

Retirement Benefits

TEMPORARY SOCIAL SECURITY SUPPLEMENT

Members with Social Security who retire before age 65 receive a temporary supplement from UCRP, paid through the month of their 65th birthday (or through the month of death, if earlier). In effect, the supplement temporarily restores the Social Security reduction applied to the HAPC. The supplement is calculated as follows:

Benefit percentage x \$133 = monthly temporary supplement (not to exceed \$133)

Example 3 — Temporary supplement

50.0% x \$133 = \$66 monthly temporary supplement

\$2,000	basic retirement income
+ 66	temporary supplement
\$2,066	total monthly income

The member will receive \$2,066 to age 65.
After age 65, the member will receive \$2,000 for life.

NONCONTRIBUTORY/LEAVE OFFSET

For members with noncontributory service, the retirement benefit is reduced because of contributions the member has not made. The retirement benefit is the higher of the two following calculations:

- One that counts service credit accrued during the noncontributory period and includes an offset based on the balance at the time of retirement, and
- One that excludes service credit accrued during the noncontributory period and the offset.

For members who took an approved leave (including military leave) during the noncontributory period, a further reduction is applied to account for University contributions that were not made.

POSTRETIREMENT SURVIVOR CONTINUANCE

When a retired member who is receiving retirement income dies, part of the retirement benefit is paid to the surviving spouse, or surviving domestic partner (the marriage or domestic partnership must have existed for at least one year before the member's retirement and continuously until the member's death), or if none, to the eligible children, or if none, to the eligible dependent parents (see the definition on page 26). If the survivor dies while receiving this benefit, or if children become ineligible, benefits are paid to the next eligible survivor for as long as someone is eligible.

Note: Benefits for domestic partners became effective in July 2002. State and/or UC documentation of the partnership is required (see the definition on page 28 and the Benefits for Domestic Partners booklet for more information).

POSTRETIREMENT SURVIVOR CONTINUANCE

- Is not optional,
- Is built into the retirement benefit (basic retirement income is not reduced to pay for it), and
- May be paid only to those eligible as described above.

THE FORMULA FOR POSTRETIREMENT SURVIVOR CONTINUANCE IS:

25% of the member's basic retirement income =
postretirement survivor continuance

(plus, if the member was not yet age 65: 25% of temporary Social Security supplement = temporary continuance)

Example 4 — Calculating postretirement survivor continuance

25% of \$2,000 = \$500	basic retirement continuance
+ 25% of \$66 = \$16	temporary continuance
\$516	total monthly income

When the member dies, the surviving spouse or domestic partner or other eligible survivor receives \$516 each month until the member would have reached age 65; the benefit is then reduced to \$500 per month. If the eligible survivors die first, the member's benefit is not affected.

For members who elected Social Security coverage in 1976 or 1977, the Plan guarantees a minimum survivor benefit (see "Minimum Benefit Guarantees" on page 23).

ALTERNATE MONTHLY PAYMENT OPTIONS

Several options are available for members who want to provide a monthly lifetime benefit for another person (contingent annuitant). This benefit is separate from, and in addition to, the postretirement survivor continuance benefit that may be payable.

Unlike an eligible survivor, the contingent annuitant is a person chosen by the member. Only one contingent annuitant may be chosen. The selection of the option and contingent annuitant becomes irrevocable on the retirement date on the election form (or 15 days after the confirmation letter is sent, if later). See "Electing Retirement Income" on page 17. Also, there are legal considerations when designating a contingent annuitant (see "Designation of Beneficiary or Contingent Annuitant" on page 26).

To provide this additional benefit, the member receives a reduced retirement income. The amount of the reduction is determined by a reduction factor that varies according to the option chosen as well as the average life expectancy of both the member and the contingent annuitant.

Before the reduction is determined, the 25 percent postretirement survivor continuance is set aside. The remaining 75 percent of the member's basic retirement income is adjusted for the payment option selected. This adjusted portion is referred to as the option portion. If no one is eligible for the postretirement survivor continuance at the time of retirement, the entire basic retirement income is adjusted for the payment option.

The benefit paid to the member consists of both parts — the 25 percent survivor continuance portion and the option portion — for as long as the member lives. The benefit paid to the contingent annuitant when the member dies is based only on the option portion. The contingent annuitant, if eligible, will also receive the survivor continuance when the member dies. In no case will the member's benefit be adjusted if the contingent annuitant and/or eligible survivors die first.

RETIREMENT AGE FACTORS

Age	Complete Months From Last Birthday to Retirement Date											
	0	1	2	3	4	5	6	7	8	9	10	11
50	.0110	.0111	.0112	.0114	.0115	.0116	.0117	.0118	.0119	.0121	.0122	.0123
51	.0124	.0125	.0126	.0128	.0129	.0130	.0131	.0132	.0133	.0135	.0136	.0137
52	.0138	.0139	.0140	.0142	.0143	.0144	.0145	.0146	.0147	.0149	.0150	.0151
53	.0152	.0153	.0154	.0156	.0157	.0158	.0159	.0160	.0161	.0163	.0164	.0165
54	.0166	.0167	.0168	.0170	.0171	.0172	.0173	.0174	.0175	.0177	.0178	.0179
55	.0180	.0181	.0182	.0184	.0185	.0186	.0187	.0188	.0189	.0191	.0192	.0193
56	.0194	.0195	.0196	.0198	.0199	.0200	.0201	.0202	.0203	.0205	.0206	.0207
57	.0208	.0209	.0210	.0212	.0213	.0214	.0215	.0216	.0217	.0219	.0220	.0221
58	.0222	.0223	.0224	.0226	.0227	.0228	.0229	.0230	.0231	.0233	.0234	.0235
59	.0236	.0237	.0238	.0240	.0241	.0242	.0243	.0244	.0245	.0247	.0248	.0249
60+	.0250											

Example: For a member born on March 8, 1956, and retired on July 1, 2011, the age factor is .0184 (55 years plus three months).

Retirement Benefits

Alternate monthly payment options paid in addition to the 25 percent survivor continuance are:

Option A

Full Continuance to Contingent Annuitant

The retired member receives a reduced monthly benefit for life. When the member dies, the contingent annuitant receives a lifetime monthly benefit equal to the option portion.

Option B

Two-Thirds Continuance to Contingent Annuitant

The retired member receives a reduced monthly benefit for life. When the member dies, the contingent annuitant receives a lifetime monthly benefit equal to two-thirds of the option portion.

Option C

One-Half Continuance to Contingent Annuitant

The retired member receives a reduced monthly benefit for life. When the member dies, the contingent annuitant receives a lifetime monthly benefit equal to one-half of the option portion.

Option D

One-Half Continuance to Surviving Spouse or Domestic Partner

This option is available only if the surviving spouse or domestic partner is eligible for the postretirement survivor continuance and is named as contingent annuitant. In this option, the 25 percent survivor continuance is included in the calculation.

The retired member receives a reduced monthly benefit for life. When the member dies, one-half of this amount is paid to the surviving spouse or domestic partner for life.

The yield of this option is close to the amount paid under Option C. However, Option D differs in that it

- Must be payable to the surviving spouse or domestic partner as contingent annuitant,
- Is exactly one-half of the retired member's total monthly benefit, and
- Includes the postretirement survivor continuance.

ALTERNATE MONTHLY PAYMENT OPTION CALCULATIONS

The examples that follow assume that both the retiring member and the contingent annuitant are age 60. (If the age were different the dollar amounts would vary somewhat because different reduction factors would be used.) Benefit amounts are rounded down to the nearest dollar.

Example 5 — Calculating Payment Option A (Full Continuance) — spouse or domestic partner is contingent annuitant

Basic retirement income is \$2,000. The spouse or domestic partner is eligible for the 25 percent (\$500) postretirement survivor continuance; however, the member wants to provide the spouse or domestic partner with an additional monthly lifetime benefit. The member names the spouse or domestic partner as contingent annuitant and chooses Option A.

Step 1

The 25% (\$500) survivor continuance is set aside.
 $\$2,000 - \$500 = \$1,500$ (the remaining 75%)

Step 2

The reduction factor is applied to the remaining 75%.
 $.863 \times \$1,500 = \$1,294$ (option portion)

Step 3

The 25% survivor continuance is added back.
 $\$1,294 + \$500 = \$1,794$ (member's benefit)

The member's monthly retirement benefit is \$1,794, to be paid every month for life. Thereafter, the spouse or domestic partner will receive both the \$500 survivor continuance and the option portion of \$1,294, for a total monthly benefit of \$1,794 (the same amount the member received).

Example 6 — Calculating Payment Option A (Full Continuance) — spouse or domestic partner is not contingent annuitant (variation of Example 5)

In this example, the spouse or domestic partner is eligible for survivor continuance, but the member names someone else — for example, a cousin — as contingent annuitant.

The calculation and the member's benefit are the same as in Example 5. When the member dies, the surviving spouse or domestic partner receives the \$500 survivor continuance and the contingent annuitant receives the \$1,294 option portion. Each benefit is paid for the recipient's lifetime.

Example 7 — Calculating Payment Option A (Full Continuance) — postretirement survivor continuance is not payable (variation of Example 5)

In this example, the member has no eligible survivors but wants to provide for a friend. The member chooses Option A with the friend as contingent annuitant. Because no one is eligible for the survivor continuance, the option payment is based on the entire basic retirement income of \$2,000.

$.863 \times \$2,000 = \$1,726$ monthly retirement benefit

The member receives \$1,726 each month for life. Thereafter, the friend — as contingent annuitant — receives \$1,726 each month for life.

Options B and C are calculated and paid in the same way as Option A; only the reduction factors differ.

PLAN MAXIMUM BENEFIT

As noted earlier, the maximum UCRP basic retirement income is 100 percent of the member's HAPC minus \$133. This limit applies to a member's retirement income based on all University employment, including any eligible CalPERS service. However, the limit affects only a few UCRP members, most of whom have 40 years or more of service credit. For those affected, this limit applies for as long as the benefit is paid. If part of your UCRP benefits has been awarded to an alternate payee (see page 19), the maximum benefits will be determined by taking into account any benefit attributable to an alternate payee.

Benefits may also be limited by the IRC (see "Internal Revenue Code Provisions—Maximum Benefit Limitations" on page 24).

Death Benefits

PAYMENTS TO BENEFICIARIES

When an active, inactive, disabled or retired member dies, UCRP pays a basic death payment of \$7,500 to the member's beneficiary, in addition to any monthly UCRP income that may be payable to eligible survivors or to the contingent annuitant.⁶ Beneficiaries of active, disabled or inactive members also receive the deceased's CAP benefit, if any.

After the deaths of the member, eligible survivors and contingent annuitant, any remaining member accumulations are paid to the member's beneficiary.

If a member dies after electing but before receiving a lump sum cashout, the cashout amount and CAP balance, if any, are paid to the member's beneficiary. No additional death benefits are payable.

UCRP death benefits are not the same as University life insurance benefits or departmental death benefits. For information about these benefits, see the appropriate Survivor and Beneficiary Handbook, available on At Your Service or from your local Benefits Office or the UC Customer Service Center.

PRERETIREMENT SURVIVOR INCOME

If an active member dies with at least two years of service credit, or if a disabled member dies, monthly income is paid to the member's eligible survivors — that is, eligible spouse or domestic partner, or if none, eligible child(ren), or if none, eligible dependent parent(s); see the definition on page 29.

The amount paid to the eligible survivor(s) is 25 percent of the member's final salary, minus a \$106.40 Social Security reduction. For the first three months, however, the Social Security reduction does not apply; the eligible survivor receives the full 25 percent.

In the case of an inactive member's death, monthly income is paid to a surviving spouse or surviving domestic partner only if the member is eligible to retire at the time of death.

For members who elected Social Security coverage in 1976 or 1977 and who meet certain criteria, the University guarantees a minimum survivor benefit (see "Minimum Benefit Guarantees," below).

⁶ Beneficiaries of active members who became Plan members before October 1, 1990, receive \$1,500 plus one month's final salary, if this amount is greater than \$7,500.

Death Benefits

DEATH WHILE ELIGIBLE TO RETIRE

If an active, inactive or disabled member dies while eligible to retire (that is, age 50 with at least five years of service credit, or, for those who became Plan members July 1, 1989, or earlier, age 62 regardless of service credit), a lifetime retirement benefit may be payable to the surviving spouse or surviving domestic partner.

If there is a surviving spouse or domestic partner, the benefit is calculated as though the member had elected to retire on the day after the date of death and had chosen Option A (full continuance) with the spouse or domestic partner named as contingent annuitant. If the deceased is an active or disabled member and the spouse or domestic partner also qualifies as an eligible survivor, both the preretirement survivor income and the Option A benefit are calculated and the higher benefit is paid. The benefit is payable beginning the day after the member's death.

A temporary Social Security supplement is also payable to a surviving spouse or surviving domestic partner until the member would have reached age 65.

For benefits payable when a member dies after electing retirement income, see "Postretirement Survivor Continuance" on page 19.

For those who were active Plan members on April 1, 1976, and elected Social Security coverage, UCRP guarantees a minimum benefit for disability income, preretirement survivor income and the postretirement survivor continuance. The guarantee does not apply to the member's retirement income.

The guarantee is this: the combined benefits payable from UCRP and from Social Security (including family benefits) will be at least as much as UCRP benefits alone would have been if the member had not elected Social Security coverage. When necessary, UCRP will pay a supplemental amount to bring benefits up to this minimum.

In determining the amount of the guarantees, only those individuals who were the active member's spouse, child or parent on April 1, 1976, are taken into account.

Minimum Benefit Guarantees

FOR DISABILITY INCOME

The minimum guaranteed disability income is a percentage of the member's final salary, based on service credit as of the disability date and the number of eligible children.

	Number of Eligible Children				
	0	1	2	3	4+
Service Credit Years	Monthly Benefit (% of Final Salary)				
2 (less than 3)	25%	30%	35%	40%	45%
3 (less than 4)	30%	35%	40%	45%	50%
4 (less than 5)	35%	40%	45%	50%	55%
5+	40%	45%	50%	55%	60%

FOR PRERETIREMENT SURVIVOR INCOME

The minimum guaranteed preretirement survivor income applies only to the benefit payable to an eligible spouse. For a member who was both a Plan member and married to the eligible spouse before October 19, 1973, the qualifying age for an eligible spouse is 50 rather than 60. The minimum guarantee for preretirement survivor income is shown in the table below:

Number of Eligible Survivors	Percent of Final Salary	Minimum Monthly Benefit
1	25%	\$200
2	35%	\$300
3	40%	\$300 + 5% of final salary
4	45%	\$300 + 10% of final salary
5 or more	50%	\$300 + 15% of final salary

FOR POSTRETIREMENT SURVIVOR CONTINUANCE

The formula for the minimum guarantee for postretirement survivor continuance is:

50 percent x retirement benefit for members without Social Security.

(The retirement benefit for members without Social Security is calculated the same way for members with Social Security, except that the Social Security reduction to HAPC does not apply.)

Cost-of-Living Adjustments

After receiving benefits for one year, UCRP members are eligible to receive an annual cost-of-living adjustment (COLA), starting on the following July 1. The COLA is based on the Consumer Price Index (CPI) increase for the preceding year. Generally, the COLA for any Plan year equals:

- 100% of the CPI increase up to 2%,
- 75% of the CPI increase over 4%,
- Maximum COLA 6%.

If the CPI decreases, UCRP benefits are not reduced.

The CPI used to determine the annual COLA is an average of the CPIs for the Los Angeles and San Francisco metropolitan areas and is measured from February to February.

For preretirement survivor income, the COLA is calculated from the the July 1 date after one full year following the member's death. This applies even if benefits are not payable until a later time, as in the case of a surviving spouse or surviving domestic partner who reaches the qualifying age at a later date.

For members who began receiving UCRP disability income before November 5, 1990, a COLA is applied to HAPC when they retire. The total adjustment is equal to the percentages of COLA that accrued to Plan benefits during the period of the member's disability. For those who begin receiving UCRP disability income November 5, 1990, or later, the HAPC is not increased by COLAs.

When an inactive member retires or elects a lump sum cashout, the HAPC is increased to include a COLA of 2 percent compounded annually between the separation date and the retirement or cashout date (or the actual CPI increase over that same period, if lower).

Reappointment After Retirement

In certain instances where there are compelling circumstances, UC retirees are rehired to help fill a particular staffing need. Under UC policy, those retired employees who later return to UC in staff or Senior Management Group positions must follow these provisions:

- Reemployment must not occur until there has been a break in service of at least 30 days, and preferably 90 days.
- The appointment must be limited to no more than 43 percent time in a 12-month period.
- Employment must not exceed a total of 12 months; if reemployment is necessary after 12 months, the request for continued employment must follow the same approval process as the original appointment.
- Reemployment must result from University need; for example: the retired employee possesses skills and institutional knowledge that the hiring department cannot otherwise obtain with equal cost effectiveness; the hiring department anticipates a prolonged process for hiring a replacement or the need for the retired employee to assist the replacement in acquiring necessary skills and knowledge.

