

UCRP

July 1, 2008 Valuation

Board of Regents
November 19-20, 2008

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The Segal Company
San Francisco

5010008v9

Highlights of 2008 Actuarial Valuation

- **Valuation of UCRP Segments**
- **UCRP Demographics**
 - **Reflects transfer to LLNS DB plan**
- **UCRP Investment Rates of Return**
- **New UCRP Funding Policy**
- **Key UCRP Valuation Results**
 - **Contribution Projections**
 - **Asset and Liability Projections**

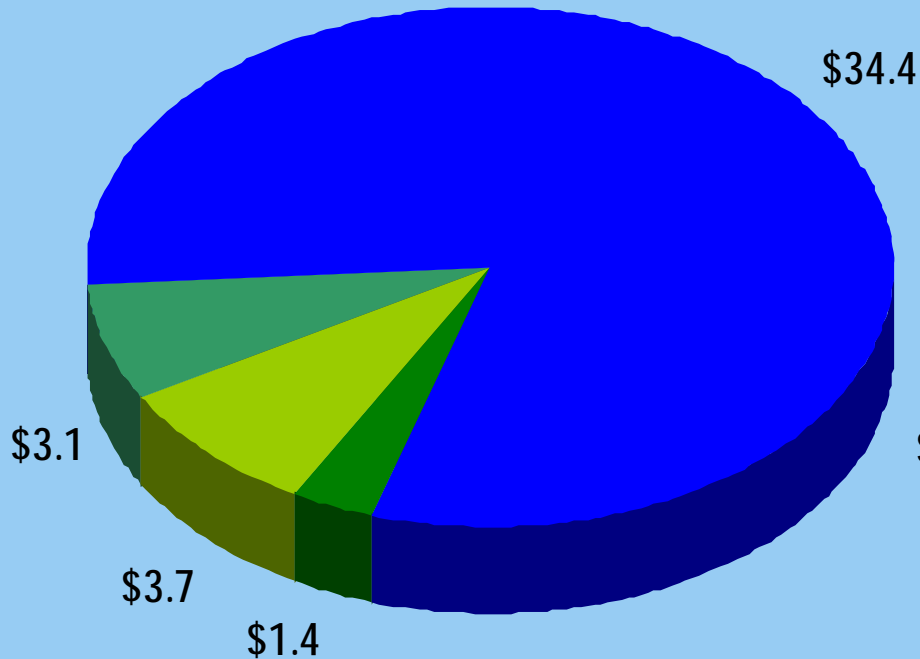
Valuation of UCRP by “Segments”

- **UCRP assets, liabilities and costs determined separately for four “segments” of UCRP**
 - **Campus and Medical Centers – New funding policy**
 - **Three National Laboratories - Separate funding agreements with the DOE**
- **Segment valuations used only to allocate costs**
 - **All assets continue to be maintained in one trust and available to pay benefits of all members**

