

University of California Post-Employment Benefits

**THE UNIVERSITY OF CALIFORNIA RETIREMENT PLAN**

The University of California Retirement Plan (UCRP) is a defined benefit plan that provides pension benefits for more than 62,000 retirees and survivors and has more than 118,000 active employee members. The University of California is a unique employer in the state. UC’s quality is rooted in its workforce of exceptional faculty; union-represented and policy-covered staff; medical center employees; and employees of the national laboratory. UCRP is designed to recruit and retain the specialized workforce UC requires.

**UC has implemented a series of prudent measures to reform its pension program ahead of state pension reforms.**

As a responsible steward of one of the nation’s premier public higher education systems, UC has worked over the last several years to protect the financial health of its retirement system. In 2010, well in advance of any action by the state, the Board of Regents adopted recommendations for sustainable retirement benefits.

A key measure was the creation of a new pension tier, with slightly modified benefits, for all employees who joined the university on or after July 1, 2013. The new tier, along with its revised health benefit eligibility requirements, were designed in tandem to encourage retention, extend UC career service, improve coordination with Social Security and Medicare, as well as reduce long-term program costs.

Additionally, for UCRP members hired before July 1, 2013, employer and employee contributions were restarted and have gradually increased over the last several years.

UCRP CONTRIBUTIONS		
	EMPLOYEE	UNIVERSITY
2010-11	2.0%	4.0%
2011-12	3.5%	7.0%
2012-13	5.0%	10.0%
2013-14	6.5%	12.0%
2014-15	8.0%	14.0%

With these changes, UC’s retirement benefits remain competitive.

UCRP is in accord with most provisions of the state’s public employees retirement program.

**STATE SUPPORT FOR UCRP**

UC has been working with the state for the last several years to resume the state’s payment of its share of UCRP costs. The state contributes to the pension funds of California State University and California Community Colleges employees, but not UC. In 2012-13 the state provided an additional \$89.1 million intended as actual support for the state’s share of the contributions to UCRP. This was a welcome acknowledgement of the state’s responsibility to share in these costs. However, the amount fell far short of the amount needed to fully fund the state’s share, currently estimated at \$354 million for 2015-16.

If the state were to pay for its share of UCRP, UC would not need to raise tuition for three to four years.