These provisions apply to former employees who elect either a lump sum cashout or a UCRP monthly retirement income.

Rehired employees who receive a monthly retirement benefit must submit a completed *UCRP Retired Employee Election* form, available from the Benefits Office. Employees who received a lump sum cashout do not need to complete the form.

A retired employee who is receiving UCRP monthly retirement income may be hired into a career position after the required break in service, provided there has been an appropriate recruitment process and that the employee agrees to suspend the retirement income payments. A retired employee who takes a lump sum cashout may not be reemployed into a career appointment.

More information is available from local Benefits Offices and on the At Your Service website.

Internal Revenue Code Provisions

The IRC limits the maximum benefits payable from retirement plans and specifies the date by which distributions (in defined minimum amounts) must begin.

MAXIMUM BENEFIT LIMITATIONS

IRC §415(b) places a maximum limit on total benefits payable in any calendar year from a defined benefit plan such as UCRP. The limit is based, in part, on the member's age. For example, the limit for age 62 in 2012 is \$195,000. The limit applies not only to retirement income but to lump sum distributions, such as the lump sum cashout and any CAP payment on a pro-rated basis. The limit does not apply to any portion of a benefit attributable to member contributions.

The University of California 415(m) Restoration Plan — a nonqualified pension plan — became effective January 1, 2000, to pay benefits that would not otherwise be payable because of the §415(b) limit. If your UCRP benefits are affected by the §415(b) limit when you elect retirement income or a lump sum cashout, you will receive additional information about the 415(m) Restoration Plan from the UC Customer Service Center.

IRC §401(a)(17) sets a dollar limit for annual earnings upon which retirement benefits (and contributions, if any) may be based. The earnings limit for the Plan's fiscal year beginning July 1, 2012, is \$250,000 for employees who became members as of July 1, 1994, or later. For those who were active members before July 1, 1994, the earnings limit is \$375,000.

MINIMUM REQUIRED DISTRIBUTIONS

UCRP members must begin receiving minimum distributions from the Plan by April 1 of the calendar year following the later of:

- The year in which they reach age 70½, or
- The year in which they leave University employment.

Generally, the UCRP formulas for retirement income satisfy the minimum distribution requirements. If a member does not apply for retirement benefits by the above date, basic retirement income will begin automatically, and any CAP balance will be distributed. Minimum required distributions are not eligible for rollover.

Each year, UC Human Resources notifies members who are subject to the minimum distribution requirements and provides information and individual calculations to help them comply.

Minimum required distributions are calculated in accordance with U.S. Treasury regulations.

ROLLOVERS

Into the Plan UCRP does not accept rollovers except for buybacks.

From the Plan As discussed in the "Special Tax Notice for Plan Distributions" (see page 31), the following UCRP distributions are eligible for direct rollover:

- A refund of accumulations,
- CAP payment,
- Lump sum cashout,
- Lump sum death payment to a surviving spouse,
- Lump sum distributions to a spouse (as defined under federal law) or former spouse under a qualified domestic relations order (QDRO), and
- Lump sum death payment to a non-spouse beneficiary (to an inherited IRA and not to another plan).

A distribution that is eligible for direct rollover is subject to mandatory 20 percent federal tax withholding unless it is directly rolled over from the Plan to a traditional IRA or a Roth IRA, to another employer plan that accepts rollovers, or to the University's Defined Contribution, Tax-Deferred 403(b), or 457(b) Deferred Compensation Plans (see "Internal Rollovers," on page 25).

UCRP distributions that are not eligible for rollover include:

- Monthly retirement, disability or survivor income;
- QDRO monthly income; or
- Lump sum QDRO distributions to a non-spouse (as defined by federal tax law).

Members (or spouses or former spouses) may also roll over an eligible Plan distribution that has been paid to them, as long as the rollover to the IRA or new plan occurs within 60 days of receipt of the distribution. A member who wants to roll over 100 percent of the distribution must replace, from personal savings or other sources, an amount equal to the taxes that were withheld when the distribution was issued. Any amount not rolled over will be taxed as ordinary income for the year in which the distribution was issued. It may also be subject to early distribution penalties. See "Taxes on Distributions — Tax Withholding," at right. For more detailed information, see the "Special Tax Notice" that begins on page 31.

Internal Rollovers Retired or inactive members who have an account in UC's Defined Contribution Plan, Tax-Deferred 403(b) Plan, or 457(b) Deferred Compensation Plan may roll over eligible UCRP distributions to these plans.

TAXES ON DISTRIBUTIONS

Income Tax Except as described below, all distributions from UCRP are subject to federal and state ordinary income taxes.

Until July 1, 1983, member contributions to UCRP were made on an after-tax basis. These contributions and any buybacks made on an after-tax basis are not taxable when distributed. Any pretax portion of a distribution is taxable income in the year the distribution is issued.

Early Distribution Penalties

In addition to being taxed as ordinary income, the taxable portion of a refund of accumulations, lump sum cashout or CAP payment taken before age 59½ (early distributions) may also be subject to nondeductible federal and state penalty taxes — currently a 10 percent federal tax and a 2½ percent California state tax. There are, however, a number of circumstances in which early distributions may be exempt from the penalty taxes. The exceptions are described in the "Special Tax Notice" (see page 31).

UC Human Resources does not assess early distribution penalties when a distribution is paid. Members who are subject to the penalties are responsible for reporting them to the IRS when they file their income tax returns.

Tax Withholding

The Plan Administrator withholds federal and California state income taxes (for California residents) in accordance with federal and state law. Income tax for states other than California is not withheld. Members should consult a tax advisor about tax liability.

Distributions Eligible for Rollover

Distributions that are eligible for rollover (see "Rollovers" on page 25) are subject to 20 percent federal tax withholding if they are paid to the member, spouse, former spouse or non-spouse beneficiary. No taxes are withheld if the distributions are directly rolled over to a traditional IRA, a Roth IRA, or another employer plan. For more information, see the "Special Tax Notice" that begins on page 31.

Tax Statement

Each January, the Plan Administrator files a Form 1099R with federal and state tax authorities, with a copy to the individual, for each distribution paid during the previous year. The form shows the total and taxable amounts of the individual's distribution(s).

Those who receive more than one type of distribution (for example, monthly retirement income and a CAP payment) are sent a separate Form 1099R for each type of distribution.

Additional Information

CLAIMS PROCEDURES

A member, survivor, contingent annuitant or beneficiary must submit a request to receive benefits or a distribution from the Plan. Claims for benefits must be made in accordance with procedures established by the UC Retirement Administration Service Center (RASC). No Plan distribution will be made until the claimant has provided all pertinent information requested by the RASC.

Generally, claims are processed within 90 days after the RASC receives the request and any other required information. If a claim is denied, RASC will notify the claimant in writing, explaining the reason for denial and notifying the claimant that he or she, or his or her authorized representative, may appeal the denial by requesting an independent review by the Plan Administrator. The appeal must be made within 60 days of the notification of the denial. The appeal must be in writing, accompanied by documentation supporting the claim, and sent to Plan Administrator, UC Human Resources (see front of booklet for address). The claimant will receive a written notice and explanation of the Plan Administrator's decision on the appeal within 90 days of the Plan Administrator's receipt of the appeal, unless circumstances require a longer period. In general, such period will not exceed 120 days.

If, after exhausting administrative appeal procedures, the claimant still believes that a benefit has been improperly paid or denied, the claimant has the right to initiate legal proceedings.

For service of process, send to The Regents of the University of California, Trustee of the University of California Retirement Plan, c/o Office of the General Counsel, 1111 Franklin Street, 8th Floor, Oakland, CA 94706.

PLAN ADMINISTRATION

The Vice President of Human Resources is the Plan Administrator with responsibilities for the day-to-day management and operation of the Plan. The RASC provides the necessary record keeping, accounting, reporting, receipt and disbursement of Plan assets to eligible Plan members.

The Office of the Treasurer has primary authority for investing the assets of the Plan trust consistent with the investment policies established by The Regents. The Office of the Treasurer also serves as custodian of the Plan trust.

PLAN CHANGES

The Plan is subject to change and to independent audit to comply with applicable federal and state statutes, Treasury regulations and industry standards. Members are notified in writing whenever substantive changes to the Plan occur. Although the Plan is expected to continue indefinitely, the Regents reserve the right to amend or terminate the Plan at any time.

The University will take appropriate action concerning proposed changes that may trigger notice, consultation, and meeting and conferring obligations under the Higher Education Employer-Employee Relations Act.

DESIGNATION OF BENEFICIARY OR CONTINGENT ANNUITANT

Beneficiary Employees should designate a beneficiary immediately upon becoming Plan members. When a member dies, the beneficiary receives the basic death payment, the CAP payment, if any, and any accumulations remaining after all benefits have been paid. A member may name more than one beneficiary and specify the percentage that each beneficiary is to receive. A beneficiary may be a person, trust or organization.

If no beneficiary has been named or if the beneficiary designation is no longer effective, UCRP "default" beneficiary designation rules require that any benefits be paid to the member's survivors in the following order of succession:

- Surviving legal spouse or surviving domestic partner; or, if none,
- Surviving children, natural or adopted, on an equal-share basis (children of a deceased child share their parent's benefit); or, if none,
- Surviving parents on an equal-share basis; or, if none,
- Brothers and sisters on an equal-share basis; or, if none,
- The member's estate.

Beneficiary designations should be made online on At Your Service. Select "Sign on to My Accounts" on the right side of the home page. Once you've logged on, select "Your Beneficiaries" and follow the instructions on the screen. You may name or change your beneficiary on At Your Service at any time.

If you do not have Internet access or are unable to use the online application, complete form UBEN 116 (Designation of Beneficiary — Employees). Retirees, former employees, and others must use form UBEN 117 to name UCRP beneficiaries. These forms are available from departments, local Benefits Offices or the UC Customer Service Center.

Note: To designate a beneficiary for the Retirement Savings Program (Defined Contribution Plan, Tax-Deferred 403(b) Plan, and 457(b) Deferred Compensation Plan), contact Fidelity Retirement Services directly.

Members should periodically review their beneficiary designation(s) to reflect any changes in their family situation — for example, marriage, the birth of a child, divorce or death.

Contingent Annuitant A contingent annuitant is designated by the member at retirement when the member wants to provide a monthly lifetime benefit for that person. As of the member's retirement date, the designation is irrevocable — the member cannot name a new contingent annuitant (see "Alternate Monthly Payment Options" on page 19).

Community Property Married participants and registered domestic partners who designate someone other than their legal spouse or partner as a beneficiary or contingent annuitant may need to consider the spouse's/partner's community property rights. For residents of a community property state such as California, a designation of beneficiary or contingent annuitant may be subject to challenge if the spouse/partner would consequently receive less than the share of the benefit attributable to community property.

A will or trust does not supersede a designation of beneficiary or contingent annuitant, nor does either supersede the Plan's "default" beneficiary rules (described on page 26) that apply in the absence of a valid beneficiary designation.

ASSIGNMENT OF BENEFITS

Generally, UCRP benefits payable to members, survivors or beneficiaries cannot be attached by creditors, nor can anyone receiving benefits assign payments to others. UCRP benefits are intended solely for the security and welfare of members and their beneficiaries and survivors.

There are some exceptions, however, in which the RASC complies with the legal requirements. For example, the IRS may attach retirement benefits to collect unpaid taxes, or a court may order certain benefits to be paid for child or spousal support.

QUALIFIED DOMESTIC RELATIONS ORDERS (QDROS)

If a member is divorced or legally separated, the court may include Plan assets as community property to be divided between the member and the former spouse, registered

domestic partner or other dependent. In such cases, the domestic relations order must be approved, or qualified, by the Special Claims Unit of the RASC as being in compliance with California community property law and with the Plan.

The University cooperates fully with the member and spouse or dependent, as well as their attorneys and the court in divorce cases. Both spouses and the court have the right to request information about the benefits earned by the member during the marital period and how those benefits are derived, as well as information about the options available to the non-member. To release this information, UCRS must be joined as a party to the domestic relations proceeding if the proceeding will be heard in a California court. Otherwise, the request for information must be accompanied by a signed release from the member or a valid subpoena. All requests should include the member's name, Social Security number, address (or name and address of the member's attorney), date of marriage and marital separation date.

FURTHER INFORMATION

To help members better understand the Plan's benefits, UC Human Resources provides personalized account information. Members who have access to the Internet can find current, comprehensive information about their UCRP account as well as any other UC accounts they may have and make certain online Plan transactions by visiting UC's Human Resources website, At Your Service. At Your Service also contains a link to the Fidelity Retirement Services website so you may access your Defined Contribution Plan, Tax-Deferred 403(b) Plan and 457(b) Deferred Compensation Plan balances.

Annual reports containing audited financial statements are available on At Your Service or from the UC Customer Service Center.

Summary plan descriptions are provided at hire and are also available on At Your Service or from your local Benefits Office or the UC Customer Service Center.

Members may obtain a copy of the University of California Retirement Plan document by writing to the UC Customer Service Center (see front of booklet).

All notices or communications to a member will be effective when sent by first-class mail or conveyed electronically to the member's address of record. The University and the Regents are entitled to rely exclusively upon any notices, communications or instructions issued in writing or electronically conveyed by UC Human Resources that are believed to be genuine and to have been properly executed.

Plan Definitions

Certain key terms are used throughout this Summary Plan Description that are specific to UCRP and its benefit provisions. They are defined as follows:

BREAK IN SERVICE

Leaving University employment, including any period on pay status but without covered compensation, or any period off pay status for four or more consecutive months. The following periods do not constitute a break in service for UCRP membership as long as the member returns to pay status at the end of the period:

- Approved leave of absence without pay;
- Temporary layoff (fewer than four months);
- Furlough;
- Period of right to recall and preference for reemployment;
- Return to pay status the next working day after leaving University employment;
- Return to pay status after a military leave in accordance with employees' reemployment rights; or
- Return to pay status from a medical separation within the time allowed under University policy.

COVERED COMPENSATION

The gross monthly pay that an active employee receives for a regular and normal appointment, including pay while on sabbatical or other approved leave of absence with pay. Not included are:

- Pay for overtime unless in the form of compensatory time off;
- Pay for correspondence courses, summer session, intersession and for interquarter or vacation periods or University extension courses, unless such employment constitutes part of an annual or indefinite appointment;
- Pay for a position that is not normally full time except if paid on a salary or hourly rate basis;
- Pay that exceeds the full-time rate for the regular, normal position to which the member is appointed;
- Pay that exceeds the base salary as negotiated under the General Health Sciences Compensation Plan or Medical School Clinical Compensation Plan;
- Pay that exceeds the established base pay rates, including nonelective deferred compensation, honoraria and consulting fees;

- Payments received as uniform allowance, unless included as part of compensation for a regular and normal appointment;
- Pay that exceeds the IRC §401(a)(17) dollar limit. For Plan year 2012–2013, the earnings limit is \$250,000. (For those who were active members before July 1, 1994, the earnings limit for Plan year 2012–2013 is \$375,000.); and
- Payments received as housing allowance beginning with January 1994 earnings.

Covered compensation does not include pay from sources other than the University of California.

DOMESTIC PARTNER

An individual of the same or opposite sex as the member who has been designated as the member's domestic partner by one of three possible methods:

- Registration of the domestic partnership with California's Secretary of State;
- Registration of a same-sex union, other than marriage, validly formed in another jurisdiction, that is substantially equivalent to a California domestic partnership; or
- Filing of a UC Declaration of Domestic Partnership form with the UCRP administration.

ELIGIBLE CHILD

The natural or adopted child or stepchild of a disabled or deceased member, or the natural or adopted child of the member's eligible domestic partner, who:

- Received at least 50 percent support from the member for one year before the member's death, disability date or retirement, whichever occurs first; and
- Is under age 18;
- Is under 22 and attending an educational institution full time; or
- Is disabled. (The disability must have occurred while the child was eligible based on age, as above.)

The one-year support requirement does not apply to a member's child as follows:

For a natural child:

- If the child is born after the member's disability date; or
- Is born within 10 months after the member's death; or
- Is born less than one year before the member's death, disability or retirement date.

For an adopted child, it does not apply if the adoption is finalized:

- After the member's disability date; or
- As of the date of the member's death or disability; or
- Less than one year before the member's death, disability or retirement date.

A stepchild or an eligible domestic partner's natural or adopted child must have been living with or in the care of the member just before the member's death, disability or retirement.

An eligible child may qualify for pre- or postretirement survivor benefits.