Actuarial Liability and Assets by UCRP Segment

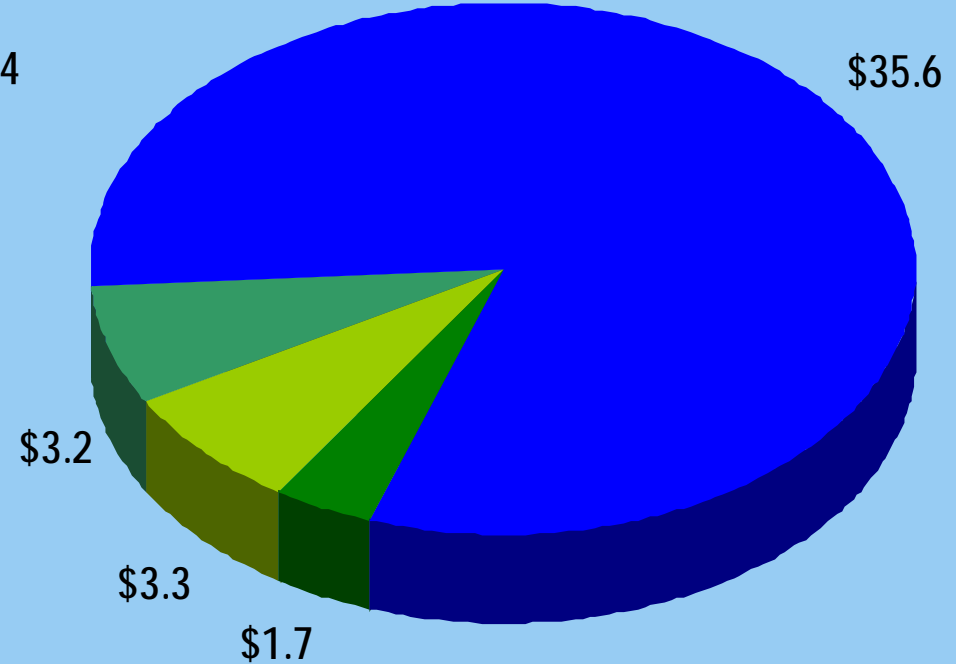
Liability by Segment (\$ in billions)

Total = \$42.6



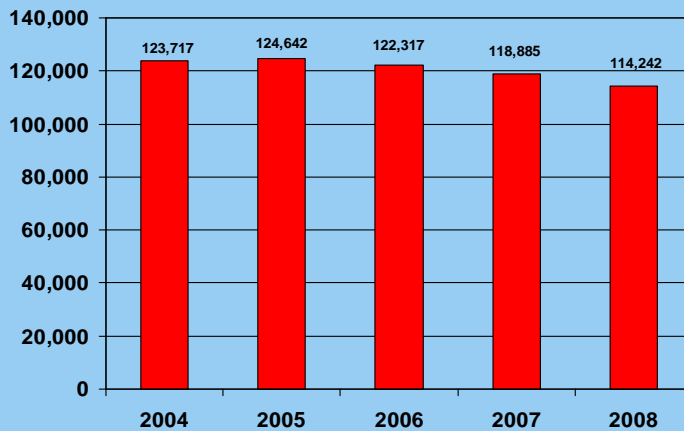
Assets by Segment (\$ in billions)

