

# THE FACTS: RETIREMENT PLAN CONTRIBUTIONS COMPARISONS

## HOW UC RETIREMENT BENEFITS COMPARE

Like public and private employers throughout California and across the country, UC is grappling with the issue of sustaining good retirement benefits for employees. Even with proposed changes, UC benefits would remain more generous than those of other employers, and UC faculty and staff will still pay less for retirement benefits than many other workers. Here are some facts about how UC's retirement benefits stack up:

- At comparable universities with pension plans similar to UC's, employees contribute up to 8% of pay for retirement benefits; employers contribute roughly 6-10% of pay for pension benefits. Currently, UC employees pay roughly 2% and UC pays 4%.
- Employees in CalPERS, the state pension plan, currently contribute up to 8% of pay for their pension benefits while employers pay 18-33% of pay.
- 75 California public employers are considering changes to employee pensions, according to CalPERS.
- According to a 2009 Watson Wyatt study, about 45% of Fortune 100 companies offer traditional or hybrid pensions to new employees, down from 49% in 2008 and 90% in 1998.

This chart shows how UC retirement benefits, and employer and employee contributions, compare to those of other employers.

	PENSION PLAN CONTRIBUTIONS		DC PLAN CONTRIBUTIONS*	
	EMPLOYER	EMPLOYEE	EMPLOYER	EMPLOYEE
<b>UC</b>				
Current	4%	2% of salary up to \$106,800 in 2010; 4% on balance	none	voluntary
Proposed July 2011	7%	3.5%		
July 2012	10%	5%		
<b>CalPERS</b>				
Current	18-33%	5-8%	none	voluntary
Proposed	13-28%	10-13%		
<b>Stanford</b>	Does not offer		1-5% \$1.50 per \$1 \$1 per \$1	none 1-2%, voluntary 3-4%, voluntary
<b>SUNY**</b>	Information not available	3%	8-10%	3%
<b>Illinois**</b>	Information not available	8%	7.1%	8%
<b>Virginia**</b>	5%	5%	8.9%	5%
<b>Michigan</b>	Does not offer		10%	5%
<b>Harvard</b>	Does not offer		5-15%, based on age and pay	None
<b>IBM</b>	Ended in 2008		<b>Hired by 12/31/04</b> 2-4% + matches employee contributions up to 6% of pay <b>Hired after 12/31/04</b> 1% + matches contributions up to 5% of pay	Voluntary, up to 80% of pay, subject to IRS restrictions
<b>Genentech</b>	Does not offer		2% + matches employee contributions up to 5% of pay	Voluntary, up to 50% of pay, subject to IRS restrictions

\* DC or Defined Contribution Plans are similar to 401(k) and 403(b) plans; participants direct the investments and bear the investment risk.

\*\* Employees have one-time choice of pension or defined contribution plan.