ELIGIBLE DEPENDENT PARENT

The natural or adoptive mother or father of an active, disabled or retired member who received at least 50 percent support from the member for the year just before the member's death, disability or retirement.

An eligible dependent parent may qualify for pre- or postretirement survivor benefits.

ELIGIBLE DOMESTIC PARTNER

The domestic partner of a deceased active member. The partnership must have been established at least one year before the member's death or disability date, and the partner must:

- Be responsible for the care of an eligible child (as defined on page 28);
- Be disabled (see pages 13–15); or
- Have reached age 60.

If the domestic partner is responsible for the care of an eligible child who is the member's natural child, the one-year partnership requirement is waived as long as the child is eligible.

If the deceased employee was an active UCRP member and eligible to retire, see "Surviving Domestic Partner" definition, on page 30.

ELIGIBLE SPOUSE

The widow or widower of a deceased active member. The date of marriage must have been at least one year before the member's date of death, and the spouse must:

- Be responsible for the care of an eligible child (as defined on page 28);
- Be disabled (see page 15–16); or
- Have reached age 60. (The qualifying age is 50 for a spouse if (a) the spouse and member were married before October 19, 1973, and (b) the member had entered UCRP by that date.)

If the spouse is responsible for the care of an eligible child who is the member's natural child, the one-year marriage requirement is waived as long as the child is eligible.

If the deceased employee was an active UCRP member and eligible to retire see "Surviving Spouse" definition, below.

ELIGIBLE SURVIVOR

See "Eligible Child," "Eligible Dependent Parent," "Eligible Domestic Partner" or "Eligible Spouse."

FINAL SALARY

The monthly full-time equivalent compensation of an active member at the time of death or disability date (or, if higher, on the member's separation date).

If the member worked less than full time during the last 12 months of continuous employment, whether on an annual or partial-year career appointment, the monthly full-time equivalent compensation is adjusted based on the average percentage of time on pay status over the last 36 months of continuous service.

Whether the member has worked full time is determined without regard to sabbatical leave, extended sick leave, a medically determinable physical or mental condition that causes the member to apply for disability income or participation in an approved rehabilitation program. Periods of approved leave of absence without pay are excluded from the 36 months — the time before and after a leave is considered continuous.

For TRIP and START participants, final salary is based on full-time equivalent compensation without regard to any reduction in compensation resulting from the reduction in time.

Plan Definitions

HIGHEST AVERAGE PLAN COMPENSATION (HAPC)

A member's average monthly full-time equivalent compensation, including any stipends, during the 36 highest continuous months preceding retirement. Periods of approved leave of absence without pay are excluded from the 36 months; the time before and after a leave, or before and after a period of inactive membership, is considered continuous. Service credit bought back for a leave period or for past (refunded) service will be included in determining these 36 months.

For a member on a partial-year appointment, compensation earned on a 9-, 10- or 11-month appointment is spread over a year to determine the member's annual full-time equivalent compensation, and compensation for each month within the 12-month period is treated as 1/12th of the total amount. The HAPC attributable to service while on a partial-year career appointment is based on the 36 continuous months that produce the highest average compensation.

For TRIP and START participants and for participants in the systemwide mandatory furlough program, HAPC is calculated without regard to any reduction in covered compensation resulting from the reduction in time.

SURVIVING DOMESTIC PARTNER

The domestic partner of a deceased active UCRP member. The surviving domestic partner is eligible to receive the UCRP contingent retiree benefit if the member was eligible to retire at the time of death.

SURVIVING SPOUSE

The widow or widower of a deceased active UCRP member. The surviving spouse is eligible to receive the UCRP contingent annuitant benefit if the member was eligible to retire at the time of death.

Special Tax Notice for Plan Distributions

This notice explains how you can continue to defer federal income tax on your retirement savings in the University of California Retirement Plan (UCRP), including your Capital Accumulation Payment (CAP) balance, if any, and contains important tax information you will need before you decide how to receive your UCRP benefits.

This notice is provided to you by UC Human Resources (Plan Administrator) because all or part of the payment that you receive from UCRP may be eligible for rollover by you or your Plan Administrator to a traditional individual retirement account or annuity (IRA), a Roth IRA, or an eligible employer plan (see "Direct Rollover to an IRA" and "Direct Rollover to a Plan," on pages 32 and 33). A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that (except in the case of a rollover to a Roth IRA) allows you to continue to postpone taxation of that benefit until it is paid to you.

This notice will help you to determine:

- Whether the distribution is eligible for rollover (see chart on page 34), and, if so,
- What your choices are, and
- How your taxes and tax withholding are affected by the choices you make.

HIGHLIGHTS

If a UCRP or CAP distribution is eligible for rollover, you may have payment made in either of two ways. You can have all or a portion of the distribution either (1) paid in a DIRECT ROLLOVER to a traditional IRA, a Roth IRA or to an eligible employer plan that will accept your rollover; or (2) PAID TO YOU. Your choice will affect the tax withheld, if any, and the amount reported as taxable income.

IF YOU CHOOSE A DIRECT ROLLOVER:

- No federal taxes will be withheld from the taxable portion of the distribution, unless you voluntarily agree with the Plan Administrator to have an amount withheld from a distribution that is directly rolled over to a Roth IRA.
- The taxable portion of the distribution will not be taxed until you withdraw the money from the IRA or eligible employer plan, except if the distribution is rolled over to a Roth IRA. Depending on the type of IRA or employer plan, subsequent distributions from the new IRA or plan may be subject to different rules or tax treatment than those applicable to distributions paid from the UCRP.
- The distribution check will be payable to your IRA or to the recipient employer plan.

- In the case of a direct rollover to a Roth IRA, the taxable portion of the distribution will be taxed in the year of distribution (see page 32 for more details).

IF YOU CHOOSE TO HAVE YOUR DISTRIBUTION PAID TO YOU:

- 20 percent federal tax will be withheld from the taxable portion of the distribution, as required by law. No exceptions.
- You will receive 80 percent of the amount you request as a distribution (California residents — see "California Rules and Tax Laws," on page 36).
- Any taxable portion of the distribution that you do not roll over within 60 days will be taxable income in the year it is paid (see "60-Day Rollover Option," on page 34).
- Special rules may allow you to reduce the tax you owe on a distribution from UCRP (see "Additional Tax Information," on page 35).
- You may have to pay an additional 10 percent tax if you are not yet age 59½.

Note that choosing to have an eligible rollover distribution paid to you rather than deferring receipt, for example by rolling over the eligible rollover distribution to an IRA, could have consequences to you, including the loss of the ability to defer income taxes until a later date (including the early distribution penalty, if applicable) and the reduction of your retirement savings. Therefore, you should carefully consider your decision and consult a professional tax advisor before you make any decision about how you are going to receive your UCRP benefits.

If a distribution is not eligible for rollover, it will be paid to you.

- Tax-withholding requirements vary. See "Voluntary Withholding," on page 33.

If you take a distribution (whether you roll it over or have it paid to you), you must report it on your income tax return for the year in which the money is distributed. You will have to use Form 1040A or 1040; Form 1040EZ cannot be used for distributions from retirement plans.

UCRP DISTRIBUTIONS PAID TO PLAN MEMBERS ELIGIBLE/INELIGIBLE FOR DIRECT ROLLOVER

ELIGIBLE DISTRIBUTIONS

A UCRP distribution is eligible for direct rollover if it is one of the following:

Special Tax Notice for Plan Distributions

Nonperiodic Distributions A Lump Sum Cashout is generally eligible for direct rollover — with exceptions as noted below (see “Ineligible Distributions”). The UCRP Capital Accumulation Payment (CAP) is eligible for direct rollover.

Group Insurance Contract Annuities If you buy a commercial annuity through UC’s group insurance contract that is not based on life expectancy and is paid in installments over a period of less than 10 years, the payments are eligible for direct rollover. Your election to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

INELIGIBLE DISTRIBUTIONS

A distribution is not eligible for direct rollover if it is one of the following:

Monthly Income You cannot roll over a payment that is part of a series of substantially equal payments made at least once a year over a period of:

- Your lifetime/life expectancy,
- Your and your beneficiary’s lifetimes/life expectancies, or
- 10 years or more.

The following distributions from UCRP are not eligible for direct rollover:

- Monthly retirement/disability income
- Monthly preretirement survivor income
- Monthly postretirement survivor continuance.

MINIMUM REQUIRED DISTRIBUTIONS

Beginning April 1 of the year following the year you reach age 70½ (or leave University employment, if later), you are required to receive distributions from UCRP in a certain minimum amount. These distributions may not be rolled over. Minimum required distributions are taxable income in the year you receive them. (Any taxable amount paid to you that exceeds the required minimum amount will be subject to the 20 percent federal withholding unless directly rolled over.) Note: if you are subject to the minimum distribution requirements and request a direct rollover of your total UCRP balance, UC will issue a check for your minimum required distribution (payable to you), before processing the direct rollover of your remaining UCRP balance.

The Plan Administrator should be able to tell you if your payment includes amounts which cannot be rolled over.

MAKING A DIRECT ROLLOVER

DIRECT ROLLOVER TO AN IRA

You will need to establish an IRA, Simplified Employee Pension (SEP) IRA or a Roth IRA to receive the direct rollover. Distributions cannot be rolled over to SIMPLE IRAs or to Coverdell Education Savings Accounts (formerly known as education IRAs). Before you request payment, you must contact the IRA trustee (usually a bank, mutual fund or other financial institution) and ask how the check should be drawn to make a direct rollover to an IRA at that institution. UC will issue the check to your IRA trustee and mail it to your home address.

It is your responsibility to deposit the rollover check promptly with the IRA trustee.

A direct rollover may be made to an existing or separate IRA.

If you are unsure how to invest your money, you can temporarily establish an IRA to receive the payment until you decide. In this case, you will want to consider whether the IRA you choose will allow you to move all or part of the taxable portion of your money to another IRA or employer plan at a later date without penalties or other limitations. Also see IRS Publication 590, Individual Retirement Arrangements, for more information on IRAs, including limits on how often you can roll over between IRAs.

If your rollover includes any after-tax contributions, you are responsible for keeping track of these contributions and for reporting them to the IRS (UC Human Resources can tell you the amount of any after-tax contributions included in your distribution request). This will ensure you will not be subject to income taxes on the nontaxable amount of any future distributions you take from your IRA. Also, note that after-tax contributions cannot later be rolled over from your IRA to an employer plan.

In the case of a direct rollover to a Roth IRA, the taxable portion of the distribution will be taxed in the year of distribution, except that in the case of a direct rollover to a Roth IRA in 2010, one-half of the taxable portion of the distribution will be taxed in 2011 and one-half of the taxable portion of the distribution will be taxed in 2012, unless you elect to have it all taxed in 2010. Like other direct rollovers, the mandatory 20 percent federal income tax withholding does not apply to direct rollovers of eligible rollover distributions to a Roth IRA. However, you may voluntarily agree with the Plan Administrator to have an amount withheld from an eligible rollover distribution that you elect to directly roll over to a Roth IRA.

If you roll over your distribution to a Roth IRA, later payments from the Roth IRA (including earnings after the rollover) will not be taxed if the payments are “qualified distributions.”

A qualified distribution from a Roth IRA is a payment made after you reach age 59½ (or after your death or disability, or as a

qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least five years. In applying this five-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA.

If you receive a payment from a Roth IRA that is not a qualified distribution, any earnings that accrued after the rollover on the amount distributed will be taxable and will be subject to the 10 percent early withdrawal tax (unless an exception applies). The minimum required distributions rules do not apply to your Roth IRA during your lifetime.

DIRECT ROLLOVER TO A PLAN

You may roll over your eligible distribution to an eligible employer plan. An “eligible employer plan” includes plans qualified under §401(a) of the Internal Revenue Code (IRC), including IRC §401(k) plans, profit-sharing plans, stock bonus plans, money purchase plans, and defined benefit plans; IRC §403(a) annuity plans; IRC §403(b) tax-sheltered annuities; and eligible governmental IRC §457(b) deferred compensation plans. However, you cannot roll over a payment from UCRP to a designated Roth account in an employer plan.

Before you roll over your distribution to an eligible employer plan, you will have to verify that the administrator of the new plan will accept your rollover and, if so, the types of distributions it accepts (for example, distributions that include after-tax contributions). An eligible employer plan is not legally required to accept a direct rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. Note that if the new eligible employer plan accepts distributions that include after-tax contributions, it must provide separate accounting for the after-tax contributions, as well as any earnings on those contributions. After-tax contributions cannot be rolled over to IRC §403(a) annuities or eligible governmental IRC §457(b) deferred compensation plans.

You should be aware that money rolled over to the new employer-sponsored plan will generally be subject to the provisions of that plan; for example, the plan’s provisions may restrict subsequent distributions or require your spouse’s consent for a distribution request. Subsequent distributions may also be subject to different tax treatment. For these reasons, you may want to verify the distribution provisions with the administrator of the new plan before you roll over your money.

PART DIRECT ROLLOVER

If you choose to have part of your distribution paid as a direct rollover and part paid to you, the direct rollover amount must be at least \$500.

DISTRIBUTIONS PAID TO YOU

MANDATORY WITHHOLDING

If a distribution is eligible for direct rollover and you have it paid to you, 20 percent federal income tax must be withheld from the taxable portion of the distribution. (You may also ask to have an additional flat-dollar amount withheld.) For example, if you want \$10,000 paid to you, you must request a distribution of 125 percent of that amount, or \$12,500. UCRP will send you and the IRS a Form 1099-R, which will report the full \$12,500 as a taxable distribution from UCRP. Unless you make a rollover within 60 days (see “60-Day Rollover Option,” on page 34), you must report the entire \$12,500 as a taxable distribution from the UCRP on your income tax return for the year. The \$2,500 will be credited against any income tax that you owe for the year. There will be no income tax withholding if your payments for the year are less than \$200.

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, 30 percent (instead of 20 percent) of the payment must generally be withheld for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

VOLUNTARY WITHHOLDING

The 20 percent mandatory withholding rule does not apply to any part of a distribution that is ineligible for rollover, even though that part is taxable. Instead, federal income tax will be withheld as follows:

- Nonperiodic distributions: 10 percent, unless you elect no or different withholding (including flat-dollar amounts).
- Periodic distributions: An amount based on the tax table for a married individual claiming three allowances, unless you elect different (or no) withholding.

If you wish to have an amount other than 10 percent withheld, you must file a completed IRS Form W-4P with the Plan Administrator before the distribution. If you do not file a completed Form W-4P with the Plan Administrator prior to the distribution, the Plan Administrator will automatically withhold 10 percent. (Note: you may not elect to have no withholding if your

Special Tax Notice for Plan Distributions

distribution is being mailed outside the United States or if you are a nonresident alien.)

60-DAY ROLLOVER OPTION

If a distribution is eligible for direct rollover and you have it paid to you, you can still decide to roll over all or any part of the money to a traditional IRA, a Roth IRA or an eligible employer plan that accepts rollovers within 60 days after you receive payment. Note: you cannot use the 60-day rollover option to roll over after-tax contributions to an employer plan.

Except in the case of a rollover to a Roth IRA, the amount rolled over will not be taxed until you take it out of the IRA or eligible employer plan.

If you want to roll over the entire amount of the distribution you requested, you must obtain from your personal savings or other sources an amount equal to the 20 percent (30 percent if nonresident alien) that was withheld and contribute that amount to the IRA or eligible employer plan within the 60-day period.

If you roll over only the 80 percent that you received, you must pay taxes on the remaining 20 percent. Note: tax penalties or special tax rules may also apply. See page 35.

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements.

AUTOMATIC ROLLOVER

If your distribution is a refund of accumulations that is more than \$1,000 but less than \$5,000, and you fail to elect either a direct rollover or payment to you, the refund will be directly rolled over to an IRA selected by the Plan Administrator and held for your benefit. The same action will be taken if your CAP balance is more than \$1,000 but less than \$5,000 and you fail to make a distribution election — unless you elect inactive membership in UCRP. In that event the CAP balance will remain in UCRP unless you request a distribution.

UCRP DISTRIBUTIONS ELIGIBLE/INELIGIBLE FOR ROLLOVER	Eligible	Ineligible
University of California Retirement Plan:		
Monthly retirement/disability income		•
Monthly preretirement survivor income*		•
Monthly postretirement survivor continuance*		•
Refund of accumulations	•	
CAP balance	•	
Lump sum cashout	•	
Lump sum death payments: to surviving spouse	•	
Lump sum death payments: to non-spouse beneficiary**	•	
QDRO distribution—monthly income		•
QDRO distribution—cashout/refund/CAP: to spouse/former spouse (as defined under federal law)	•	
QDRO distribution—cashout/refund/CAP: to non-spouse		•

* Distributions to eligible child(ren) or eligible dependent parents for fewer than 10 years may be eligible for rollover.