Total = \$43.8

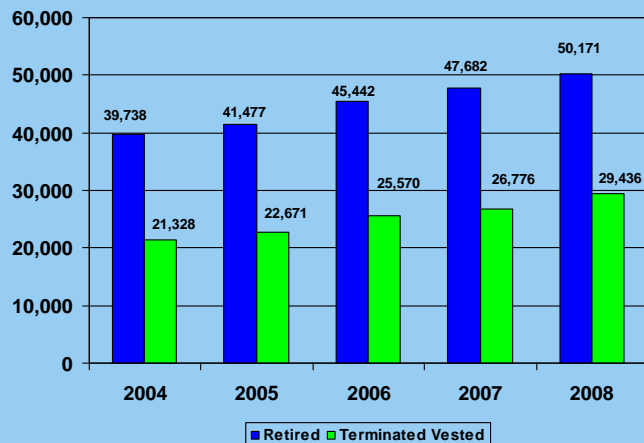


UCRP Demographics

Active Members



Retired and Terminated Vested

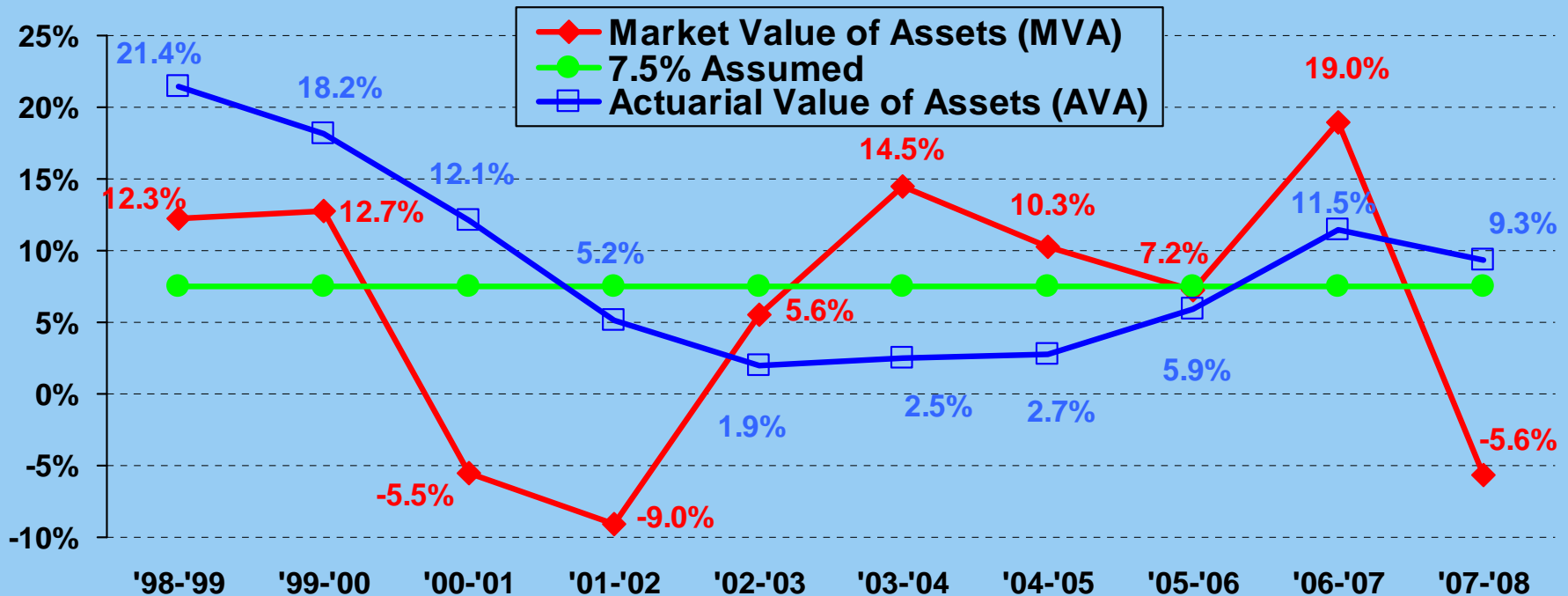


	<u>2008</u>	<u>2007</u>
Active Members	114,242	118,885
• Average Age	44.2	44.3
• Average Service	8.9	9.2

	<u>2008</u>	<u>2007</u>
Retired Members (in Pay Status)	50,171	47,682
• Average Age	69.4	69.2
• Average Annual Benefit	\$31,354	\$29,837

