



April 22, 2021

To: Department Benefits Representatives (DBRs)  
From: HR Benefits Office on behalf of UCOP  
Re: New “no lapse in pay” option for prospective July 1 retirees

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*Please note: the following information is intended for DBR informational purposes only and relates to those employees retiring on July 1, 2021.*

On behalf of the UC Office of the President, the Retirement Administrative Service Center (RASC) is excited to offer a guarantee of no lapse in pay for prospective retirees who qualify.

### **No Lapse in Pay Option**

UC employees who are on schedule to retire with a monthly benefit on July 1 will have the opportunity to opt-in for a guaranteed payment beginning August 1. The request to opt-in, along with a signed election and all required documents, must be submitted by May 14.

### **How it works**

RASC will let prospective retirees know if their request is approved within a week or so. This option is designed for routine July 1 retirements; the request will not be approved for those who have the following circumstances:

- Lump sum cash out
- Eligibility for reciprocity
- UCRP service credit in more than one tier
- Disability Crossover
- Eligibility for Minimum Required Distributions (MRD)
- Plan 02, 401(a)(17) or 415 Limited
- Qualified Domestic Relations Order

As always, RASC representatives will do their best to process retirements within 45 days, and to provide a monthly benefit payment on Aug. 1 for retirees who submit all required paperwork by the stated deadlines.

If RASC is not able to calculate the confirmed benefit amount in time, retirees who are approved for “no lapse in pay” will receive a payment for their estimated retirement benefit instead. Health and welfare coverage will continue without interruption during the transition.

If needed, RASC will adjust the retiree’s benefit payment and medical premium deductions by the October 1, 2021 payment.