** Distributions to non-spouse beneficiaries paid on or after January 1, 2007 are eligible for a direct rollover to an inherited IRA only.

DISTRIBUTIONS PAID TO SURVIVING SPOUSES, OTHER BENEFICIARIES AND ALTERNATE PAYEES

In general, the rules summarized above that apply to distributions to UCRP members also apply to distributions to members' surviving spouses and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in UCRP results from a "qualified domestic relations order" (QDRO), which is an order issued by a court, usually in connection with a divorce or legal separation. (Under these rules, the federal definition of "spouse" applies.)

DISTRIBUTION TO A SURVIVING SPOUSE OR ALTERNATE PAYEE

If you are a surviving spouse or an alternate payee who is the spouse or former spouse of a UCRP member, you may choose to have an eligible rollover distribution either:

- Paid in a DIRECT ROLLOVER to a traditional IRA, Roth IRA or eligible employer plan that will accept your rollover; or
- PAID TO YOU.

If paid to you, the taxable portion of the distribution is subject to 20 percent withholding. You can roll over the money yourself (within 60 days) to an IRA or to an employer plan that will accept your rollover.

The 10 percent penalty tax on early distributions does not apply to distributions attributable to the death of the member or distributions to an alternate payee pursuant to a QDRO.

You may be able to use the special tax treatment for lump sum distributions if the UCRP member met the appropriate age requirements (see "If You Were Born on or Before January 1, 1936" on page 36).

DISTRIBUTION TO A NONSPOUSE BENEFICIARY

If you are a beneficiary of a UCRP member, other than a surviving spouse, you may choose to have an eligible rollover distribution either:

- Paid in a DIRECT ROLLOVER to a traditional or Roth IRA; or
- PAID TO YOU.

You may NOT roll over the distribution to an eligible employer plan and you may NOT use the 60-day rollover option to roll over the distribution to an IRA. The IRA that receives the distribution will be treated as an "inherited IRA." The 10 percent penalty tax on early distributions does not apply to the distribution because the distribution is being made to you after the death of the member. However, for distributions made after December 31, 2009, the 20 percent withholding rule described above will apply if you choose to have the distribution paid to you.

You may be able to use the special tax treatment for lump sum distributions if the UCRP member met the appropriate age requirements (see "If You Were Born on or Before January 1, 1936" on page 36).

SERVICE IN THE ARMED FORCES

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

ADDITIONAL TAX INFORMATION

PENALTY TAX ON EARLY DISTRIBUTIONS

If you receive a taxable distribution before you reach age 59½ and you do not roll it over, you must pay a 10 percent federal penalty tax (plus a 2½ percent California state penalty tax, if applicable), in addition to regular income tax, unless you qualify for an exception. These exceptions include:

- You leave UC employment during or after the year you reach 55,
- You are a UC public safety employee and you leave UC employment during or after the year you reach age 50. A public safety employee is an employee who provides police, firefighting or emergency medical services for UC. (This exception applies because UCRP is a governmental defined-benefit plan.)
- You are permanently disabled, based on IRS rules,
- You are the beneficiary of a deceased UCRP member,
- You receive a series of substantially equal distributions over your life/life expectancy (or your and your beneficiary's lives/life expectancies),
- The distribution does not exceed deductible medical expenses,
- The distribution is paid to an alternate payee under a QDRO, or
- The distribution is paid directly to the government to satisfy a federal tax levy.

See IRS Form 5329 for more information on the 10 percent penalty tax.

Special Tax Notice for Plan Distributions

If you roll over your distribution to an IRA and then receive a payment from an IRA when you are under age 59½, you must pay the 10 percent early distribution penalty on the IRA distribution, unless an exception applies. In general, the exceptions to the penalty for early distributions from an IRA are the same as the exceptions listed above for early distributions from the UCRP. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for QDROs does not apply, although a special rule may apply under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse.
- The exception for payments made at least annually in substantially equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for: payments for qualified higher education expenses; payments up to \$10,000 used in a qualified first-time home purchase; and payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

IF YOU WERE BORN ON OR BEFORE JANUARY 1, 1936

If you were born on or before January 1, 1936, and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

CALIFORNIA RULES AND TAX LAWS

In this notice, only federal rollover rules and tax considerations are described in detail (not state or local). Generally, California state tax is withheld at 10 percent of the federal rate (i.e., if 20 percent federal tax is withheld, 2 percent California state tax is withheld; if 10 percent federal tax, then 1 percent California tax). However, even when federal withholding is mandatory, you may elect to have no withholding for California tax.

If your distribution is mailed to an address outside California, you will generally still owe California taxes if you are a resident of California. See your tax advisor or contact your local state tax agency about your state tax liability.

ADDITIONAL RESOURCES AND INFORMATION

Because the rules described in this notice are complex and conditions and exceptions may apply that are not included in this notice, we recommend that you consult a professional tax advisor before you request a distribution from the UCRP. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and Form 4972, Tax on Lump Sum Distributions. These publications are available from a local IRS office, on the web at irs.gov or by calling 800-TAX-FORM.

UC Retirement Administration Service Center

If you have additional questions after reading this notice or want specific information about your account in the UC plans, call:

800-888-8267

Hours: 8:30 a.m.–4:30 p.m., Monday–Friday

Written correspondence should be sent to:

UC Human Resources

P.O. Box 24570

Oakland CA 94623-1570

You can also obtain helpful information about UC's retirement savings and investment plans by visiting UC's benefits website: atyourservice.ucop.edu.

Defined Contribution Plan: Summary Plan Description

Introduction	41	Distributions	48
		Taxes on Distributions.....	48
		Early Distribution Penalties	48
		Minimum Required Distributions.....	48
DC Plan Pretax Account			
Participation	42		
		Additional DC Plan Information	
Contributions	42	Investment Options.....	48
Safe Harbor Contributions.....	42	Rollovers: Into the Plan	48
Academic Appointee Summer Salary Contributions.....	43	Rollovers: From the Plan	49
Leaves of Absence	43	Account Activity	49
Termination of Employment	43	Claims Procedures.....	49
Reappointment	43	Plan Administration and Fees.....	50
Limitations on Contributions.....	43	Plan Changes	50
Investment of Contributions	44	Assignment of Benefits.....	50
		Qualified Domestic Relations Orders (QDROs)	50
		Ineligible Accounts Retained by UC	51
Distributions	44		
Current UC Employees.....	44	Employee Information Statement	80
Former Employees.....	44		
Beneficiaries	45		
Taxes on Distributions.....	46		
Early Distribution Penalties	46		
Minimum Required Distributions.....	46		
DC Plan After-Tax Account			
Eligibility	47		
Contributions	47		
Leaves of Absence	47		
Termination of Employment	47		
Reappointment	47		
Contribution Amounts	47		
Limitations on Contributions.....	47		

Introduction

The University of California (the University or UC) offers eligible employees of the University and its affiliate, Hastings College of the Law, a tax-qualified retirement plan to provide supplemental retirement benefits. The Plan is a defined contribution plan under §401(a) of the Internal Revenue Code (the IRC). Future benefits from the Defined Contribution Plan (DC Plan) are based on contributions made to the DC Plan plus earnings. DC Plan participants are fully vested in all contributions made to the Plan.

The designated Plan Administrator of the DC Plan is the Vice President, Human Resources (VP-HR). The VP-HR has delegated recordkeeping duties to Fidelity Retirement Services. The relevant contact information is on the inside front cover. The Plan Administrator administers the DC Plan for the sole benefit of Plan participants and their beneficiaries. Individual investment strategies should reflect the participant's personal savings goals and tolerance for financial risk. UC, The Regents, the Treasurer, UC Human Resources and Fidelity Retirement Services are not liable for any loss that may result from participants' investment decisions. This Summary Plan Description summarizes the Plan document as revised effective January 1, 2010.

DC Plan Pretax Account: Participation

The DC Plan has separate accounts for pretax and after-tax contributions. The Pretax Account holds three types of mandatory employee contributions: (1) contributions required to be made by summer or equivalent term employees; (2) contributions required to be made by Safe Harbor participants (7.5 percent of covered compensation); and (3) contributions that The Regents temporarily redirected from UCRP to the DC Plan until Spring 2010 (two percent of a member's covered compensation up to the Social Security wage base less \$19 and four percent of a member's covered compensation over the Social Security wage base less \$19). In accordance with IRC §414(h), mandatory contributions to the Pretax Account are deducted from gross salary, and income taxes are calculated on remaining pay, thus reducing the participant's taxable income. Taxes on contributions and any earnings are deferred (that is, postponed) until the participant withdraws the money.

The After-Tax Account contains voluntary employee contributions that are deducted from a participant's net income. Participants may want to consult a tax advisor or financial planner before enrolling. Participation is voluntary and should be based on the participant's financial objectives and resources.

The information in this section pertains primarily to the DC Plan Pretax Account. References are made to the DC Plan After-Tax Account when the same information applies.

PARTICIPATION IN THE DC PLAN PRETAX ACCOUNT IS MANDATORY FOR:

- Safe Harbor participants — these participants are part-time, seasonal and temporary UC employees who are not eligible to participate in UCRP and whose wages are not subject to Social Security taxes. Also included in this category are non-exempt UC student employees who do not satisfy certain course load requirements and resident aliens with F-1 and J-1 visa status.
- Eligible academic appointees (see page 43).

Enrollment is automatic and begins on the first day of an eligible appointment.

Contributions

Mandatory employee contributions to the DC Plan Pretax Account may come only from income paid through the UC payroll system (or the payroll systems of Lawrence Berkeley National Laboratory or Hastings College of the Law). Employees may also roll over money from other employer-sponsored plans, including the taxable portion of a distribution from the University of California Retirement Plan (UCRP; see "Rollovers: Into the Plan" on page 48).

Mandatory employee contributions to the Pretax Account appear on employees' W-2 forms in the box marked "Other"; they are not reported as taxable income.

Mandatory employee contributions to the DC Plan Pretax Account are deducted from gross salary (after any other pretax deductions for medical plan premiums, dependent care flexible spending account or health flexible spending account), and income taxes are calculated on remaining pay. Although mandatory pretax contributions reduce taxable income, they do not reduce any other salary-related University benefits such as vacation or sick leave, life or disability insurance benefits, or benefits payable from UCRP.

DC Plan participation may affect the income tax deductibility of any contributions you make to a traditional Individual Retirement Account (IRA). IRA contributions may still qualify for a full or partial tax deduction, depending on your adjusted gross income and tax filing status. Participants concerned about the impact of DC Plan contributions on deductible IRA contributions should consult a tax advisor.

SAFE HARBOR CONTRIBUTIONS

Safe Harbor participants (non-UCRP members, i.e., part-time employees and non-exempt students) make mandatory contributions of 7.5 percent to the DC Plan Pretax Account.

Safe Harbor participants who become UCRP members no longer contribute to the Pretax Account. Safe Harbor participants who become contributing members of a defined benefit plan under any other retirement system to which the University contributes — such as the California Public Employees' Retirement System (CalPERS) — or UC student employees who become exempt will no longer contribute to the Pretax Account.

Money that participants accumulate in the Pretax Account remains there until they leave employment and take a distribution (see "Distributions: Former Employees," on page 44).

ACADEMIC APPOINTEE SUMMER SALARY CONTRIBUTIONS

Compensation that many academic appointees receive for summer session or equivalent term teaching or research is not considered covered compensation for determining UCRP benefits. Therefore, the Plan contains a provision to provide employer and employee contributions to the Pretax Account based on eligible summer or equivalent term salary.

ELIGIBLE ACADEMIC APPOINTEES ARE THOSE WHO:

- Have academic year appointments;
- Are active members of UCRP or another defined benefit plan to which UC contributes; and
- Earn eligible summer or equivalent term salary, defined as additional compensation that is not covered compensation for calculating retirement benefits and that is paid in accordance with Academic Personnel Policy 660.

ELIGIBLE SUMMER SALARY INCLUDES COMPENSATION FOR:

- Summer teaching,
- Summer research, or
- Summer administrative service (generally payments to department chairs, vice chairs, etc., for administrative duties paid as "1/9ths").

Salary paid for teaching University Extension courses is not eligible.

The total contribution rate under this provision is 7 percent of eligible summer salary, comprising an employee pretax contribution of 3.5 percent and employer contribution of 3.5 percent. The employer contribution is funded by the same source that provides the academic appointee's summer salary.

LEAVES OF ABSENCE

Mandatory employee contributions to the Pretax Account stop during a leave without pay and resume automatically upon return to pay status in an eligible position.

For sabbatical leaves or administrative leaves with pay during which employees earn less than 100 percent of regular compensation, contributions continue based on compensation (including paid vacation or sick leave) earned during the leave.

Special rules may allow participants on military leave to "make up" Pretax Account contributions that would have been credited to their account during the military leave. Local Benefits Offices can provide more information.

TERMINATION OF EMPLOYMENT

If a participant leaves UC employment, contributions to the Plan stop automatically. The options available for a participant's accumulations are described in "Distributions: Former Employees" (see page 44).

REAPPOINTMENT

If a participant leaves employment or retires and is later rehired into an eligible position, contributions to the Plan may resume again, depending on the participant's employment status. The participant once again becomes subject to the rules governing active Plan participation.

Safe Harbor participants who leave employment or retire and who are later rehired into another position eligible for Safe Harbor participation will be re-enrolled automatically.

LIMITATIONS ON CONTRIBUTIONS

Section 401(a)(17) of the IRC sets a dollar limit for annual earnings on which contributions to the DC Plan may be made. The earnings limit for the Plan's fiscal year beginning July 1, 2012, is \$250,000 for those who became participants on July 1, 1994, or later and \$375,000 for those who became participants before July 1, 1994.

Contributions

To comply with the IRC §415(c) contribution limit and to protect the Plan's qualified status with the IRS, the Plan Administrator annually monitors contributions made for participants. If, due to reasonable error, the 415(c) limit is exceeded for the year, a participant's after-tax contributions, adjusted for income or losses, will be refunded to the extent necessary to come within the limit. Although the earnings are subject to ordinary income taxes for the year in which the excess amount is refunded, they are not subject to the penalty taxes on early distributions.

The earnings on excess contributions are not eligible for rollover.

INVESTMENT OF CONTRIBUTIONS

Participants choose the investment options in which they want to invest their contributions. The "Investment Options" are explained on page 48. If participants do not make a choice, their contributions are automatically invested in the UC Savings Fund.

Participants may exchange (transfer) accumulations in the Plan among the investment options at any time. Direct exchanges between certain investment options may be prohibited. See the Fidelity Retirement Services website (netbenefits.com) for more information.

Distributions

Distribution rules vary depending on the participant's employment status.

CURRENT UC EMPLOYEES

The Plan does not permit DC Plan Pretax Account distributions to current employees. Pretax Account distributions are permitted only if you leave employment or retire.

Current employees may, however, take a distribution of money that they rolled over into the DC Plan from another employer-sponsored plan, including earnings on the amount rolled over (see "Rollovers: Into the Plan" on page 48).

FORMER EMPLOYEES

If participants leave University employment, they have the following payment options for assets in the DC Plan:

- Leave the assets in the Plan if the Plan balance, including any After-Tax Account balance, totals at least \$2,000. Although participants may no longer contribute, they may transfer money among the investment fund options, subject to the transfer/exchange rules and roll over money into the Plan;
- Take a full or partial distribution (payable to the participant or directly rolled over to a traditional IRA, Roth IRA or employer-sponsored plan);
- Arrange for systematic withdrawals. This option enables the participant to receive regular, periodic distributions without having to make a specific request for each one; or
- Purchase a commercial annuity. Commercial annuities provide periodic payments in a fixed amount for a specific period of time. Annuities can be purchased through UC's group insurance contract with a California-licensed, third party insurance carrier. Neither UC Human Resources, the Regents nor the University has any further fiduciary obligation to participants who use their DC Plan money to purchase an annuity product from any third-party insurance carrier or other such vendor.

Former employees may take a distribution of their money in the Pretax Account at any time.

For distributions made on and after January 1, 2006, the following rules apply to distributions of small accounts after the participant has terminated UC employment:

If the value of the participant's accumulations is less than \$2,000, but more than \$1,000, and the participant fails to provide distribution directions, the participant's accumulations will be rolled over to an IRA custodian designated by the Plan Administrator in an account maintained for the participant.

If the value of the participant's accumulations is \$1,000 or less, and the participant fails to provide distribution directions, the participant's accumulations will be paid directly to the participant at his or her address of record.

All distributions are subject to Fidelity Retirement Services and payroll deadlines. No distributions can be made until all payroll activity is complete, which can take from 30 to 60 days.

BENEFICIARIES

Participants should designate a beneficiary to receive their money in the DC Plan in the event of their death. A participant may not name one beneficiary to receive money in the Pretax Account and another beneficiary to receive any money in the After-Tax Account. Participants may, however, name more than one beneficiary and specify the percentage of the Plan balance that each beneficiary is to receive. A beneficiary may be a person, trust or organization.