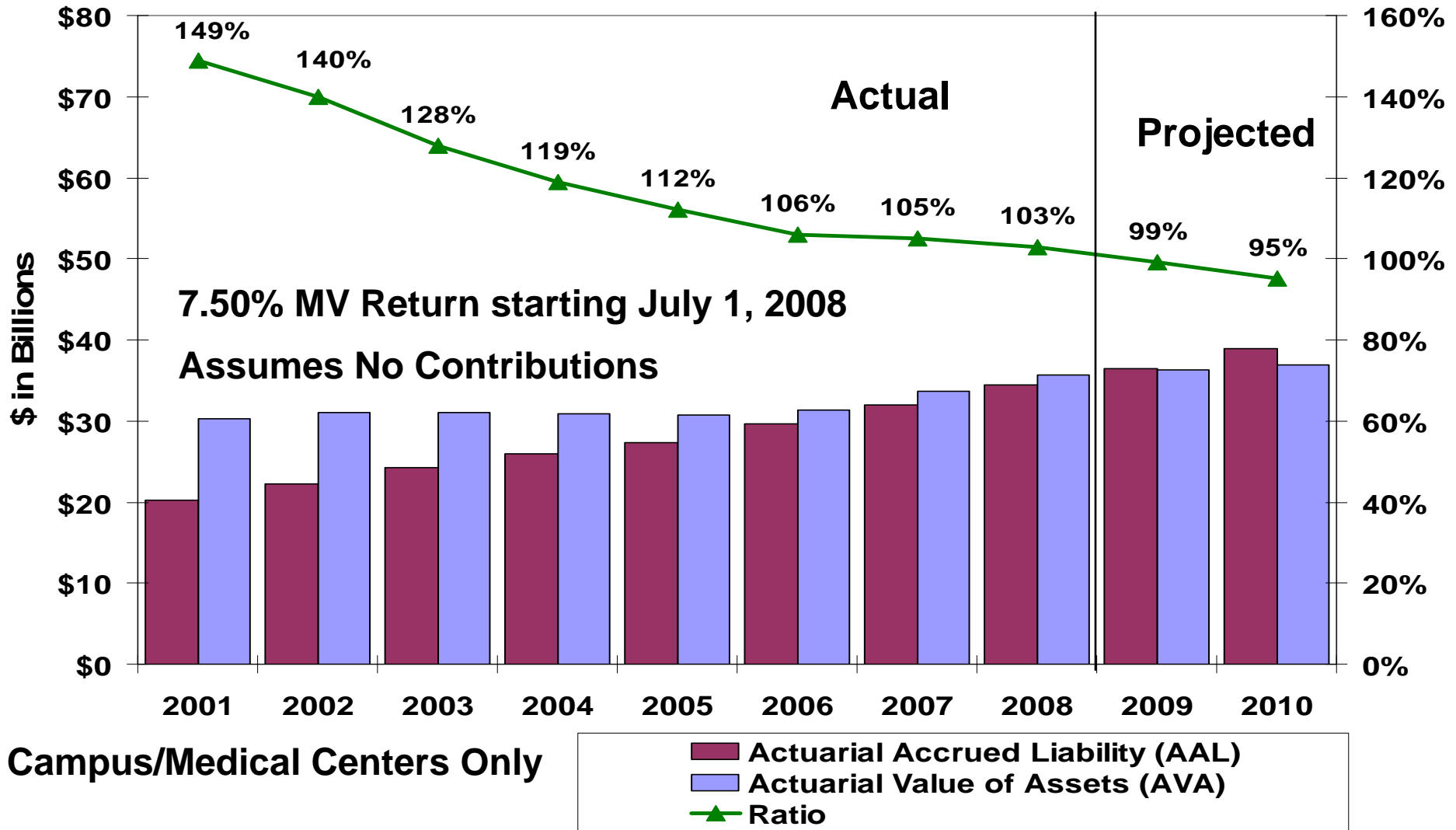
	<u>2008</u>	<u>2007</u>
Terminated Vested Members	29,436	26,776

UCRP Investment Rates of Return



AVA recognizes each MVA return above or below the assumed rate (7.5%) over five years

UCRP Historical and Projected Funded Status and Funded Ratio (5 year smoothing) as of July 1



