013**

<table>
<thead>
<tr>
<th>Age, years of UCRP service credit</th>
<th>% of UC contribution</th>
</tr>
</thead>
</table>
| **age 50 – 55 or less than 10 yrs service** | • 0%  
• Age 56 and 10 years service credit minimum |
| **age 56-65 and 10-20+ yrs service** | • 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** | • 100% |

*Subject to collect bargaining*
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
### Example of cost calculations – non-Medicare

<table>
<thead>
<tr>
<th></th>
<th><strong>Example A</strong></th>
<th><strong>Example B</strong></th>
<th><strong>Example C</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total monthly</strong></td>
<td><strong>F1,552</strong></td>
<td><strong>F1,552</strong></td>
<td><strong>F1,552</strong></td>
</tr>
<tr>
<td><strong>premium</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Health Net B&amp;G,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>couple)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>UC contribution</strong></td>
<td><strong>F1,002</strong></td>
<td><strong>F752</strong></td>
<td><strong>F501</strong></td>
</tr>
<tr>
<td><strong>Your monthly cost</strong></td>
<td><strong>F550</strong></td>
<td><strong>F800</strong></td>
<td><strong>F1,051</strong></td>
</tr>
</tbody>
</table>
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
  - Your RASC retirement counselor will provide 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 “Medicare” version of your UC medical plan, which coordinates with Medicare
  - 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
Important Resources
Retiree health and welfare benefits

When you retire, or begin receiving disability income under UCRP, you may be eligible to continue your UC-sponsored health and welfare coverage. Benefits you may continue include:

- Medical
- Dental
- Vision
- Legal
- AD&D

These benefits are separate from your primary retirement benefits, and are not a vested benefit. That means these benefits are not guaranteed and that UC's contributions to the cost of these benefits may change or be discontinued at any time.

Eligibility

To be eligible for retiree health and welfare benefits, you must meet the following criteria (in addition to age and service credit requirements):
Questions?

- RASC (800) 888-8267
- ucal.us/askrasc
- Preparing for Retirement Webinar – live, twice/month
- For Medicare enrollment and eligibility information, call Social Security at 800-772-1213. You can also find Medicare information online at www.medicare.gov.
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First steps

- Attend UC retirement planning presentations, workshops, or webinars
- 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 Retirement Planner 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
Request Retirement Initiation Packet

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

or

- Contact the UC Retirement Administration Service Center (RASC) at 1-800-888-8267
Begin the process

- One retirement counselor will work with you
- Counselor sends your retirement initiation packet
  - Personal Retirement Profile which outlines your options
  - Retirement Handbook
  - Election Planning Worksheets
- Contact your retirement counselor, or the RASC, for questions
The election process

- Complete and return your election worksheet
- Your retirement counselor prepares final election forms for signature
- Sign, return election form with 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
Now That I’m Retiring
When can I expect my pension payment?

- Around the first of each month
- Electronically deposited to your bank
- Statements on At Your Service Online (AYS Online)
- Income reported
Keep your personal information up-to-date

Use AYS Online to:

- Change tax withholding
- Update your address or email
- Change your direct deposit information
- Make health benefits changes during Open Enrollment
- Update UCRP beneficiary information

Use Fidelity website to update Retirement Savings Program beneficiaries:
www.netbenefits.com
Stay connected

- *New Dimensions* newsletter
- UCnet
- Local resources
  - Emeriti and Retiree Associations
  - Retirement Centers
    - Location and contact information available on UCnet: ucnen.universityofcalifornia.edu/retirees
  - Health Care Facilitator
Important Resources
When You're Ready to Retire

If you're thinking of retiring in the next few months or even the next year or two, this presentation will help you understand your retirement benefits and the steps you'll need to take in order to retire from UC.

Representatives from the Retirement Administration Service Center (RASC) are holding bi-weekly webinars to provide an overview of your UC retirement benefits, examples of retirement benefits calculations and information about what you need to do to retire from UC.

If you cannot attend one of the webinars, you can watch this pre-recorded version of the presentation. We recommend you watch the full presentation, which lasts about 60 minutes, but you can easily jump to any sections that interest you.

Welcome and Introduction - Preparing for Retirement
Questions?

- RASC (800) 888-8267
- ucal.us/askrasc
- Preparing for Retirement Webinar – live, twice/month
THANK YOU
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Finding Fulfillment in Retirement – 
Bob Daly and Victor Lippit
2 Unfamiliar Words

“FULFILLMENT”

“RETIREMENT”
You are not Alone...

Chart 1. Population age 65 and over, 1960-2000, and projections to 2050

Source: U.S. Bureau of the Census

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You are the architect of your retirement

- Filling your days?
- Days of fulfillment?

- Every day is a Saturday!
How many days might you need to fill?

- **63**: Average retirement age in America
- **18**: Average length of retirement
- **30**: Retirement planning horizon

Source: US Census Bureau, labor force participation rates for people ages 40 - 80
Number of Days in a 30-year Retirement

10,958
5 tips for finding fulfillment in retirement

1. Ask key questions… and answer truthfully
2. Create your purpose
3. Get rid of your baggage
4. Be realistic about aging
5. Acknowledge this is not “business as usual”
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”
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
What UC Retirees Miss the Most

- Daily challenges
- Routine
- People
- Camaraderie
- Interaction
- Students
Where to start?

- Blogs and Books
- AARP


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Join the “100 Plan”

- **Start Living Like a Centenarian Now**
  - Eat a diet high in grains, fish, vegetables and light on meat, eggs, dairy
  - **Engage in regular physical activity**
  - Effectively manage stress
  - Maintain a sense of purpose
  - Invest in family and friends
UCR Retirees’ Association and the Council of UC Retiree Associations, works with UCOP to protect retirement benefits
Some Membership Benefits

✓ Red lot parking permit for free
✓ Keep your UCR email
✓ Newsletter to keep you informed
✓ Discounted membership in OSCHER program
Membership Costs

$20 per year, or

$200 lifetime membership
Retirement is a journey, not a destination...
THANK YOU
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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