



Retirement Choice Program Second Choice Window (2CW)

Winter 2020

Retirement Choice Program

Not Subject to PEPRA

Pension Choice UCRP pension benefit NOT SUBJECT TO PEPRA MAX	Savings Choice Stand-alone 401(k)-style
<p>Pension with predictable benefit payments throughout your lifetime in retirement.</p>	<p>An account you withdraw money from during retirement. Remaining funds can be left to your beneficiaries.</p>
<p>One component: Pension benefit based on eligible annual pay up to the 2020 IRS pay maximum of \$285,000, with mandatory contributions.</p>	<p>One component: A stand-alone 401(k)-style benefit based on eligible annual pay up to the 2020 IRS pay maximum of \$285,000, with mandatory contributions.</p>

Retirement Choice Program

Subject to PEPRA

Pension Choice UCRP pension benefit + Supplemental 401(k)-style component	Savings Choice Stand-alone 401(k)-style
Pension with predictable benefit payments throughout your lifetime in retirement.	An account you withdraw money from during retirement. Remaining funds can be left to your beneficiaries.
Two components: Pension benefit based on eligible pay up to PEPRA maximum (\$126,291 in 2020); 401(k)-style supplemental account for designated faculty, and for all other eligible staff and academic appointees with eligible pay above PEPRA maximum	One component: A stand-alone 401(k)-style benefit based on eligible annual pay up to the 2020 IRS pay maximum of \$285,000, with mandatory contributions.

Retirement Choice Program

Second Choice Window

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

- participants are not required to switch

*Pension Choice participants will **not** be given an opportunity to switch to Savings Choice*



Second Choice Window (2CW)

*The Second Choice Window opens **January 1st** of the **5th** calendar year anniversary of the **Savings Choice election date** and extends for **5 ½ years***

2021 Window

- Opens January 1, 2021 for those who elected Savings Choice in 2016*
- Closes May 31, 2026*



2CW Opens

*The Second Choice Window opens **January 1st** of the **5th calendar year anniversary** of the date in which Savings Choice was **elected***

Example:

Imogen was hired in a career position on July 1, 2016, and elected Savings Choice on August 7, 2016.

2CW Opens: January 1, 2021

Example:

Buckeye was hired in a career position on November 1, 2016, and elected Savings Choice on January 2, 2017.

2CW Opens: January 1, 2022



2CW Opens - rehire

Window opens on January 1st of the 5th calendar year anniversary of the date in which Savings Choice was elected

- do not need to be employed for the window to open*
- must be employed and active to elect to switch*

Example with rehire:

Imogen was hired in a career position on July 1, 2016, and elected Savings Choice on August 7, 2016.

2CW Opens: January 1, 2021

Imogen separated on September 30, 2020, and was rehired into an eligible position May 1, 2021

2CW Opens: January 1, 2021

Earliest possible election to switch: May 1, 2021



2CW Opens – Employee Notices

Email (to work email):

- *Cover letter similar to the mailed letter*

Mailed packet:

- *Cover Letter*
- *Fact Sheet*
- *Form – UCRS216*

Online Announcements:

- *UCNet*
- *MyUCretirement.com*



2CW Closes

*The Second Choice Window closes **May 31st** after the **5-year anniversary** of the calendar year in which the **window opened**, or when an election to switch is made, if earlier*
- No elections will be accepted once the window closes

Example:

Imogen was hired in a career position on July 1, 2016, and elected Savings Choice on August 7, 2016.

2CW Opens: January 1, 2021

2CW Closes: May 31, 2026

2CW Closes - rehire

Example with rehire within second choice window:

Initial choice eligible on December 1, 2016

Elected Savings Choice on December 7, 2016

2CW Opens: January 1, 2021

2CW Closes: May 31, 2026

Separated: June 14, 2020

Rehired: June 30, 2022

*EE may make an election to switch from June 30, 2022
(rehire in eligible position date) through May 31, 2026*



2CW Closes - rehire

Example with window closed prior to rehire:

Choice Eligible on December 1, 2016

Elected Savings Choice on December 7, 2016

2CW Opens: January 1, 2021

2CW Closes: May 31, 2026

Separated: June 14, 2020

Rehired: June 30, 2026

EE will not be able to switch to Pension Choice as they were not an active Savings Choice participant during their 2CW

Upon rehire into non represented position they will be enrolled in Savings Choice - no option to switch



2CW Closes – union & rehire

Example with rehire:

Choice Eligible on December 1, 2016

Elected Savings Choice on December 7, 2016

2CW Opens: January 1, 2021

2CW Closes: May 31, 2026

Entered NX union: June 14, 2020 (in 2013 modified tier)

Separated: June 30, 2026

Rehired non-represented: April 1, 2029

EE will not be able to switch to Pension Choice

Upon rehire into non represented position they will be enrolled in Savings Choice - no option to switch (closed window)