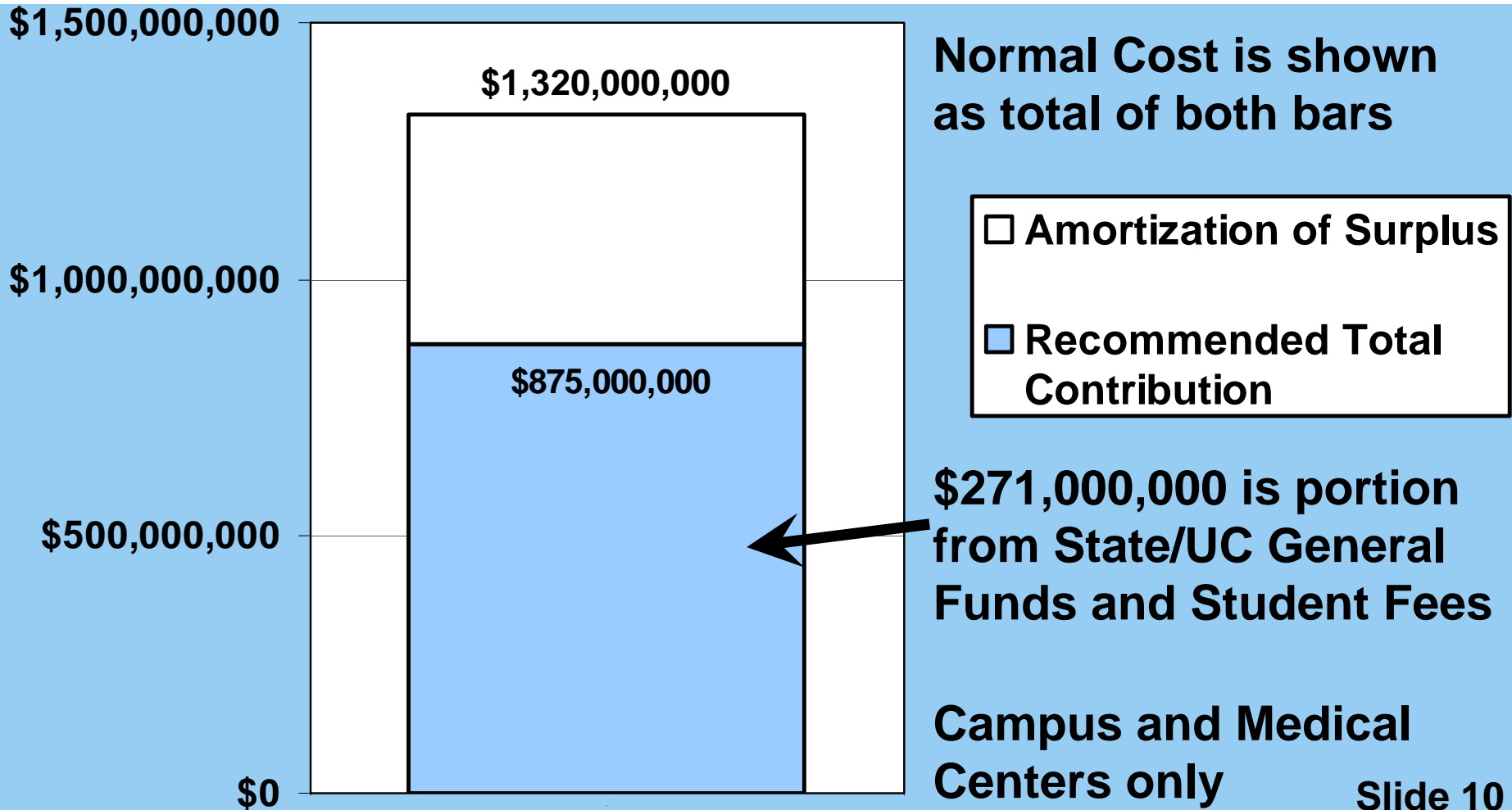
UCRP Funding Policy

- **Based on normal cost plus (or minus) amortization of the UAAL (or surplus)**
 - **3 year amortization of July 1, 2008 surplus**
 - **15 year amortization of future UAAL**
- **Regents will set actual total contribution level and allocation between employer and members based on:**
 - **Available funding**
 - **Level of impact on UC's total remuneration package**
 - **Collective bargaining requirements**