Subject to restrictions on small accounts, a beneficiary may elect to take his or her benefit as a lump sum or in periodic payments over a term that meets the Internal Revenue Code requirements on minimum distributions. The benefit also may be applied toward the purchase of a commercial annuity through UC's group insurance contract. If a beneficiary fails to make an election, the benefit will be distributed to the beneficiary in a lump sum by the last day of the calendar year that contains the fifth anniversary of the participant's death.

Spousal beneficiaries also have the option to roll over the taxable portion of money from the participant's account into a traditional IRA, a Roth IRA or to an employer plan that will accept a rollover, either directly or within 60 days of receipt of the distribution. Non-spouse beneficiaries may elect a direct rollover to an inherited traditional or Roth IRA. Federal tax law defines "spouse" for tax purposes.

If no beneficiary has been named, or if the beneficiary dies before the participant, the DC Plan rules require that any

amount remaining be distributed to the participant's survivors in the following order of succession:

- Surviving legal spouse or surviving domestic partner; or, if none,
- Surviving children, natural or adopted, on an equal-share basis (children of a deceased child share their parent's benefit); or, if none,
- Surviving parents on an equal-share basis; or, if none,
- Brothers and sisters on an equal-share basis; or, if none,
- The participant's estate.

COMMUNITY PROPERTY

Married participants and registered domestic partners who designate someone other than their legal spouse or partner as a beneficiary may need to consider the spouse's or partner's community property rights. For residents of a community property state such as California, a designation of beneficiary may be subject to challenge if the spouse or partner would consequently receive less than the share of the benefit attributable to community property.

A will or trust does not supersede a designation of beneficiary, nor does either supersede the Plan's "default" beneficiary rules (described above) that apply in the absence of a valid beneficiary designation.

It is the participant's responsibility to keep information on beneficiaries, including addresses, up to date. The address of record is binding for all purposes of the DC Plan.

You can name or change your beneficiary information by contacting Fidelity Retirement Services (netbenefits.com or 866-682-7787).

Procedures established for the University of California Retirement Plan (UCRP) are used to determine whether a domestic partner is included in the order of succession above. Generally, the UCRP procedures require that an individual must be designated as a UCRP member's domestic partner by one of three possible methods:

- Registration of the domestic partnership with California's Secretary of State;
- Registration of a same-sex union, other than marriage, validly formed in another jurisdiction, that is substantially equivalent to a California domestic partnership; or
- Filing of a UC Declaration of Domestic Partnership form with the UCRP administration.

If a member dies before filing a UC Declaration of Domestic Partnership, only documentation from the first two methods may be used to establish a domestic partnership.

Distributions

TAXES ON DISTRIBUTIONS

A distribution from the DC Plan Pretax Account is generally taxed as ordinary income in the year it is issued. Note, however, that there are specific federal tax withholding rules that apply to all distributions from retirement savings and investment plans. For more information about the tax treatment of Plan distributions, read the special tax notice provided by Fidelity Retirement Services before requesting a distribution. The tax rules are quite complex; for this reason, participants considering a distribution from the Plan are strongly encouraged to consult a tax advisor.

Participants who choose to take a distribution are responsible for satisfying the distribution rules and for any tax consequences.

Distributions to participants are reported annually on IRS Form 1099-R, which is sent in January following the calendar year in which the distribution was issued.

EARLY DISTRIBUTION PENALTIES

In addition to being taxed as ordinary income, the taxable portion of distributions taken before age 59½ (early distributions) may be subject to nondeductible federal and state penalty taxes — currently a 10 percent federal tax and a 2.5 percent California state tax, unless:

- The distribution is made to a participant who leaves UC employment during or after the year the participant reaches age 55,
- The participant is permanently disabled under IRS rules, or dies,
- The participant receives a series of substantially equal distributions over his/her life/life expectancy (or his/her beneficiary's lives/life expectancies),
- The distribution does not exceed deductible medical expenses for the taxable year,
- The distribution is paid to an alternate payee under a QDRO,
- The distribution is made on account of certain tax levies, or
- The distribution is made on account of other exceptions defined by the IRS.

Early distribution penalties are not assessed when a distribution is paid. Participants who are subject to the penalties are responsible for reporting them to the IRS when they file their income tax returns.

MINIMUM REQUIRED DISTRIBUTIONS

Participants must begin receiving minimum distributions from the Plan by April 1 of the calendar year following the later of:

- The year in which they reach age 70½, or
- The year in which they leave University employment.

Participants who do not receive minimum distributions by the required dates, or who receive less than the minimum amount the law requires, must pay a nondeductible 50 percent excise tax on the difference between the amount that should have been received and the amount received.

Minimum required distributions are not eligible for rollover.

Minimum required distributions are calculated in accordance with U.S. Treasury regulations.

DC Plan After-Tax Account Contributions

The information that follows pertains specifically to the DC Plan After-Tax Account.

All employees of UC and Hastings College of the Law — except students who normally work fewer than 20 hours per week — are eligible to make voluntary contributions to the After-Tax Account.

Contributions to the After-Tax Account may be made only through payroll deduction and may only come from income paid through the UC payroll system (or the payroll systems of Lawrence Berkeley National Laboratory or Hastings College of the Law). Contributions are not permitted from any other source.

Contributions to the After-Tax Account are deducted from your pay after income taxes have been deducted. Taxes on the earnings only are deferred until you withdraw the money.

LEAVES OF ABSENCE

Contributions to the After-Tax Account stop during a leave without pay and resume automatically at the same rate upon return to pay status, unless the participant cancels them.

For sabbatical leaves or administrative leaves with pay during which employees earn less than 100 percent of regular compensation, contributions continue in the same amount as elected before the leave. Because contributions remain the same while compensation decreases, it is important for participants to review their contribution amount before going on a paid leave.

Special rules may allow participants on military leave to “make up” After-Tax Account contributions that would have been credited to their account during the military leave. Local Benefits Offices can provide more information.

During paid vacation or sick leave, contributions continue in the same amount.

TERMINATION OF EMPLOYMENT

The options that are available to After-Tax Account participants who leave UC employment are described in “Distributions” on page 44.

REAPPOINTMENT

If you leave UC employment or retire and are later rehired into an eligible position, you may begin contributing to the After-Tax Account again.

CONTRIBUTION AMOUNTS

The maximum amount participants may contribute annually to the After-Tax Account is determined by the IRC §415(c) limit. Generally, this amount is the lesser of:

- 100 percent of the participant's adjusted gross UC salary, or
- \$50,000 (in 2012).

This limit applies to all annual additions as defined in IRC §415(c).

Participants may contribute to the After-Tax Account over 12 months or consolidate contributions in as few pay periods as desired. If you decide to consolidate contributions, however, you are responsible for canceling them once you reach your maximum annual contribution limit (see “Limitations on Contributions” on page 39). Neither the University nor UC Human Resources is responsible for individual tax consequences if a participant's after-tax payroll deductions exceed the 415(c) limit.

LIMITATIONS ON CONTRIBUTIONS

The limitations on contributions are described on page 43.

Distributions

Participants may take a full or partial distribution of their money in the After-Tax Account at any time.

Retiree and former employee participants have additional options for their money in the DC Plan (see “Distributions: Former Employees” on page 44).

TAXES ON DISTRIBUTIONS

The taxable portion of a distribution from the After-Tax Account is taxed as ordinary income in the year the distribution is issued. Participants may not take a distribution of contributions alone (the amount on which they have already paid taxes). Each distribution must include earnings in the same proportion that the earnings bear to contributions in the account. Therefore, unless the earnings are rolled over (or reflect a net loss), all distributions are partially taxable.

As previously discussed, specific federal tax-withholding rules apply to all distributions from retirement savings plans. For more information about the tax treatment of After-Tax Account distributions, read the special tax notice provided by Fidelity Retirement Services before requesting a distribution. Participants considering a distribution from the After-Tax Account are also strongly encouraged to consult a tax advisor.

EARLY DISTRIBUTION PENALTIES

The early distribution penalties are described on page 46.

MINIMUM REQUIRED DISTRIBUTIONS

The minimum distribution rules are described on page 46.

Additional DC Plan Information

INVESTMENT OPTIONS

Plan participants have several options for building individual investment portfolios to achieve their retirement savings goals. Currently, the Treasurer of the Regents of the University of California selects and monitors a group of Core Funds based on criteria established by the Regents. The Core Funds include the UC Funds, which are investment options managed by the Treasurer’s Office or by investment managers appointed by the Treasurer’s Office, as well as several mutual funds. The Core Funds provide participants with a diverse menu of the major asset classes to which they may direct their contributions.

In addition, Fidelity Investments mutual funds and Calvert socially responsible mutual funds are available for those participants willing to assume additional responsibility for monitoring their individual fund choices. These funds are part of fund families previously authorized by the Regents as plan investment options and have been retained in the DC Plan as an accommodation to participants. The Treasurer’s Office does not monitor individual fund performance and makes no qualitative assessment as to any investment fund that is not part of the Core Funds.

Participants may also invest in mutual funds that are not included in the Core Funds and are not part of the Fidelity or Calvert fund families by opening a brokerage window account. To open a brokerage window account, participants must agree to the terms and conditions that govern the account, including acknowledgment of the risks involved and the special fees that may apply.

Information about investment objectives, risks, changes and expenses of all options is available, free of charge, from Fidelity Retirement Services (netbenefits.com or 866-682-7787).

ROLLOVERS: INTO THE PLAN

Participants may move eligible retirement funds from a previous employer plan or an IRA to the DC Plan via a rollover. The DC Plan accepts rollovers of pretax distributions from:

- Other employer-sponsored plans, including 401(a), 401(k), 403(b) and governmental 457(b) plans,
- Lump sum cashouts and CAP distributions from the UC Retirement Plan,
- Traditional IRAs.

The DC Plan also accepts direct rollovers of after-tax amounts from 401(a), 401(k) and 403(b) plans.

To roll over money directly from another employer-sponsored plan to UC’s DC Plan, the participant must arrange to have the

former plan’s trustee or plan administrator write a check for the distribution, payable to “Fidelity Investments Institutional Operations Company, Inc. (FIIOC).” As long as the check is payable directly to FIIOC (not to the participant), no taxes will be withheld from the distribution, and the money will retain its tax-deferred status.

If a participant takes a distribution from a former employer’s plan, including UCRP, and the check is payable to the participant, he/she can also roll over the taxable portion of the money into the DC Plan, as long as the rollover is made within 60 days after receiving the distribution. To roll over 100 percent of the taxable portion of the distribution, the participant must replace from personal savings or other sources an amount equal to the taxes that were withheld when the distribution was issued.

ROLLOVERS: FROM THE PLAN

Virtually all DC Plan pretax distributions are eligible for direct rollover (payable to a traditional IRA, Roth IRA or another employer plan). As long as the check for the distribution is payable directly to the employer plan or IRA custodian, no taxes will be withheld and the money will retain its tax-deferred status. If made payable to the participant, distributions are subject to mandatory 20 percent federal tax withholding. Distributions made to non-spouse beneficiaries are eligible for direct rollovers to an inherited IRA.

Participants may also roll over an eligible DC Plan distribution that has been paid to them, as long as the rollover to the IRA or new plan occurs within 60 days of receipt of the distribution. A participant who wants to roll over 100 percent of the distribution must replace from personal savings or other sources an amount equal to the taxes that were withheld when the distribution was issued. Any amount not rolled over will be taxed as ordinary income for the year in which the distribution was issued. It may also be subject to the early distribution penalties.

DC Plan distributions that are not eligible for direct rollover include:

- Minimum required distributions,
- Refunds of excess contributions (plus earnings) to the After-Tax Account, and
- Systematic withdrawals.

ACCOUNT ACTIVITY

To help participants better understand the Plan’s benefits and effectively manage their accounts, Fidelity Retirement Services provides personalized account information via two electronic sources.

- Participants who have Internet access can find current, comprehensive information about their accounts and make certain online Plan transactions by visiting the Fidelity Retirement Services website (netBenefits.com).
- Participants can retrieve personal financial information about their accounts and make transactions on the Fidelity Retirement Services toll-free telephone line (866-682 7787).

Annual reports containing audited financial statements are available on At Your Service or from the UC Customer Service Center (see inside front cover).

Summary plan descriptions are provided at and are also available on At Your Service, the Fidelity Retirement Services website or from your local Benefit Offices or the UC Customer Service Center.

Participants may obtain a copy of the University of California Defined Contribution Plan document by writing to UC Human Resources (see inside front cover).

Participants should read the complete descriptions of the investment funds and accompanying Plan materials before making any investment decisions.

All notices or communications to a participant or beneficiary will be effective when sent by first-class mail or conveyed electronically to the participant’s address of record. The University and the Regents are entitled to rely exclusively upon any notices, communications or instructions issued in writing or electronically conveyed by UC Human Resources that are believed to be genuine and to have been properly executed.

CLAIMS PROCEDURES

If Fidelity Retirement Services is unable to verify a claimant’s right to a benefit within a short period of time, the claimant will be notified that he or she needs to forward a written request to the attention of the UC Contract Administrator, UC Human Resources, P.O. Box 24570, Oakland, CA 94623-1570, who will review the claim on behalf of the Plan Administrator. The request should include all relevant information. Within 90 days of receipt of the request, the contract administrator will approve or disapprove the claim. If the claim is denied, the contract administrator will notify the claimant in writing, setting forth the specific reasons for the denial and providing specific references

Additional DC Plan Information

to the plan provisions on which the denial is based. The contract administrator also will describe any additional material or information needed to perfect the claim and provide an explanation of the DC Plan's review procedures.

If the claimant's request is denied by the contract administrator, the claimant may submit a written request for an independent review by the Plan Administrator within 60 days of receiving the denial. The request for an independent review should be forwarded to the Plan Administrator, P.O. Box 24570, Oakland, CA 94623-1570. The request should be accompanied by all supporting documentation. The Plan Administrator will make a full review of the request within 60 days unless the circumstances require a longer period, but in no event more than 120 days. If the Plan Administrator upholds the contract administrator's denial, the Plan Administrator will notify the claimant. The decision of the Plan Administrator will be final and conclusive on all persons.

If, after exhausting administrative appeal procedures, the claimant still believes that a benefit has been improperly paid or denied, the claimant has the right to initiate legal proceedings.

For service of process, send to The Regents of the University of California, Trustee of the Defined Contribution Plan, c/o Office of the General Counsel, 1111 Franklin Street, 8th Floor, Oakland, CA 94706.

PLAN ADMINISTRATION AND FEES

The Vice President of Human Resources is the Plan Administrator with responsibility for the day-to-day management and operation of the Plan.

Investor expenses for the UC Funds are limited to 0.15 percent (or \$1.50 per \$1,000 invested) of the Fund's average market value per year, assessed on a daily basis (1/365th per day invested). These expenses are not billed to participants, but are netted against the investment experience of the Funds. These expenses comprise approximately 0.03 percent for investment management, 0.02 percent for investor education, and 0.10 percent for administration (including accounting, audit, legal, custodial and recordkeeping services). The total administrative expenses are estimated and actual expenses could be lower in some periods. If actual administrative expenses are less than estimated, any residual amount will be returned to the Funds periodically, on a prorated basis, thereby lowering the effective expense ratio for participants. There are no front-end or deferred sales loads or other marketing expenses.

In addition, any fees paid by participants, including loan fees and brokerage window account fees, and any fees that may be awarded in connection with plan administration by Fidelity

Retirement Services, will be credited to a plan fee account. At the direction of the Plan Administrator and subject to receipt of supporting documentation, Fidelity Retirement Services will apply the plan fee account funds against reasonable plan expenses that otherwise would be paid from other plan assets. Any basis points that are assessed against the market value of the mutual fund investments in the DC Plan pursuant to revenue sharing agreements will be credited to an expense credit account and offset against charges for services provided by Fidelity Retirement Services and its affiliates. If any amount remains after payment for Fidelity Retirement Services-related services, funds in the expense credit account will be used to reimburse the University for reasonable plan expenses previously paid by the University.

A participant can obtain information on fees charged by a mutual fund investment option by reviewing the fund prospectus available on the Fidelity Retirement Services website (netbenefits.com).

PLAN CHANGES

The Plan is subject to change and to independent audit to comply with applicable federal and state statutes, IRC regulations and industry standards. Participants are notified in writing whenever substantive changes to the Plan occur. Although the Plan is expected to continue indefinitely, The Regents reserve the right to amend, improve or terminate the Plan at any time.

ASSIGNMENT OF BENEFITS

Generally, DC Plan benefits payable to participants, beneficiaries or survivors cannot be attached by creditors, nor can anyone receiving benefits assign payments to others. Plan benefits are intended solely for the security and welfare of participants and their beneficiaries and survivors.

