



Briefing

January 2006

News for UC Faculty and Staff

Planning the future of the UC Retirement Plan



While news stories last year told of ailing pension plans and a growing number of large companies across the country freezing or terminating retirement benefits, an annual checkup found the UC Retirement Plan (UCRP) financially fit but in need of preventive care to ensure a healthy future.

Thanks to the careful management and strong market performance of UCRP's investments for many years, the pension fund accrued a surplus, which has supported the ongoing costs of the plan. Thus, UC and its employees have not had to contribute to the plan since the early 1990s. Because there have been no contributions for some 15 years, the surplus has declined steadily over the years and the current break in contributions cannot be sustained.

Current funding status

Every fall, the Regents review a report by a University-hired independent actuarial firm that assesses UCRP's financial status and compares the amount of money in the fund to the amount of its retirement obligations. The November 2005 report to the Regents indicated a 110 percent funded ratio (\$41.9 billion in assets compared to \$37.3 billion in obligations) as of June 30, 2005.

While any ratio of more than 100 percent indicates a surplus, the UCRP ratio has dropped from 154 percent in 2000 to 126 percent in 2003 and 118 percent in 2004.

Projections show that if contributions are not reinstated, the UCRP funded status will drop below 100 percent within the next several years. While the report suggests that no UC or employee contributions are required for the 2006 calendar year, it is clear that contributions will be eventually necessary.

Although no final recommendations or decisions have been made, it is expected that contributions by employees and UC will be reinstated in the next couple of years, but not earlier than July 2007. Delaying reinstatement beyond then could mean much higher contributions at a later date to address any growing shortfall.

"UC is committed to providing competitive total remuneration to all employees, and UC's retirement benefits are an important component in attracting and retaining high-quality faculty, management and staff employees," said Randy Scott, Executive Director for UC Systemwide Human Resources and Benefits Policy and Program Design. "Maintaining a stable and financially healthy retirement plan is a critical component of total remuneration and requires careful planning and management."

Next steps

In coming months, the Regents will be exploring the best way to begin reinstatement of contributions to the UCRP. The Regents are expected to consider changes, hear recommendations and take action this year. The UC Office of the President has launched a website, The Future of the UC Retirement Plan, (found at atyourservice.ucop.edu) to keep employees and retirees informed about any changes planned for UC retirement benefits.

LANL management contract awarded to UC-industry team

On December 21, 2005, the U.S. Department of Energy announced the selection of Los Alamos National Security LLC (LANS), a team that includes the University of California, Bechtel National, BWX Technologies and the Washington Group International, as the contractor to manage and operate the Los Alamos National Laboratory (LANL). LANS has begun implementing a transition plan so that it can assume contractor responsibilities at LANL on June 1, 2006. UC will continue to manage and operate LANL through May 31, 2006, and work with LANS to assure a smooth transition to the new contract.

For more information about the contract, see universityofcalifornia.edu/news/labcontract/lanlcontract.html

Information for LANL employees about the transition to LANS LLC management is available at transition.lanl.gov.

Inside

- HCRA & DepCare Claims
- Health & Welfare audit
- Prescription authorization
- HIPAA notification
- And more....**

New 403(b) Plan Summary Plan Description available

A revised 403(b) Plan Summary Plan Description is now available online. The revised publication reflects service enhancements that were implemented as part of the transition to a new recordkeeping arrangement with Fidelity Investments Tax-Exempt Services Company (FITSCo). More, including the Summary Plan Description: atyourservice.ucop.edu/briefing

2006 health & welfare audit

In May 2006, UC will conduct its annual random audit of employees, retirees, and their family members enrolled in UC-sponsored health and welfare plan(s). This audit helps ensure that your family members enrolled in health and welfare plans are fully eligible for coverage as described online in UC's Group Insurance Eligibility Factsheet. More: atyourservice.ucop.edu/briefing

Prior authorization for prescription drugs

New for Core with Medicare

Beginning in 2006, the Core Plan for retirees with Medicare will include a program which most other UC medical plans already have in place: prior authorization for certain prescription drugs. Some prescription drugs under UC-sponsored medical plans require prior authorization

in order to be covered. If you have questions about a particular drug, check with your medical plan directly. You may also refer to your plan's formulary to verify if prior authorization is required. More: atyourservice.ucop.edu/briefing



New grace period for HCRA and DepCare claims

www.shps.net

UC has added a grace period to the 2005 plan year for the Health Care Reimbursement Account and DepCare plans. Eligible expenses incurred for either plan through March 15, 2006 may be reimbursed from any balance remaining in the 2005 year account. Claims must be filed by June 15, 2006, but UC recommends you file early to avoid unnecessary problems. Always check the SHPS website for the status of your claim. More: atyourservice.ucop.edu/briefing