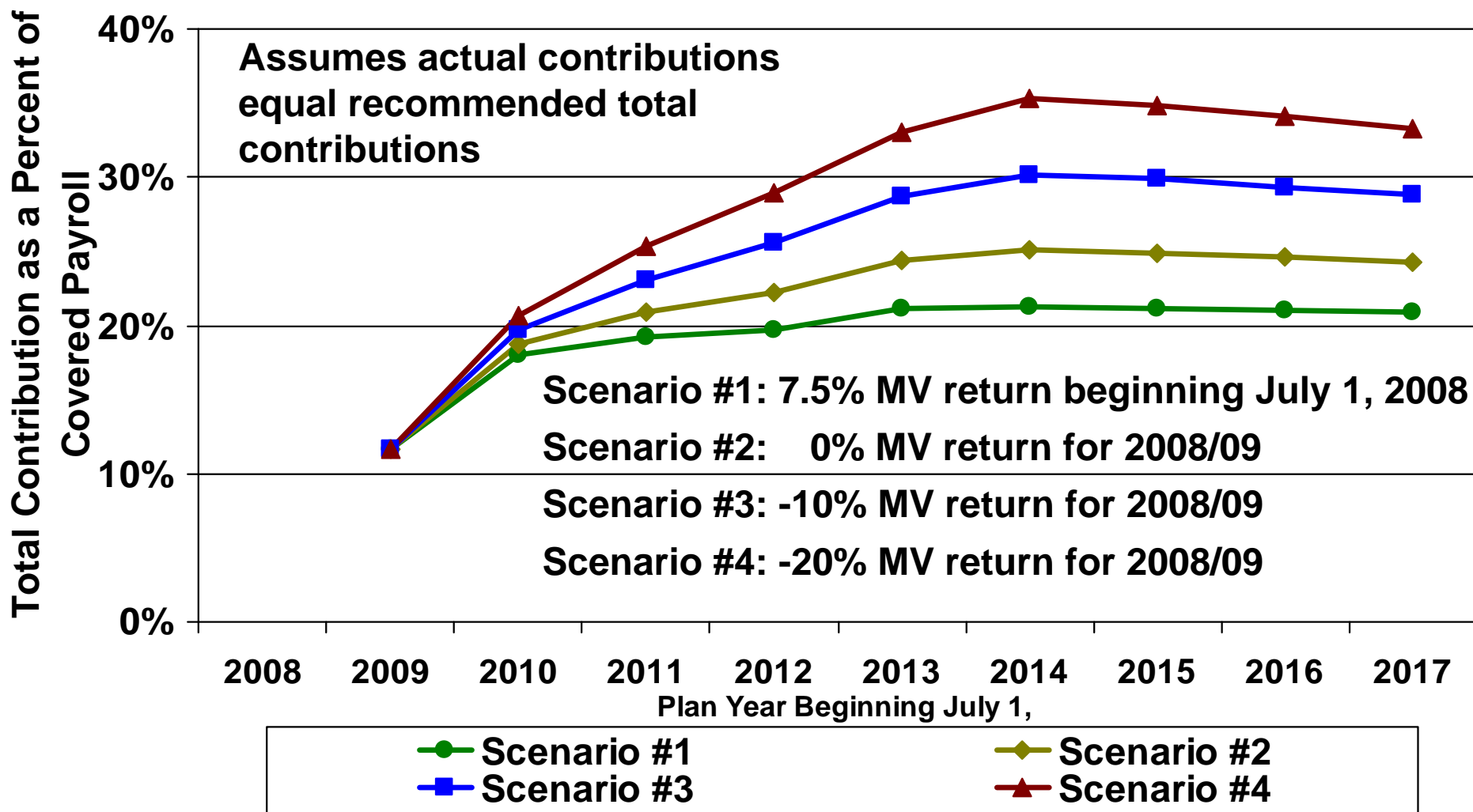
UCRP Valuation Results (\$ in billions)

	<u>All UCRP</u> <u>07/01/2008</u>	<u>All UCRP</u> <u>07/01/2007</u>
Market Value of Assets (MVA)	\$42.0	\$48.1
Actuarial Value of Assets (AVA)	\$43.8	\$43.4
Actuarial Accrued Liability (AAL)	\$42.6	\$41.4
Surplus (AVA less AAL)	\$1.3	\$2.0
Funded Percentage		
-- AVA divided by AAL	103%	105%
Normal Cost (beginning of year)	\$1.3	\$1.3
Normal Cost (percent of pay)	16.90%	16.76%
Recom. Total Contribs (% of pay)	11.61%	0.00%

