



ANSWERS About the UCRP

May 15, 2006

To keep the UC Retirement Plan healthy for the future, contributions will once again be necessary from **both** the University and UC employees.

The Regents will decide when contributions will start and how much UC and employees will contribute. Here are some important facts to clear up some of the rumors you might have heard about the UCRP.

Claim: “UC is going to cut my pay 8% to fund the UCRP.”

ANSWER: UC has no plans to implement “pay cuts.” In fact, the compact with the Governor calls for UC employees to receive salary increases over the next several years. Neither UC nor employees have contributed to the UC Retirement Plan for 16 years. So far, there have been no decisions as to how much UC or employees will be asked to contribute.

Claim: “UC squandered the surplus in the UCRP with mismanagement.”

ANSWER: This is a false statement. The UCRP has been very well managed, even through major national economic downturns. The careful management of the UCRP is the main reason why no contributions have been necessary for 16 years.

Claim: “UC plans to impose contributions to the UCRP without negotiating with the unions.”

ANSWER: This is absolutely a false claim. UC will bargain the restart of contributions with unions for all represented employees. UC has already met informally with AFSCME, CNA, UPTE, and CUE on this issue.

Claim: “UC wants to create a ‘two-tier’ retirement plan or replace the pension with a 401(k) plan.”

ANSWER: Right now, the Regents are discussing options for keeping the UCRP healthy through contributions. In the future the Regents may consider making other choices available to employees.

Claim: “UC will offer some kind of early retirement incentive.”

ANSWER: There are no such plans to offer an early retirement incentive program: this type of program would have substantial negative impact the funded status of UCRP.

The latest information regarding UCRP can be found at UC’s Web site “**The Future of the UCRP**” which can be found at: <http://atyourservice.ucop.edu/>.

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