

THE FACTS: UC RETIREMENT BENEFITS: WHAT'S NOT CHANGING

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Most of the recommendations from the Post-Employment Benefits Task Force concern changes in retirement benefits for future UC employees. Accrued pension benefits for current employees are unaffected by the recommendations, while changes in eligibility for retiree health care could affect about half of current employees.

The following chart summarizes what could — and could not — change for current UC employees and retirees under the recommended changes.

	What would NOT change	What COULD change
Current employees	<ul style="list-style-type: none"> Accrued UCRP pension benefits are protected – they cannot be reduced or revoked. UC will continue to offer the same UCRP pension benefits under the same terms to current employees. Current employees will continue to be offered retiree health benefits. Vested employees whose age and years of service together equal 50 or greater would have the same health care eligibility rules. 	<ul style="list-style-type: none"> Employees would pay more toward their pension benefits over the coming years, at levels similar to employees at other organizations. Current employees could be offered a choice between the current UCRP pension and a new pension model (“tier”). Medical center employees might have the option of switching to a defined contribution plan. Younger employees, and those without at least five years of service, may face changes in retiree health care eligibility rules.
Current retirees	<ul style="list-style-type: none"> Current pension benefits will remain unchanged. Retirees will continue to receive health benefits. Eligibility for health benefits will not change. Retirees will not be asked to contribute to UCRP. 	<ul style="list-style-type: none"> UC is reducing its contributions to medical premiums; many retirees would pay a higher percentage of their monthly health insurance premiums, beginning in January 2011.
Future employees / retirees	<ul style="list-style-type: none"> Like current employees, future employees will help pay the cost of their pension benefits. Like current retirees, future retirees would be offered health benefits and would pay a percentage of their monthly premiums. 	<ul style="list-style-type: none"> Employees hired <u>after July 2013</u> would be offered competitive pension benefits via a new type (“tier”) of defined benefit option, but they would not be eligible for UCRP pension benefits under the current model/formula. Employees hired <u>after July 2013</u> would be subject to new eligibility rules regarding retiree health benefits.

Note: For represented employees, changes to UC's retirement benefits are subject to collective bargaining.