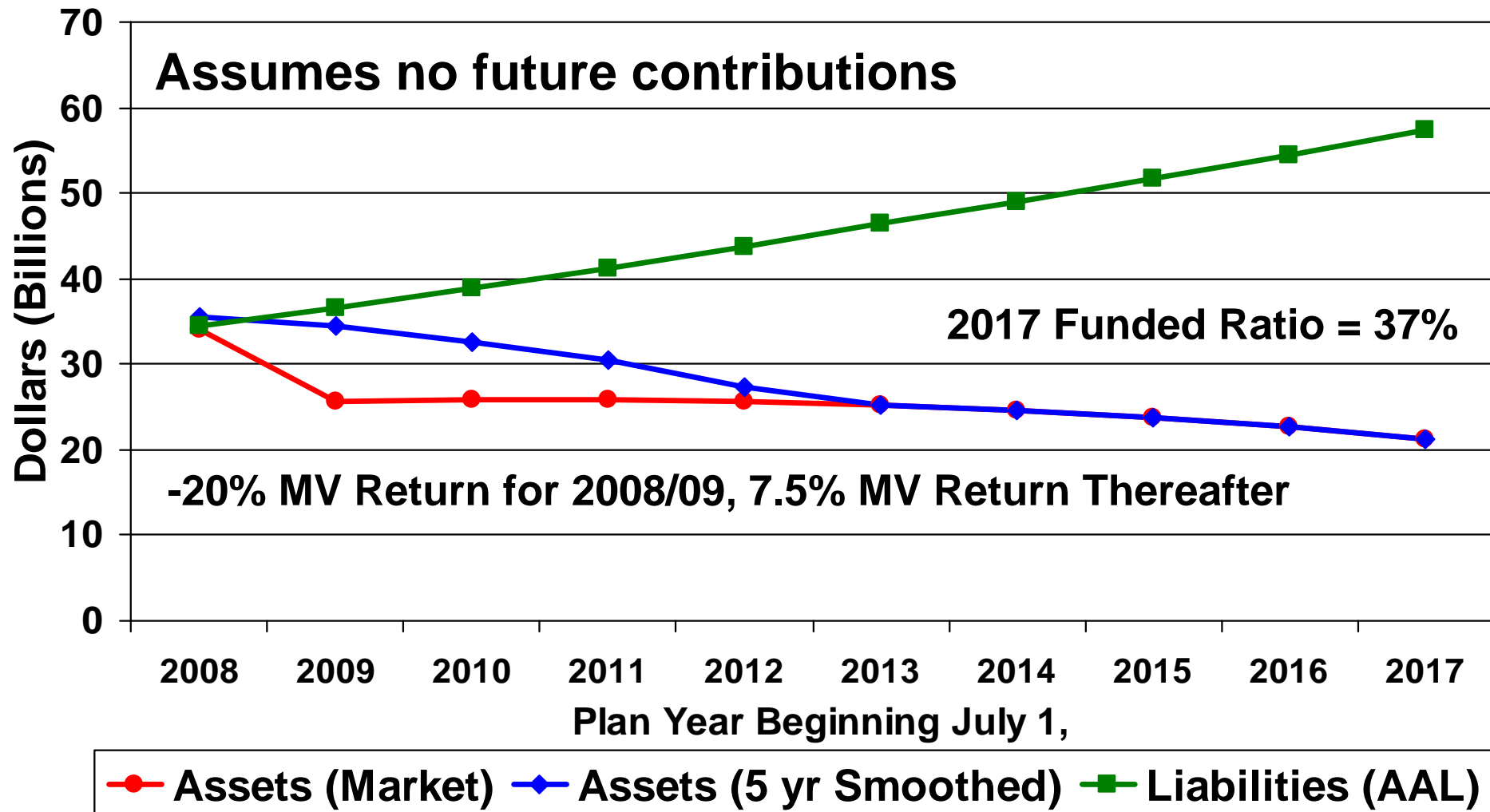
Recommended Total Contribution for 2009-2010