HIPAA notification of medical program eligibility

(Health Insurance Portability and Accountability Act of 1996)

Due to an expansion in the provisions of HIPAA, employees and eligible family members have special enrollment opportunities to enroll in a UC medical plan because of loss of other medical coverage and new opportunities to transfer from one UC medical plan to another UC medical plan. More: atyourservice.ucop.edu/briefing

Delta Dental and PMI website username and password

deltadentalca.org/uc

deltadentalca.org/pmi/index.html

Delta Dental and PMI Dental now offer alternate identification numbers to UC members who do not wish to use their social security number. The alternate identification number can be used for both plans to obtain phone customer service and to verify benefit eligibility and coverage levels. More: atyourservice.ucop.edu/briefing

Blue Cross, Definity mental health claims address change

For those who are enrolled in the Blue Cross PLUS, Blue Cross PPO, and Definity Health plans, please note that the address to submit Mental Health/Substance Abuse Claims has changed to:

United Behavioral Health
P.O. Box 30760
Salt Lake City, UT 84130-0760

In addition, if you began mental health non-network outpatient services in 2005 and continue treatment into 2006, you are encouraged to notify United Behavioral Health (UBH) by calling 1-888-440-8225 to be sure your authorization is still in effect.

UC: Every day, everywhere

A new website telling the story of UC's many contributions to California and the world has been posted (universityofcalifornia.edu/everyday). The site, which will be refreshed with new content throughout the year, highlights the contributions made "every day, everywhere" by UC's programs, academic initiatives, public service, and students and alumni.

More: atyourservice.ucop.edu/briefing

UC Families

An Online Newsletter

parents.berkeley.edu/ucfamilies

"UC Families" is a new online newsletter and resource for UC faculty, staff, and students who are balancing academic goals or careers with family life. Site subscribers can post questions or engage in discussions on relevant topics. More: atyourservice.ucop.edu/briefing



Academic personnel policies

APM sections and proposals under formal review: Proposed revised APM - 220-18-b(4) Criteria for advancement to Professor, VI, and to Professor above-scale salary levels (ucop.edu/acadadv/acadpers/apm/review.html)

Dependent Life Insurance

Effective January 1, 2005, Dependent Life plan coverage for a child of a plan member begins at birth. Previously, coverage began when a child was 24 hours old.



Staff Advisor to the Regents applications

Reminder—the period to apply to be Staff Advisor to The Regents ends at 5 pm on February 15, 2006. Information can be found online (ucop.edu/staffadvisor) under "How to Apply." Those without internet access can get forms at their central Human Resources Office.

UC Human Resources & Allied Professionals Program

More than 250 UC professionals from traditional human resources disciplines and related fields will attend a three-day "Human Resources and Allied Professionals Program" Feb. 6-8, in Irvine. The program has been designed to help participants appreciate and understand the inter-related functions and issues affecting UC employees, and to maximize their professional growth in a way that will also improve services to UC employees.



"We will examine Human Resources as a broad interdisciplinary field and UC resource rather than an organization," says conference planner/organizer Kay Miller, executive director of Client Relations and Diversity in Human Resources and Benefits. "This is a professional development program for those who touch the lives of UC's diverse workforce," she says, "and a primary program goal is to improve collaborative, interdependent partnerships among them."

For details, visit the website (ucop.edu/hrap).

Free Trial Membership Offer

New Year, New Outlook!

UC campus Recreation Centers are offering **FREE** Trial Memberships to Faculty and Staff.

Start the New Year off with an investment in yourself!

Cut out and redeem this coupon at your Rec Center administrative office by **February 17, 2006** for your **FREE** trial membership.

Visit atyourservice.ucop.edu/employees/health/medical/campus_sports_facility.html for information on each UC campus recreational sports department. Read the November 2005 *Briefing* newsletter article about our Recreation Centers online: atyourservice.ucop.edu/briefing



Offer expires 2/17/06

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Forwarding Service Requested

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Permit No. 208



Looking for a previous article?

To find a previous article, go to atyourservice.ucop.edu and select the "HR/B Briefing" icon.

Your Benefits Online

Personal UC retirement account, health and welfare coverage, and related information and tools are available online (atyourservice.ucop.edu, select "Your Benefits Online.")

For current balances in DC and 403(b) and 457(b) plans, go to the Fidelity Investments Tax-Exempt Services Company (FITSCO) website (<https://netbenefits.fidelity.com>) or call 1-866-682-7787.



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131 M

Briefing

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