



Briefing

Need More Cash?

Use UC Benefits to Save on Taxes



Everyone is always looking for a way to save a few more dollars, and now is a good time to think about saving on taxes. By enrolling in certain UC benefits, you'll be able to decrease your taxable income, save on taxes and increase your take-home pay.

These UC benefits can help you save:

- Tax Savings on Insurance Premiums (TIP)
- Dependent Care Reimbursement Account (DepCare)
- Health Care Reimbursement Account (HCRA)
- Parking and Transportation Program
- Retirement Savings Program (Defined Contribution, 403(b) and 457(b) Plans)

All of these benefits allow you to deduct a cost or contribution from your monthly salary before your federal, state, and, in some cases, FICA (Social Security and Medicare) taxes are figured. As a result, your taxable income is reduced, and you pay less in taxes.

If you can't imagine that participation in these plans can make a difference, consider this hypothetical UC employee, who we will call Bill.

Bill earns \$50,000 per year. He is enrolled in the Kaiser medical plan, covering his wife and two children at a cost of \$69.49 per month. His three-year-old is in day care at a cost of \$175 per week, so he enrolls in DepCare with an annual deduction of \$5,000, the maximum allowed.

To help cover his family's out-of-pocket costs for medical care and his daughter's braces, he enrolls in HCRA with \$200 deducted monthly. He also takes public transportation to work and purchases a \$60 fare card through the pre-tax parking and transportation program at his location. His mandatory Defined Contribution Plan monthly contribution is \$83, and he also contributes \$50 per month to the Tax-Deferred 403(b) Plan.

Without participating in these tax-savings programs, Bill's monthly taxable income would be \$4,167. By participating, however, Bill's taxable income is reduced to \$3,288, which means he pays about \$200 less in taxes each month.

An employee earning \$40,000 per year enrolled in the same plans pays less for medical insurance and still has about a \$200 monthly tax savings. And an employee in the third pay band, earning \$85,000 and enrolled in similar plans, saves more than \$300 per month in taxes, even though she pays higher medical premiums.

Of course, your tax savings may be different depending upon your tax bracket, the plans you enroll in, and whether you are coordinated with Social Security.

It's easy to take advantage of these programs:

- You are automatically enrolled in TIP unless you previously opted out. You can view your status online at At Your Service Online (atyourservice.ucop.edu/ayso), and you can opt in during Open Enrollment (November 1 to 21).
- You can also enroll in DepCare and HCRA during Open Enrollment. Even if you're currently enrolled, you must re-enroll for 2007.
- Talk to your local Parking and Transportation Program administrator; the programs vary by location.
- And, finally, visit the FITSCo website (netbenefits.fidelity.com) to begin or change your contributions to the Retirement Savings Program.

For more information about the UC benefits that can help you save, see the At Your Service website (atyourservice.ucop.edu) or your local Benefits Office.

The 2007 Annual Contribution limits for the 403(b) and 457(b) Plans will be \$15,500 (\$20,500 for those age 50 or older by December 31, 2007).

Inside
UC People
Your Benefits Questions and Answers
And more....

UC People

Selected stories of UC faculty and staff accomplishments

San Francisco

Soccer doc

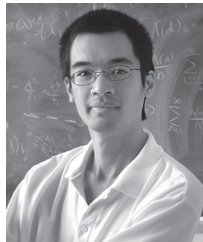
Orthopedic surgeon Christina Allen loves soccer, which she has played for 30 years. Her expertise—in the sport and treating injuries—and a desire to give back to the community led her to volunteer her time to care for athletes on a variety of sports teams, including the US Soccer Women's National Team.



Los Angeles

'Mozart of Math'

Within one month, UCLA mathematics professor Terence Tao was named a MacArthur Fellow, also known as "Genius" awards, and won the Fields Medal, often described as the "Nobel Prize in mathematics." He was also named one of "The Brilliant 10" scientists in the October 2006 issue of *Popular Science* magazine. A UCLA colleague described the 31-year-old Tao: "Terry is like Mozart; mathematics just flows out of him."



Irvine

Hammering for a good cause

Bill Mitchell, carpenter shop supervisor, and some of his co-workers recently donated their free time and trade skills to build an incredible playhouse, which was auctioned recently at a benefit for an Orange County shelter program for the homeless. They invested hundreds of hours, working on weekends, evenings and even coming in as early as 4 a.m., to complete the playhouse.



benefits Q&A

Q What do I need to do to insure my domestic partner receives any survivor or death benefits for which he or she is eligible?

Your partner may be eligible for a number of survivor and death benefits including:

- One-time death payment equal to one month's salary
- Terminal wages or salary and vacation pay
- Survivor benefits, if you are a member of the University of California Retirement Plan (UCRP)
- Numerous other benefits for which you have named your partner your beneficiary

To declare your partner as eligible for survivor and death benefits, you should register your partnership with the State of California or submit a *UC Declaration of Domestic Partnership* (UBEN 250). If you submit the UC Declaration, your partner will be required to submit additional documents at the time he or she claims these benefits. Registration with the State of California requires no additional action.