There are some legal exceptions. For example, the IRS may attach retirement benefits to collect unpaid taxes, or a court may order certain benefits to be paid for child or spousal support.

QUALIFIED DOMESTIC RELATIONS ORDERS (QDROS)

A court may award Plan assets to the participant's spouse or former spouse or the participant's dependent. This usually will occur in connection with a divorce or legal separation. In such cases, the domestic relations order must be approved, or qualified, as being in compliance with state law and with the Plan.

Both spouses and the court have the right to request information about the benefits earned by the participant during the marital period and how those benefits are derived, as well as information about the options available to non-participants. To obtain a copy of the QDRO procedures, contact Fidelity Retirement Services (netbenefits.com or 866-682-7787).

California law established procedures for dividing property in connection with the termination of a state-registered domestic partnership. For more information, call Fidelity Retirement Services.

INELIGIBLE ACCOUNTS RETAINED BY UC

The DC Plan does not permit a participant whose accumulations have a value of less than \$2,000 to remain in the DC Plan after leaving UC employment. In order to facilitate the conversion to the new record keeper in July 2005, the UC Residual Accounts group retained administration of ineligible accounts of participants who terminated UC employment before July 1, 2005, with small balances as follows:

If a participant had accumulations of less than \$50 on June 30, 2005, and failed to provide timely distribution directions or confirm his or her location, the participant's accumulations were forfeited as of June 30, 2005. The forfeited amounts will be used to defray reasonable Plan expenses and to restore a participant's previously forfeited accumulations, plus interest, if the participant subsequently files a valid claim and provides distribution directions.

If a participant had accumulations of \$50 or more but less than \$2,000 on June 30, 2005, and the participant failed to provide timely distribution directions, the investment options in the participant's account were liquidated as of June 30, 2005, and an account was established on the participant's behalf. The aggregated assets of all such accounts were then invested in the UC Savings Fund in order to preserve principal, and a proportionate share was allocated to each account. The UC Residual Accounts group will maintain such accounts until such time as the participant's location can be confirmed and distribution made. Each account is credited with monthly interest at a fixed rate.

If you think you may be entitled to funds in an ineligible account, contact UC Customer Service at 800-888-8267.

Tax-Deferred 403(b) Plan: Summary Plan Description

Introduction	55	Additional 403(b) Plan Information	63
Eligibility	56	Investment Options.....	63
Contributions	56	Rollovers: Into the Plan.....	63
Leaves of Absence.....	56	Rollovers: From the Plan.....	64
Termination of Employment	57	Account Activity	64
Reappointment	57	Claims Procedures.....	65
Maximum Annual Contribution Limits.....	57	Plan Administration and Fees.....	65
Special Catch-up Provision.....	57	Plan Changes	66
Excess Salary Reductions	57	Assignment of Benefits.....	66
Investment of Contributions	58	Qualified Domestic Relations Orders (QDROs)	66
403(b) Plan Loan Program	59	Ineligible Accounts Retained by UC	66
Loan Terms and Borrowing Limits.....	59	Employee Information Statement	80
Interest Rates and Administrative Fees	59		
Repayment	59		
Distributions	60		
Current UC Employees.....	60		
Hardship Distributions.....	60		
Former Employees.....	61		
Beneficiaries	61		
Taxes on Distributions.....	62		
Early Distribution Penalties	62		
Minimum Required Distributions.....	63		

Introduction

The 403(b) Plan is a defined contribution plan described under §403(b) of the Internal Revenue Code (the IRC). Future benefits from the 403(b) Plan will reflect the amount of a participant's voluntary salary deferral contributions plus earnings. Vesting is immediate.

Employees who want to participate in the 403(b) Plan designate a portion of their gross salary to be contributed on a pretax basis, thus reducing the participant's taxable income. Taxes on contributions and any earnings are deferred (that is, postponed) until the participant withdraws the money.

The designated Plan Administrator of the 403(b) Plan is the Vice President, Human Resources (VP-HR). The VP-HR has delegated recordkeeping duties to Fidelity Retirement Services. The relevant contact information is on the inside front cover. The Plan Administrator administers the 403(b) Plan for the sole benefit of Plan participants and their beneficiaries. Participation is voluntary and should be based on the participant's financial objectives and resources. Individual investment strategies should reflect the participant's personal savings goals and tolerance for financial risk. Participants may also want to consult a tax advisor or financial planner before enrolling. UC, The Regents, the Treasurer, UC Human Resources and Fidelity Retirement Services are not liable for any loss that may result from participants' investment decisions. This Summary Plan Description summarizes the Plan document as revised effective January 1, 2010.

Eligibility

All employees of UC and Hastings College of the Law — except students who normally work fewer than 20 hours per week — are eligible to participate in the 403(b) Plan. An employee begins participation when contributions are made to the 403(b) Plan on the employee's behalf. An employee or former employee continues participation until all funds held on his or her behalf are distributed.

Contributions

Salary deferral contributions to the 403(b) Plan come only from income paid through the UC payroll system (or the payroll systems of Lawrence Berkeley National Laboratory or Hastings College of the Law). Employees may also roll over money from other employer-sponsored plans, including the taxable portion of a distribution from the University of California Retirement Plan (UCRP; see "Rollovers: Into the Plan" on page 63).

Contributions to the 403(b) Plan are reported annually on employees' W-2 forms, but are not included in income subject to taxation.

403(b) Plan salary deferral contributions are deducted from gross salary (after any other pretax deductions for medical plan premiums, dependent care expenses or certain health care expenses), and income taxes are calculated on remaining pay. Although 403(b) Plan salary deferral contributions reduce taxable income, they do not reduce any other salary-related University benefits such as vacation or sick leave, life or disability insurance benefits, or benefits payable from UCRP.

Upon enrollment, participants choose the flat dollar amount or percentage of salary that they will contribute through payroll (generally monthly or biweekly) up to their maximum annual contribution amount. Under the percentage method, contributions change proportionately as the participant's salary changes.

If a participant transfers employment from one UC location to another UC location, the salary deferral election will stop automatically. The participant must re-enroll at the new location to continue contributions.

LEAVES OF ABSENCE

Contributions stop during a leave without pay and resume automatically at the same rate upon return to pay status unless the participant cancels them.

For sabbatical leaves or administrative leaves with pay during which employees earn less than 100 percent of regular compensation, contributions continue in the same amount or percentage (see "Contributions") as elected before the leave unless the participant makes a change. Because contributions remain the same while compensation decreases, it is important for participants to review their contribution amount before going on a paid leave.

Special rules may allow participants on military leave to "make up" contributions that would have been credited to their accounts during the military leave. Local Benefits Offices can provide more information.

During paid vacation or sick leave, contributions continue in the same amount.

TERMINATION OF EMPLOYMENT

If a participant leaves UC employment, contributions stop automatically. The payment options available for a participant's accumulations are described in "Distributions, Former Employees" (see page 61).

REAPPOINTMENT

If a participant leaves UC employment or retires and is later rehired into an eligible position, the participant may begin contributing to the Plan again.

MAXIMUM ANNUAL CONTRIBUTION LIMITS

The IRC limits the amount participants may contribute annually to tax-advantaged retirement plans and imposes substantial penalties for violating contribution limits (see "Excess Salary Reductions," at right).

For 2012, the 403(b) Plan contribution limits on salary deferral contributions are as follows:

Regular contribution limit: \$17,000⁷

Participants who are age 50 or older any time during the year: \$22,500⁷

To contribute the maximum amount, participants should check the limits and adjust their contributions for each calendar year accordingly.

Adjusted gross salary for any year is a participant's gross University salary (including any shift differential, summer or equivalent term salary, health science faculty income over the base professorial salary, stipends and overtime), minus any required pretax contributions to other retirement plans (for example, mandatory contributions to the UC Defined Contribution Plan or to UCRP) and any pretax payments for UCRP (to establish, reestablish or convert prior periods of service credit or to eliminate the noncontributory offset).

SPECIAL CATCH-UP PROVISION

A special catch-up provision may allow participants to make additional contributions if, as of the preceding calendar year:

- The participant has 15 or more full years of UC employment, and
- The participant's cumulative 403(b) Plan contributions (not including earnings) total less than \$5,000 times years of UC employment.

The special catch-up provision allows additional contributions up to a maximum of \$3,000 per year. Total cumulative special catch-up contributions under this provision are limited to \$15,000. For participants age 50 and older, the first \$3,000 of any salary deferrals contributed each year in excess of the under-age 50 limit is counted as a special catch-up contribution until they are no longer eligible to make these contributions. Participants who want to maximize 403(b) Plan contributions should take advantage of the special catch-up provision as soon as possible after completing 15 years of service.

EXCESS SALARY REDUCTIONS

UC payroll systems monitor 403(b) Plan contributions, and a participant's contributions will stop automatically if they reach the limit before the end of the year. As a result, there is little chance of overcontributing. In limited circumstances, however, excess salary reductions may be made — if, for example, a participant works at more than one UC location during the year or contributes to a tax-advantaged plan with another employer.

If participants overcontribute because they work at more than one UC location, the excess will normally be identified and, in most cases, returned (with any earnings) before the end of the year in which it occurs.

⁷ or 100 percent of adjusted gross salary, if less

Contributions

If participants think they have overcontributed but have not been contacted, or if they contribute to a tax-advantaged plan with another employer during the year, they should call Fidelity Retirement Services before the end of the year (or by March 1 of the following year) to request a refund.

The IRC requires that excess salary reductions in any calendar year be refunded to the participant by April 15 of the following year to avoid tax penalties. If the excess is refunded by April 15, the excess is treated as ordinary income for the year in which the salary reductions were made. The refund will also reflect any earnings (or loss) generated by the excess salary reductions during that year. The earnings must be reported on tax returns for the year in which the refund is paid. For example, if a participant receives a refund of 2011 excess contributions in 2011, all amounts should be reported on tax returns for 2011. If the participant receives the refund in 2012, however, the excess contributions should be reported on 2011 tax returns and any earnings on tax returns for 2012.

Refunds of excess contributions and earnings are not eligible for rollover, nor are they subject to the penalty taxes on early distributions (see “Early Distribution Penalties” on page 62).

If an excess contribution is not refunded by April 15, the excess amount must remain in the Plan. The participant must still report the excess as ordinary income for the year in which the contributions were made. In addition, the excess amount will again be taxable as ordinary income in the year in which the participant receives a distribution that includes these funds. In other words, excess contributions that are not refunded by the April 15 deadline are taxed twice. If the participant is under age 59½ when the distribution occurs, the excess may be subject to the early distribution penalty as well.

If, during a year, contributions for the participant are made to another plan over which the participant has control, or a participant makes salary deferral contributions to another plan (other than a 457(b)), the participant should consult a tax advisor on the applicable limitations on contributions.

INVESTMENT OF CONTRIBUTIONS

Participants choose the investment options in which they want to invest their contributions. The “Investment Options” are explained on page 63.

Subject to payroll deadlines, participants may start, stop or change the amount of their contributions to the Plan at any time on the Fidelity Retirement Services website or by calling Fidelity at 866-682-7787. They also may redirect future 403(b) Plan contributions to one or more of the investment options and/or exchange (transfer) accumulations in the Plan among the investment options at any time. Direct transfers between certain investment options may be prohibited. See the Fidelity Retirement Services website (netbenefits.com) for more information.

403(b) Plan Loan Program

403(b) Plan Loan Program policies and guidelines conform to applicable IRC provisions and are subject to termination or change by the Plan Administrator and various governing authorities without prior notice.

Participants are eligible to borrow from their 403(b) Plan accumulations if they are active UC employees with at least \$1,000 in the Plan.

403(b) Plan loans are secured by a promissory note. As each repayment is credited back to the account, earnings accrue to the participant’s accumulations.

Loan proceeds will be taken pro rata across the participant’s fund holdings unless the participant contacts Fidelity at 866-682-7787 to specify the funds from which the loan should be taken.

Important note — the decision to participate in the 403(b) Plan represents a conscious commitment to save for retirement years, and participants should borrow from the 403(b) Plan only if it is absolutely necessary. Although participants are not penalized if they take a 403(b) Plan loan, they do risk the loss of earning potential.

LOAN TERMS AND BORROWING LIMITS

Loans are generally granted for a term of five years or less (general-purpose loans). Loans taken to purchase a principal residence can extend for a term of up to 15 years (principal residence loans). Before taking a loan from the 403(b) Plan to purchase a principal residence, participants should consult a tax advisor.⁸

Depending on the combined Retirement Savings Program (Defined Contribution Plan, 403(b) Plan and 457(b) Deferred Compensation Plan) balance, the participant may borrow from \$1,000 to \$50,000 as follows:

If Retirement Savings Program Balance is:	Loan Limit is:
\$1,000 to \$20,000	\$10,000, or 100% of 403(b) Plan balance, if less than \$10,000 (minus any current outstanding loan balance).
\$20,000 & over	\$50,000 ⁹ , 50% of combined Program balance or 100% of 403(b) Plan balance, whichever is less (minus any current outstanding loan balance).

Participants may have one general-purpose loan and one principal-residence loan outstanding at any given time; they may take one general-purpose loan and one principal-residence loan during any 12-month period.

INTEREST RATES AND ADMINISTRATIVE FEES

Interest rates for the Loan Program are determined quarterly, based on the prime rate plus 1 percent. The interest rate is fixed when the loan is granted and remains the same throughout the loan term.

A nonrefundable loan initiation fee of \$35 will be deducted from the Plan balance at the end of the quarter in which the loan is taken. A \$15 annual maintenance fee is deducted (\$3.75 per quarter) for the life of the loan.

REPAYMENT

Participants generally repay their loans through automatic after-tax payroll deduction. Monthly payments of principal and interest are credited proportionately among the investment options the participant has elected for future contributions. The minimum monthly payment is \$50, and the minimum repayment term is 12 months. The maximum repayment term is 60 months — or up to 180 months (15 years) if the loan is used to buy a principal residence.

If a participant wants to prepay part or all of the outstanding loan balance, there are no prepayment penalties.

⁹ \$50,000 is the maximum amount of principal that a participant may borrow or have outstanding during any 12-month period. Further, the total amount of all outstanding 403(b) Plan loans within a 12-month period will affect the maximum amount that a participant may borrow during that period, even if the participant has paid off all amounts owed. The \$50,000 maximum is reduced by the total of any 403(b) loan balances outstanding during the preceding 12 months.

⁸ Interest on 403(b) Plan loans is not deductible for income tax purposes; therefore, a conventional home mortgage loan may be more advantageous for participants purchasing a principal residence.

403(b) Plan Loan Program

Participants with a 403(b) Plan loan who retire, leave UC employment, go on approved leave without pay, go on furlough or temporary layoff, or otherwise have a change in pay status that affects their payroll deduction loan payments must arrange for one of the following options with Fidelity Retirement Services within 90 days of their last day on pay status:

- Make monthly payments,
- Make full payment in advance for the period off pay status (not applicable to retirees), or
- Repay the outstanding loan amount in full.

For employees returning from an approved leave without pay, Fidelity Retirement Services will automatically reamortize the outstanding loan balance, including any payments missed during the leave, which may increase the amount of the monthly payment. Note: the total number of payments cannot exceed the term maximum (60 months for general purpose loans, 150 months for principal residence loans).

If the loan defaults, the outstanding principal will be treated as a taxable distribution.

Please note: Fidelity Retirement Services cannot accept personal checks. Payments must be made by electronic funds transfer or by certified check.

If a participant dies before repaying a loan in full and the outstanding loan principal is not paid within 90 days of the participant's death, any outstanding principal will be treated as a taxable distribution.

Generally, for any circumstance in which either a loan payment or outstanding balance is not repaid when it is due or within 90 days, the loan will be considered in default. If the default is not resolved within the 90-day period, the loan will be canceled and any outstanding principal will be treated as a taxable distribution from the 403(b) Plan.

Borrowers who go on military leave may elect to suspend loan payments, arrange to continue monthly payments (which may involve an interest rate adjustment), prepay their loan or pay off the loan. These options must be elected before the military leave is effective. Contact Fidelity Retirement Services for more information.

Distributions of outstanding loan principal will be subject to ordinary income taxes and may also be subject to federal and state penalty taxes on early distributions (before age 59½). Fidelity Retirement Services will issue a Form 1099-R reporting the amount of the distribution. Taxes and penalties, if applicable, should be reported when the participant files tax returns. A participant will not be able to take additional loans from the 403(b) Plan while a loan is in default.

Distributions

Distribution rules vary depending on the participant's employment status.

CURRENT UC EMPLOYEES

The IRC restricts 403(b) Plan in-service distributions to current employees. In general, an employee may not take a distribution of Plan accumulations, unless the employee:

- Has attained age 59½, or
- Experienced a hardship as described below.