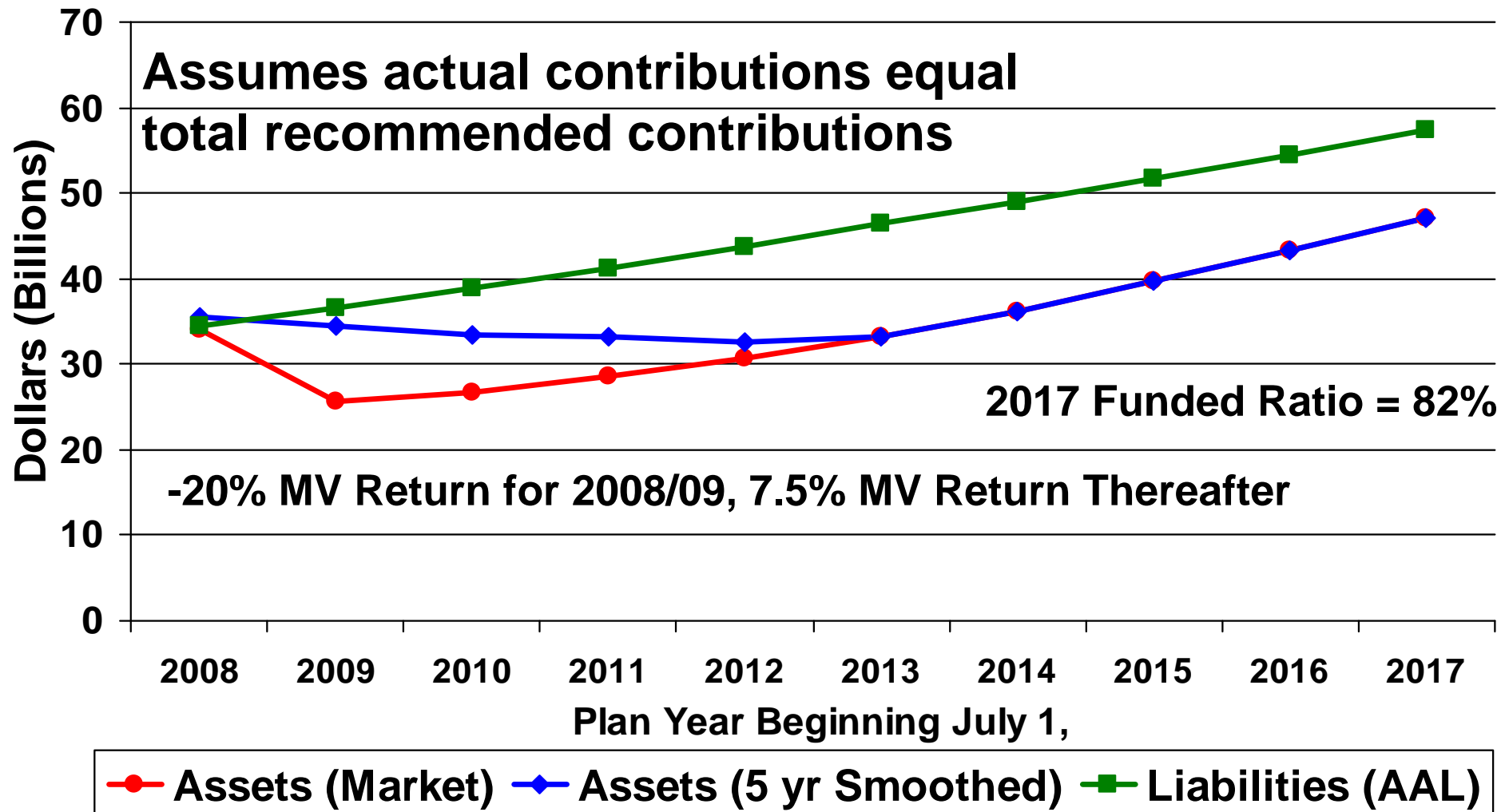
Projection of Recommended Total Contributions Campus and Medical Centers Only



Projection of Assets and Liabilities Campus and Medical Centers Only



Projection of Assets and Liabilities Campus and Medical Centers Only





QUESTIONS