2CW Schedule

Savings Choice Election Date	Second Choice Window Opens	Second Choice Window Closes
July 1, 2016 – Dec. 31, 2016	Jan. 1, 2021	May 31, 2026
Jan. 1, 2017 – Dec. 31, 2017	Jan. 1, 2022	May 31, 2027
Jan. 1, 2018 – Dec. 31, 2018	Jan. 1, 2023	May 31, 2028
Jan. 1, 2019 – Dec. 31, 2019	Jan. 1, 2024	May 31, 2029
Jan. 1, 2020 – Dec. 31, 2020	Jan. 1, 2025	May 31, 2030



Window Recap

*NO early opening – Savings Choice Participants must wait until **January 1st** of the **5th calendar year anniversary** of their Savings Choice election date*

- Member can login to myUCretirement.com/choose to view their confirmation letter and date they elected

***5 years and 5 months in length** for all employee types (except certain represented – **EX and SX bargained a different window**)*

- Window opens regardless of employment status
 - must be active Savings Choice to elect to switch
- If election to switch is made, then the window closes
- No elections will be accepted once window closes



Electing a Second Choice

Employee Resources

Fidelity Retirement Planners are available for one-on-one appointments (Zoom);

1-800-558-9182 or

getguidance.fidelity.com/universityofcalifornia

UCNet

Webpage

Factsheet

Q&A

A Complete Guide to Your UC Retirement Benefits



Electing a Second Choice

*No early elections - only those who elected in **2016** can elect to switch in 2021*

Paper form submitted to RASC – UCRS 216 Form

- mailed to those with Savings Choice contributions in October 2020*
- available on UCNet (electronic signature allowed)*

*Must be “**Active**” Savings Choice participant*

- think of this similar to how one needs to be **active on pay status** in UCRP to elect a buyback/service credit purchase.*

*note: leave **with pay** = active on pay status*

Electing a Second Choice

**ELECTION TO CHANGE PRIMARY RETIREMENT BENEFIT
FROM SAVINGS CHOICE TO PENSION CHOICE**
UNIVERSITY OF CALIFORNIA RETIREMENT PLAN
UCRS 216 (R01/21) University of California Human Resources and Benefits

Send completed form to:
Retirement Administration
Service Center (RASC)
P.O. Box 24570
Oakland, CA 94623-1570
FAX: (800) 792-5178

Use this form to elect to switch from a Savings Choice Participant in the Defined Contribution (DC) Plan to a Pension Choice Participant in the University of California Retirement Plan.

Return the original to the RASC at the above address. **Please copy this form for your records.**

Do not submit this form if you intend to remain a Savings Choice participant.

PERSONAL INFORMATION

NAME (Last, First, Middle Initial)	SOCIAL SECURITY NUMBER	CAMPUS/LAB/MEDICAL CENTER
MAILING ADDRESS (Number, Street)	EMPLOYEE ID	EMAIL ADDRESS
MAILING ADDRESS (City, State, Zip)	DATE OF BIRTH	PHONE NUMBER

INSTRUCTIONS

This form may be used by an active Savings Choice Participant who is within their second-choice window to switch their primary retirement benefit to Pension Choice under the University of California Retirement Plan.

The second-choice window opens on January 1 of the fifth anniversary of the calendar year in which Savings Choice was elected and extends through May 31 five and a half years later, or the date you make your election, whichever comes first.

DECLARATION OF ELECTION TO SWITCH FROM SAVINGS CHOICE TO PENSION CHOICE

I, _____, elect to change my primary retirement benefit from Savings Choice to Pension Choice under the University of California Retirement Plan on a prospective basis, pursuant to the procedures outlined by the Plan Administrator.

SIGNATURE

My signature below certifies that:

- I understand the financial impact of each primary retirement benefit option, Pension Choice and Savings Choice, and how it

**Electronic
signature
allowed
at this time**



Electing a Second Choice

*Elections to switch may be submitted by an **active participant at any time during the year***

*Elections received on or before May 31st would become **effective the July 1st** immediately following*

Letter confirming receipt of election form and effective date of their switch will be mailed

Electing a Second Choice

Second Choice Election Received	Effective Date
January 1, 2021 - May 31, 2021	July 1, 2021
June 1, 2021 – May 31, 2022	July 1, 2022
June 1, 2022 – May 31, 2023	July 1, 2023
June 1, 2023 – May 31, 2024	July 1, 2024
June 1, 2024 – May 31, 2025	July 1, 2025
June 1, 2025 – May 31, 2026	July 1, 2026



After a Second Choice is made

Savings Choice Service Credit will count towards vesting in UCRP and H&W benefits, but not towards UCRP benefit calculations

*At this time, Savings Choice Service Credit will not count towards vesting in the **DC Supplement***

There will not be an option to purchase UCRP service credit based on time worked under Savings Choice

The election is irrevocable (no exceptions)

2CW Summary

- Opens January 1st for eligible Savings Choice Participants
- Participants have **5 years & 5 months** to make an election
- Elections are effective July 1st following the election
- Savings Choice service treated as UCRP vesting credit
- Second Choice elections are irrevocable
- Employee does **not** need to make a switch to UCRP

Questions?