HARDSHIP DISTRIBUTIONS

Employees may be able to take a hardship distribution on account of an immediate and heavy financial need. To be eligible for a hardship distribution, an employee must have exhausted all other financial resources — including a loan from the 403(b) Plan or any other lending program maintained by UC Retirement Savings Program, and a distribution of any money in the DC Plan After-Tax Account. After receiving a hardship distribution, the employee may not make voluntary contributions to the 403(b) Plan, the 457(b) Plan or the DC Plan for six months. The employee must also certify that the distribution is being taken for at least one of the following reasons:

- Eligible medical expenses;
- The purchase of a principal residence (excluding mortgage payments);
- Tuition payments and/or room and board for the next 12 months of post-secondary education for the employee, his/her spouse, primary beneficiary, child or dependents;
- Payments necessary to prevent foreclosure on the mortgage of, or eviction from, a principal residence;
- Burial and/or funeral expenses for a family member;
- Loss or damage as a result of a natural disaster (for example, earthquake, flood, fire, etc.); or
- Other circumstances determined by the Internal Revenue Service.

Participants who request a hardship distribution that exceeds \$10,000 or who make multiple hardship distribution requests within a 12-month period must provide proof of hardship to Fidelity Retirement Services. Fidelity Retirement Services and the IRS rules may also require proof of hardship for certain other hardship distribution requests.

Hardship distributions will include only the participant's 403(b) Plan contributions. (Exception — contributions rolled over into the 403(b) Plan from a former employer plan may also be included if necessary to satisfy the request.) Any earnings on the contributions must remain in the Plan.

A hardship distribution is generally taxed as ordinary income in the year in which it is issued and may not be rolled over to an IRA or any other retirement account. In accordance with IRS regulations, Fidelity Retirement Services will withhold 10 percent for federal taxes and 1 percent for California state taxes (unless the participant elects no withholding).

There are specific federal tax-withholding rules that apply to all distributions from retirement and savings plans (see "Taxes on Distributions" on page 62).

FORMER EMPLOYEES

In general, participants cannot request a distribution until 31 days after their employment ends. However, the 31-day period is waived for participants who are age 59½ or older.

Participants who leave UC employment have the following options for assets in the 403(b) Plan:

- Leave the assets in the Plan if the Plan balance totals at least \$2,000, subject to minimum required distribution rules. Although participants may no longer contribute, they may transfer funds among the investment options, subject to the transfer/exchange rules, and roll over money into the Plan;
- Take a full or partial distribution (payable to the participant or directly rolled over to a traditional IRA, a Roth IRA or employer-sponsored plan); see page 60 for information on early distributions.
- Arrange for systematic withdrawals. This option enables the participant to receive regular, periodic distributions without having to make a specific request for each one; or
- Purchase a commercial annuity. Commercial annuities provide periodic payments in a fixed amount for a specific period of time. Annuities may be purchased through UC's group insurance contract with a California-licensed third party insurance carrier. Neither UC Human Resources, the Regents nor the University has any further fiduciary obligation to participants who use their 403(b) Plan funds to purchase an annuity product from any third-party insurance carrier or other such vendor.

All distributions are subject to Fidelity Retirement Services and payroll deadlines. No distributions can be made until all payroll activity is complete, which can take from 30 to 60 days.

The following Plan rules apply to distributions of small accounts after the participant has terminated UC employment:

If the value of the participant's accumulations is less than \$2,000, but more than \$1,000, and the participant fails to provide distribution directions, the participant's accumulations will be rolled over to an IRA custodian designated by the Plan Administrator in an account maintained for the participant.

If the value of the participant's accumulations is \$1,000 or less, and the participant fails to provide distribution directions, the participant's accumulations shall be paid directly to the participant at his or her address of record.

BENEFICIARIES

Participants should designate a beneficiary to receive their accumulations in the 403(b) Plan in the event of their death. Participants may name more than one beneficiary and specify the percentage of the Plan balance that each beneficiary is to receive. A beneficiary may be a person, trust or organization.

Subject to restrictions on small accounts, a beneficiary may elect to take his or her benefit as a lump sum or in periodic payments over a term that meets the Internal Revenue Code requirements on minimum distributions. The benefit also may be applied toward the purchase of a commercial annuity through UC's group insurance contract. If a beneficiary fails to make an election, the benefit will be distributed to the beneficiary in a lump sum by the last day of the calendar year that contains the fifth anniversary of the participant's death.

A deceased participant's beneficiary (the participant's beneficiary) may also designate a beneficiary (beneficiary's beneficiary) to receive the balance in the deceased participant's account if the participant's beneficiary dies before taking a total distribution. The beneficiary's beneficiary must decide how they want money to be distributed within nine months of the death of the participant's beneficiary.

If no beneficiary has been named, or if the beneficiary dies before the participant, the 403(b) Plan "default" beneficiary designation rules require that any amount remaining be distributed to the participant's survivors in the following order of succession:

Distributions

- Surviving legal spouse or surviving domestic partner; or, if none,
- Surviving children, natural or adopted, on an equal-share basis (children of a deceased child share their parent's benefit); or, if none,
- Surviving parents on an equal-share basis; or, if none,
- Brothers and sisters on an equal-share basis; or, if none,
- The participant's estate.

COMMUNITY PROPERTY

Married participants and registered domestic partners who designate someone other than their legal spouse or partner as a beneficiary may need to consider the spouse's or partner's community property rights. For residents of a community property state such as California, a designation of beneficiary may be subject to challenge if the spouse or partner would consequently receive less than the share of the benefit attributable to community property.

A will or trust does not supersede a designation of beneficiary, nor does either supersede the Plan's "default" beneficiary rules (described above) that apply in the absence of a valid beneficiary designation.

It is the participant's responsibility to keep information on beneficiaries, including addresses, up to date. The address of record is binding for all purposes of the 403(b) Plan. You can name or change your beneficiary information by contacting Fidelity Retirement Services (netbenefits.com or 866-682-7787). The address of record is binding for all purposes of the 403(b) Plan.

Procedures established for the University of California Retirement Plan (UCRP) are used to determine whether a domestic partner is included in the order of succession above. Generally, the UCRP procedures require that an individual must be designated as a UCRP member's domestic partner by one of three possible methods:

- Registration of the domestic partnership with California's Secretary of State;
- Registration of a same-sex union, other than marriage, validly formed in another jurisdiction, that is substantially equivalent to a California domestic partnership; or
- Filing of a *UC Declaration of Domestic Partnership* form and supporting documentation with the UCRP administration.

If a member dies before filing a *UC Declaration of Domestic Partnership*, only documents from the first two methods may be used to establish a domestic partnership.

TAXES ON DISTRIBUTIONS

A distribution from the 403(b) Plan is generally taxed as ordinary income in the year it is issued. Note, however, that there are specific federal tax-withholding rules that apply to all distributions from retirement savings and investment plans. For more information about the tax treatment of Plan distributions, read the special tax notice provided by Fidelity Retirement Services before requesting a distribution. The tax rules are quite complex; for these reasons, participants considering a distribution from the Plan are strongly encouraged to consult a tax advisor.

Participants who choose to take a distribution are responsible for satisfying the distribution rules and for any tax consequences.

Distributions to participants are reported annually on IRS Form 1099R, which are sent in January following the calendar year in which the distribution was issued.

EARLY DISTRIBUTION PENALTIES

In addition to being taxed as ordinary income, distributions taken before age 59½ (early distributions) may be subject to nondeductible federal and state penalty taxes — currently a 10 percent federal tax and a 2.5 percent California state tax, unless:

- The distribution is made to a participant who leaves UC employment during or after the year the participant reaches age 55,
- The participant is permanently disabled under IRS rules or dies,
- The participant receives a series of substantially equal distributions over his/her life/life expectancy (or his/her and beneficiary's lives/life expectancies),
- The distribution does not exceed deductible medical expenses for the taxable year,
- The distribution is paid to an alternate payee under a QDRO,
- The distribution is made on account of certain tax levies, or
- The distribution is made on account of other exceptions defined by the IRS.

Early distribution penalties are not assessed when a distribution is paid. Participants who are subject to the penalties are responsible for reporting them to the IRS when they file their income tax returns.

MINIMUM REQUIRED DISTRIBUTIONS

Participants must begin receiving minimum distributions from the Plan by April 1 of the calendar year following the later of:

- The year in which they reach age 70½, or
- The year in which they leave UC employment.

Participants who do not receive minimum distributions by the required dates, or who receive less than the minimum amount the law requires, must pay a nondeductible 50 percent excise tax on the difference between the amount that should have been received and the amount received.

Minimum required distributions are not eligible for rollover.

Minimum required distributions are calculated in accordance with U.S. Treasury regulations.

Additional 403(b) Plan Information

INVESTMENT OPTIONS

Plan participants have several options for building individual investment portfolios to achieve their retirement savings goals. Currently, the Treasurer of the Regents of the University of California selects and monitors a group of Core Funds based on criteria established by the Regents. The Core Funds include the UC Funds, which are investment options managed by the Treasurer's Office or by investment managers appointed by the Treasurer's Office, as well as mutual funds. The Core Funds provide participants with a diverse menu of the major asset classes to which participants may direct their contributions.

In addition, Fidelity Investments mutual funds and Calvert socially responsible mutual funds are available for those participants willing to assume additional responsibility for monitoring their individual fund choices. These funds are part of fund families previously authorized by The Regents as plan investment options and have been retained in the 403(b) Plan as an accommodation to participants. The Treasurer's Office does not monitor individual fund performance and makes no qualitative assessment as to any investment fund that is not part of the Core Funds.

Participants may also invest in mutual funds that are not included in the Core Funds and are not part of the Fidelity or Calvert fund families by opening a brokerage window account. To open a brokerage window account, participants must agree to the terms and conditions that govern the account, including acknowledgment of the risks involved and the special fees that may apply.

Information about investment objectives, risks, changes and expenses of all options is available, free of charge, from Fidelity Retirement Services (netbenefits.com or 866-682-7787).

ROLLOVERS: INTO THE PLAN

Participants may move eligible retirement funds from a previous employer plan or an IRA to the 403(b) Plan via a rollover. The 403(b) Plan accepts rollovers of pre-tax distributions from:

- Other employer-sponsored plans, including 401(a), 401(k), 403(b) and governmental 457(b) Plans,
- Lump sum cashouts and CAP distributions from the UC Retirement Plan,
- Traditional IRAs.

The Plan also accepts direct rollovers of after-tax amounts from other 403(b) plans, 401(a) plans (including UCRP) and 401(k) plans.

Additional 403(b) Plan Information

To roll over money directly from another employer-sponsored plan to UC's 403(b) Plan, the participant must arrange to have the plan's custodian or plan administrator write a check for the distribution, payable to "Fidelity Investments Institutional Operations Company, Inc. (FIIOC)." As long as the check is payable directly to FIIOC (not to the participant), no taxes should be withheld from the distribution, and the pretax funds will retain their tax-deferred status.

Employees who are eligible to participate in the 403(b) Plan may execute a rollover (and become Plan participants) even if they have not yet begun contributing to the Plan through payroll deductions.

Former employees who did not participate in the 403(b) Plan are not eligible to roll over funds into the Plan, except for eligible distributions from UCRP of \$2,000 or more.

If a participant takes a distribution from a former employer's plan, including UCRP, and the check is payable to the participant, he/she can also roll over the taxable portion of the money into the 403(b) Plan, as long as the rollover is made within 60 days after receiving the distribution. To roll over 100 percent of the taxable portion of the distribution, the participant must replace, from personal savings or other sources, an amount equal to the taxes that were withheld when the distribution was issued.

ROLLOVERS: FROM THE PLAN

All 403(b) Plan distributions except those listed below are eligible for direct rollover (distribution made payable to a traditional IRA, a Roth IRA or another employer plan). As long as the check for the distribution is payable directly to the plan, no taxes should be withheld and the funds will retain tax-deferred status. If made payable to the participant, taxable distributions are subject to mandatory 20 percent federal tax withholding.

Participants may also roll over an eligible 403(b) Plan distribution consisting of pretax funds that has been paid to them, as long as the rollover to the IRA or new plan occurs within 60 days of receipt of the distribution. A participant who wants to roll over 100 percent of the distribution must replace, from personal savings or other sources, an amount equal to the taxes that were withheld when the distribution was issued. Any amount not rolled over will be taxed as ordinary income for the year in which the distribution was issued. It may also be subject to the early distribution penalties.

403(b) Plan distributions that are not eligible for rollover include:

- Minimum required distributions,
- Refunds of excess contributions (plus earnings),
- Systematic withdrawals, and
- Hardship distributions.

Distributions made to non-spouse beneficiaries are eligible only for a direct rollover and only to an inherited IRA.

For more information about the tax treatment of rollovers, read the special tax notice available from Fidelity Retirement Services.

ACCOUNT ACTIVITY

To help participants better understand the Plan's benefits and effectively manage their accounts, Fidelity Retirement Services, on behalf of UC Human Resources, provides personalized account information via two electronic sources.

- Participants who have Internet access can find current, comprehensive information about their accounts and make certain online Plan transactions by visiting the Fidelity Retirement Services website (netbenefits.com).
- Participants can retrieve personal financial information about their accounts and make transactions on the Fidelity Retirement Services toll-free telephone line (866-682-7787).

Annual reports containing audited financial statements are available on the At Your Service website or from the UC Customer Service Center.

Summary plan descriptions are provided at hire and also available on At Your Service, the Fidelity Retirement Services website or from your local Benefits Office or the UC Customer Service Center.

Participants may obtain a copy of the University of California Tax-Deferred 403(b) Plan document by writing to UC Human Resources (see inside front cover).

Participants should read the complete descriptions of the investment funds and accompanying Plan materials before making any investment decisions.

All notices or communications to a participant or a beneficiary will be effective when sent by first-class mail or conveyed electronically to the participant's address of record. The University and the Regents are entitled to rely exclusively upon any notices, communications or instructions issued in writing or electronically conveyed by UC Human Resources that are believed to be genuine and to have been properly executed.

CLAIMS PROCEDURES

If Fidelity Retirement Services is unable to verify a claimant's right to a benefit within a short period of time, the claimant will be notified that he or she needs to forward a written request to the attention of the UC Contract Administrator, UC Human Resources, P.O. Box 24570, Oakland, CA 94623-1570, who will review the claim on behalf of the Plan Administrator. The request should include all relevant information. Within 90 days of receipt of the request, the contract administrator will approve or disapprove the claim. If the claim is denied, the contract administrator will notify the claimant in writing, setting forth the specific reasons for the denial and providing specific references to the plan provisions on which the denial is based. The contract administrator also will describe any additional material or information needed to perfect the claim and provide an explanation of the 403(b) Plan's review procedures.

If the claimant's request is denied by the contract administrator, the claimant may submit a written request for an independent review by the Plan Administrator within 60 days of receiving the denial. The request for an independent review should be forwarded to the Plan Administrator, P.O. Box 24570, Oakland, CA 94623-1570. The request should be accompanied by all supporting documentation. The Plan Administrator will make a full review of the request within 90 days unless the circumstances require a longer period, but, in general, no event more than 120 days. If the Plan Administrator upholds the contract administrator's denial, the Plan Administrator will notify the claimant. The decision of the Plan Administrator will be final and conclusive on all persons.

If, after exhausting administrative appeal procedures, the claimant still believes that a benefit has been improperly paid or denied, the claimant has the right to initiate legal proceedings.

For service of process, send to:

The Regents of the University of California
Trustee of the Tax-Deferred 403(b) Plan
c/o Office of the General Counsel
1111 Franklin Street, 8th Floor
Oakland, CA 94706

PLAN ADMINISTRATION AND FEES

The Vice President of Human Resources is the Plan Administrator with responsibility for the day-to-day management and operation of the Plan.

Investor expenses for the UC Funds are limited to 0.15 percent (or \$1.50 per \$1,000 invested) of the Fund's average market value per year, assessed on a daily basis (1/365th per day invested). These expenses are not billed to participants, but are netted against the investment experience of the Fund. These expenses comprise approximately 0.03 percent for investment management, 0.02 percent for investor education, and 0.10 percent for administration (including accounting, audit, legal, custodial and recordkeeping services). The total administrative expenses are estimated and actual expenses could be lower in some periods. If actual administrative expenses are less than estimated, any residual amount will be returned to the Fund periodically, on a prorated basis, thereby lowering the effective expense ratio for participants. There are no front-end or deferred sales loads or other marketing expenses.