In addition, you may name your domestic partner as your beneficiary for a number of benefits. For UCRP, Capital Accumulation Provision (CAP) and insurance benefits, you can designate your beneficiary(ies) on the At Your Service Online website (atyourservice.ucop.edu/ayso). If you participate in the Retirement Savings Program, you can name beneficiaries of those funds on the FITSCo website (netbenefits.fidelity.com).

For more information, see atyourservice.ucop.edu/briefing.

To read the full stories of UC People, see atyourservice.ucop.edu/briefing

UC Briefs

ScholarShare Moves to Fidelity

ScholarShare, the state of California's tax-deferred savings program designed to help families meet college tuitions costs, has announced that Fidelity Investments will manage the program starting in November, when the current contract with TIAA-CREF runs out.

For more information, see atyourservice.ucop.edu/briefing

UCLI Presentations Online

Presentations from the recently concluded UC Leadership Institute (UCLI) are now available online at ucop.edu/ucli/presentations.html.

Three hundred UC managers gathered in Irvine October 15 to 17 to participate in UCLI, which focused on integrating and communicating the University's strategic goals that affect participants' daily work and understanding people management issues and practical ways to approach them.

New Statement to Help Focus on Your Future

To help UC employees assess their retirement readiness, UC is partnering with Fidelity Investments Tax-Exempt Services Company (FITSCo) to produce a comprehensive personalized statement of projected UC retirement benefits and information to aid your retirement planning. This statement will give you a useful snapshot of where you are on the road to planning your retirement, and help you focus on your future retirement goals.

The statement, which will be mailed to active UCRP members in the first quarter of 2007, begins a year-long financial and investment education program that will also include free seminars at all UC locations, information about online retirement tools and other communications. Watch for more information.

Medicare Creditable Coverage

The University of California has determined that the prescription drug coverage offered by the following UC-sponsored plans (Blue Cross PLUS, Blue Cross PPO, Health Net, High Option, Kaiser Permanente CA, Kaiser Permanent Mid-Atlantic, Kaiser Umbrella, PacificCare of California, and WHA) is considered creditable coverage. This means the prescription drug coverage, on average, is as good as Medicare's standard prescription drug coverage.

If you are over age 65 and have a break in medical plan coverage of more than 63 days and then sign up for Medicare, you may be subject to higher Medicare Part D (prescription drug coverage) premiums.

The Women's Health and Cancer Rights Act

Do you know that your medical plan, as required by the Women's Health and Cancer Rights Act of 1998, provides benefits for mastectomy-related services? This includes all stages of reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy, including lymphedema. Call your plan for more information.

Ethics Briefing Roll Out Begins

An online ethics briefing, required for all UC staff and faculty, will launch this month at the UC Office of the President. Senior leaders at all locations will be the first to take the briefing. The briefing will be rolled out at the other UC locations over the next three months.

The purpose of the 30-minute briefing is to familiarize all UC employees with the Statement of Ethical Values and Standards of Ethical Conduct, which were adopted by the UC Regents in May 2005.

Visit the UC ethics website (universityofcalifornia.edu/compliance/ethics) for background information, resources and updates on when the briefing will be available at your location.

Through November 21

There's still time to make Open Enrollment changes

You've got a few days left—until November 21—to visit the UC Open Enrollment website (atyourservice.ucop.edu) and make any changes for 2007 in your health and welfare benefit plan enrollments.

General information and the 2007 monthly premium rates for UC medical plans are available at the Open Enrollment website, where you also can review your personal benefits summary, find out about plan benefits and changes for 2007, use special tools to help you decide if you should make enrollment changes, and make and confirm changes.

Be sure to consider enrolling or re-enrolling for 2007 in the UC Health Care Reimbursement Account (HCRA) program—and receive a convenient spending account card to pay your expenses. For details, go online to the Open Enrollment website “HCRA” section (atyourservice.ucop.edu).

Open Enrollment is your opportunity to take charge of your health care benefits. Don't miss it!

Briefing

Human Resources and Benefits Briefing is published by University of California Human Resources and Benefits to provide news and information to UC faculty and staff. Points of view or opinions do not necessarily represent those of the University.

Editor: Anne Wolf (anne.wolf@ucop.edu), Website: atyourservice.ucop.edu

Contributors: Norman Cheever, Steven Ong, Susan Nelson, Andy Evangelista

Design: Maria Theren

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Director of Diversity and Employee Programs, University of California Office of the President, 300 Lakeside Drive, Oakland, CA 94612 and for faculty to Director of Academic Affirmative Action, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