In addition, any fees paid by participants, including loan fees and brokerage window account fees, and any fees that may be awarded in connection with plan administration by Fidelity Retirement Services, will be credited to a plan fee account. At the direction of the Plan Administrator and subject to receipt of supporting documentation, Fidelity Retirement Services will apply the plan fee account funds against reasonable plan expenses that otherwise would be paid from other plan assets. Any basis points that are assessed against the market value of the mutual fund investments in the 403(b) Plan pursuant to revenue sharing agreements will be credited to an expense credit account and offset against charges for services provided by Fidelity Retirement Services and its affiliates. If any amount remains after payment for Fidelity Retirement Services-related services, funds in the expense credit account will be used to reimburse the University for reasonable plan expenses previously paid by the University.

A participant can obtain information on fees charged by a mutual fund investment option by reviewing the fund prospectus available on the Fidelity Retirement Services website (netbenefits.com).

Additional 403(b) Plan Information

PLAN CHANGES

The Plan is subject to change and to independent audit to comply with applicable federal and state statutes, IRC regulations and industry standards. Participants are notified in writing whenever substantive changes to the Plan occur. Although the Plan is expected to continue indefinitely, the Regents reserve the right to amend or terminate the Plan at any time.

ASSIGNMENT OF BENEFITS

Generally, 403(b) Plan benefits payable to participants, beneficiaries or survivors cannot be attached by creditors, nor can anyone receiving benefits assign payments to others. Plan benefits are intended solely for the security and welfare of participants and their beneficiaries and survivors.

There are some exceptions. For example, the IRS may attach retirement benefits to collect unpaid taxes, or a court may order certain benefits to be paid for child or spousal support.

QUALIFIED DOMESTIC RELATIONS ORDERS (QDROS)

A court may award Plan assets to the participant's spouse or former spouse or the participant's dependent. This usually will occur in connection with a divorce or legal separation. In such cases, the domestic relations order must be approved, or qualified, as being in compliance with state law and with the Plan.

Both spouses and the court have the right to request information about the benefits earned by the participant during the marital period and how those benefits are derived, as well as information about the options available to non-participants. To obtain a copy of the QDRO procedures, contact Fidelity Retirement Services (netbenefits.com or 866-682-7787).

California law established procedures for dividing property in connection with the termination of a state-registered domestic partnership. For more information, call Fidelity Retirement Services.

INELIGIBLE ACCOUNTS RETAINED BY UC

The 403(b) Plan does not permit a participant whose accumulations have a value of less than \$2,000 to remain in the 403(b) Plan after leaving UC employment. In order to facilitate the conversion to the new record keeper in July 2005, the UC Residual Accounts group retained administration of ineligible accounts of participants who terminated UC employment before July 1, 2005, with small balances as follows:

If a participant had accumulations of less than \$50 on June 30, 2005, and failed to provide timely distribution directions or confirm his or her location, the participant's accumulations were forfeited as of June 30, 2005. The forfeited amounts will be used to defray reasonable plan expenses and to restore a participant's previously forfeited accumulations, plus interest, if the participant subsequently files a valid claim and provides distribution directions.

If a participant had accumulations of \$50 or more but less than \$2,000 on June 30, 2005, and the participant failed to provide timely distribution directions, the investment options in the participant's account were liquidated as of June 30, 2005, and an account was established on the participant's behalf. The aggregated assets of all such accounts were then invested in the UC Savings Fund in order to preserve principal, and a proportionate share allocated to each account. The UC Residual Accounts group will maintain such accounts until such time as the participant's location can be confirmed and distribution made. Each account is credited with monthly interest at a fixed rate.

If you think you may be entitled to funds in an ineligible account, contact UC Customer Service at 800-888-8267.

457(b) Plan Deferred Compensation: Summary Plan Description

Introduction	71	Additional 457(b) Plan Information	77
Eligibility	72	Investment Options	77
Contributions	72	Rollovers: Into the Plan.....	77
Leaves of Absence.....	73	Rollovers: From the Plan.....	78
Termination of Employment	73	Account Activity.....	78
Reappointment	73	Claims Procedures.....	79
Maximum Annual Contribution Limits.....	73	Plan Administration and Fees.....	79
Special Catch-up Provision.....	73	Plan Changes	79
Excess Salary Reductions	74	Assignment of Benefits.....	80
Investment of Contributions	74	Qualified Domestic Relations Orders (QDROs).....	80
Distributions	75	Employee Information Statement	80
Current UC Employees.....	75		
Unforeseeable Emergency Withdrawal	75		
Former Employees.....	75		
Beneficiaries	76		
Taxes on Distributions.....	76		
Early Distribution Penalties	77		
Minimum Required Distributions.....	77		

Introduction

The 457(b) Plan is a deferred compensation plan described under §457(b) of the Internal Revenue Code (the IRC). Future benefits from the 457(b) Plan will reflect the amount of a participant's voluntary salary deferral contributions plus earnings. Vesting is immediate.

Employees who want to participate in the 457(b) Plan designate a portion of their gross salary to be contributed on a pretax basis, thus reducing the participant's taxable income. Taxes on contributions and any earnings are deferred (that is, postponed) until the participant withdraws the money.

The designated Plan Administrator of the 457(b) Plan is the Vice President, Human Resources (VP-HR). The VP-HR has delegated recordkeeping duties to Fidelity Retirement Services. The relevant contact information is on the inside front cover. The Plan Administrator administers the 457(b) Plan for the sole benefit of Plan participants and their beneficiaries. Participation is voluntary and should be based on the participant's financial objectives and resources. Individual investment strategies should reflect the participant's personal savings goals and tolerance for financial risk. Participants may also want to consult a tax advisor or financial planner before enrolling. UC, the Regents, the Treasurer, UC Human Resources and Fidelity Retirement Services are not liable for any loss that may result from participants' investment decisions. This Summary Plan Description summarizes the Plan document as revised effective January 1, 2010.

Eligibility

All employees of UC and Hastings College of the Law — except students who normally work fewer than 20 hours per week — are eligible to participate in the 457(b) Plan. An employee begins participation when contributions are made to the 457(b) Plan on the employee's behalf. An employee or former employee continues participation until all funds held on his or her behalf are distributed.

Contributions

Salary deferral contributions to the 457(b) Plan may come only from income paid through the UC payroll system (or the payroll systems of Lawrence Berkeley National Laboratory or Hastings College of the Law). Employees may also roll over money from other employer-sponsored plans, including the taxable portion of a distribution from the University of California Retirement Plan (UCRP; see "Rollovers: Into the Plan," page 77).

According to IRS rules, enrollment in the 457(b) Plan cannot go into effect immediately. Enrollment affects earnings for the month following enrollment and the first deduction is taken from the paycheck on the first of the subsequent month. For example, if a participant enrolls in January, the first deduction is taken from February earnings and is reflected in the March 1 paycheck.

Contributions to the 457(b) Plan are reported annually on employees' W-2 forms, but are not included in income subject to taxation.

457(b) Plan salary deferral contributions are deducted from gross salary (after any other pretax deductions for medical plan premiums, dependent care expenses or certain health care expenses), and income taxes are calculated on remaining pay. Although 457(b) Plan salary deferral contributions reduce taxable income, they do not reduce any other salary-related University benefits such as vacation or sick leave, life or disability insurance benefits, or benefits payable from UCRP.

Upon enrollment, participants choose the flat dollar amount or percentage of salary that they will contribute through payroll (generally monthly or biweekly) up to their maximum annual contribution amount. Under the percentage method, contributions change proportionately as the participant's salary changes.

If a participant transfers employment from one UC location to another UC location, the salary deferral election will stop automatically. The participant must re-enroll at the new location to continue contributions.

LEAVES OF ABSENCE

Contributions stop during a leave without pay and resume automatically at the same rate upon return to pay status unless the participant cancels them.

For sabbatical leaves or administrative leaves with pay during which employees earn less than 100 percent of regular compensation, contributions continue in the same amount or percentage (see "Contributions," page 72) as elected before the leave unless the participant makes a change. Because contributions remain the same while compensation decreases, it is important for participants to review their contribution amount before going on a paid leave.

Special rules may allow participants on military leave to "make up" contributions that would have been credited to their accounts during the military leave. Local Benefits Offices can provide more information.

During paid vacation or sick leave, contributions continue in the same amount.

TERMINATION OF EMPLOYMENT

If a participant leaves UC employment, salary deferral contributions stop automatically. The payment options available for a participant's accumulations are described in "Distributions: Former Employees" (see page 75).

REAPPOINTMENT

If a participant leaves UC employment or retires and is later rehired into an eligible position, the participant may begin contributing to the Plan again.

MAXIMUM ANNUAL CONTRIBUTION LIMITS

The IRC limits the amount participants may contribute annually to tax-advantaged retirement plans and imposes substantial penalties for violating contribution limits (see "Excess Salary Reductions" on page 74).

For 2012, the 457(b) Plan contribution limits are as follows:

Regular contribution limit: \$17,000¹⁰

Participants who are age 50 or older any time during the year: \$22,500¹⁰

To contribute the maximum amount, participants should check the limits and adjust their contributions for each calendar year accordingly.

Adjusted gross salary for any year is a participant's gross University salary (including any shift differential, summer or equivalent term salary, health science faculty income over the base professorial salary, stipends and overtime), minus any required pretax contributions to other retirement plans (for example, the mandatory contributions to the UC Defined Contribution Plan or to UCRP) and any pretax payments for UCRP (to establish, reestablish or convert prior periods of service credit or to eliminate the noncontributory offset).

SPECIAL CATCH-UP PROVISION

A special catch-up provision allows eligible participants to make additional contributions in one or more of the three consecutive years ending before the year the participant elects as his or her retirement age. The elected retirement age can be any age between 60 (50 for safety employees) and 70½.

For 2012, the total amount the participant can contribute using the special catch-up limit is the lesser of two amounts:¹¹

- Twice the regular contribution limit for 2012 (\$17,000 x 2 = \$34,000), or
- The regular contribution limit for 2012 plus the difference between previous years' regular contribution limits and the actual contributions made during those years (the unused contribution capacity).¹²

¹⁰or 100 percent of adjusted gross salary, if less.

¹¹Participants who take advantage of this special provision cannot also take advantage of the over-age-50 provision; they must choose whichever provides the higher contribution amount.

¹²The calculation can include only those years in which the participant was eligible to contribute to the Plan, which was introduced in 2004.

Contributions

Here is an example showing contribution limits and annual contributions since 2008 for a hypothetical employee:

	2008	2009	2010
Regular contribution limits	\$16,000	\$16,500	\$16,500
Participant contributions	\$10,000	\$10,000	\$15,000
Used eligible contribution capacity	\$6,000	\$6,500	\$1,500
Cumulative unused contribution capacity:			\$14,500
Regular 2011 contribution limit:			\$17,000
Total amount the participant can contribute in 2011:			\$31,500

In subsequent years, the special catch-up limit must be reduced to reflect any unused contribution capacity that has already been taken into account in calculating a special catch-up provision.

EXCESS SALARY REDUCTIONS

UC payroll systems monitor 457(b) Plan contributions, and a participant's contributions will stop automatically if they reach the limit before the end of the year. As a result, there is little chance of overcontributing. In limited circumstances, however, excess salary reductions may be made — if, for example, a participant works at more than one UC location during the year or contributes to a 457(b) plan with another employer.

If participants overcontribute because they work at more than one UC location, the excess will normally be identified and, in most cases, returned (with any earnings) before the end of the year in which it occurs.

If participants think they have overcontributed but have not been contacted, or if they contribute to a 457(b) plan with another employer during the year, they should call Fidelity Retirement Services before the end of the year (or by March 1 of the following year) to request a refund.

The IRC requires that excess salary reductions in any calendar year be refunded to the participant by April 15 of the following year to avoid tax penalties. If the excess is refunded by April 15, the excess is treated as ordinary income for the year in which the salary reductions were made. The refund will also reflect any earnings (or loss) generated by the excess salary reductions during that year. The earnings must be reported on tax returns for the year in which the refund is paid. For example, if a participant receives a refund of 2011 excess contributions in 2011, all amounts should be reported on tax returns for 2011. If the participant receives the refund in 2012, however, the excess contributions should be reported on 2011 tax returns and any earnings on tax returns for 2012.

Refunds of excess contributions and earnings are not eligible for rollover, nor are they subject to the penalty taxes on early distributions (see "Early Distribution Penalties" on page 77).

If an excess contribution is not refunded by April 15, the excess amount must remain in the Plan. The participant must still report the excess as ordinary income for the year in which the contributions were made. In addition, the excess amount will again be taxable as ordinary income in the year in which the participant receives a distribution that includes these funds. In other words, excess contributions that are not refunded by the April 15 deadline are taxed twice.

If, during a year, contributions for the participant are made to another plan over which the participant has control, or a participant makes salary deferral contributions to another plan (other than a 457(b)), the participant should consult a tax advisor on the applicable limitations on contributions.

INVESTMENT OF CONTRIBUTIONS

Participants choose the investment options in which they want to invest their contributions. The "Investment Options" are explained on page 77.

Subject to payroll deadlines, participants may start, stop or change the amount of their contributions to the Plan at any time on the Fidelity Retirement Services website. They also may redirect future 457(b) Plan contributions to one or more of the investment options and/or exchange (transfer) accumulations in the Plan among the investment options at any time. Direct exchanges between certain investment options may be prohibited. See the Fidelity Retirement Services website (netbenefits.com) for more information.

Distributions

Distribution rules vary depending on the participant's employment status.

CURRENT UC EMPLOYEES

The IRC restricts the 457(b) Plan in-service distributions made to current employees. In general, an employee may take a distribution of plan accumulations in the following circumstances only:

- Voluntary in-service withdrawal of the total balance is allowed once if the balance is less than \$5,000 and no contributions have been made in the past two years and the employee has Never taken another distribution except an unforeseeable emergency withdrawal;
- Attainment of age 70½; or
- An unforeseeable emergency as described below.

UNFORESEEABLE EMERGENCY WITHDRAWAL

Participants may be able to take a withdrawal on account of an unforeseeable emergency resulting from:

- An illness or accident involving the participant or the participant's beneficiary or the spouse of the participant or the participant's beneficiary or a dependent of the participant or the participant's beneficiary;
- Loss of property due to casualty; or
- Other similar, extraordinary and unforeseeable circumstances arising from events beyond the control of the participant.

The unforeseeable emergency withdrawal may not be in excess of the amount reasonably needed to satisfy the participant's or beneficiary's emergency need. The participant must first satisfy the need using other available financial resources including:

- Insurance reimbursements;
- Cessation of salary deferral contributions to the 457(b) Plan, and the University of California Tax-Deferred 403(b) Plan Account, and the Defined Contribution Plan After-Tax Account;
- A 403(b) Plan loan;
- Withdrawal of eligible monies from the UC Defined Contribution Plan; or
- Liquidation of other assets, to the extent the liquidation does not itself cause severe financial hardship.

After taking an unforeseeable emergency withdrawal, a participant may not make voluntary contributions to the 457(b) Plan, the 403(b) Plan or the DC Plan for six months.

A withdrawal is generally taxed as ordinary income in the year in which it is issued. In accordance with IRS regulations, Fidelity Retirement Services will withhold 10 percent for federal taxes and 1 percent for California state taxes (unless the participant elects no withholding).

There are specific federal tax withholding rules that apply to all distributions from retirement and savings plans (see "Taxes on Distributions").

FORMER EMPLOYEES

Participants who leave UC employment have the following payment options for assets in the 457(b) Plan:

- Leave the assets in the Plan if the Plan balance totals at least \$2,000, subject to minimum required distribution rules. Although participants may no longer contribute, they may transfer funds among the investment options, subject to the transfer/exchange rules and roll over money into the Plan;
- Take a full or partial distribution (payable to the participant or directly rolled over to a traditional IRA, a Roth IRA or employer-sponsored plan); see page 77 for information on early distributions;
- Arrange for systematic withdrawals. This option enables the participant to receive regular, periodic distributions without having to make a specific request for each one; or
- Purchase a commercial annuity. Commercial annuities provide periodic payments in a fixed amount for a specific period of time. Annuities may be purchased through UC's group insurance contract with a California-licensed third party insurance carrier. Neither UC Human Resources, the Regents nor the University has any further fiduciary obligation to participants who use their 457(b) Plan funds to purchase an annuity product from any third-party insurance carrier or other such vendor.

For distributions made on and after January 1, 2006, the following Plan rules apply to distributions of small accounts after the participant has terminated UC employment:

If the value of the participant's accumulations is less than \$2,000, but more than \$1,000, and the participant fails to provide distribution directions, the participant's accumulations will be rolled over to an IRA custodian designated by the Plan Administrator in an account maintained for the participant.

Distributions

If the value of the participant's accumulations is \$1,000 or less, and the participant fails to provide distribution directions, the participant's accumulations shall be paid directly to the participant at his or her address of record.

All distributions are subject to Fidelity Retirement Services and payroll deadlines. No distributions can be made until all payroll activity is complete, which can take from 30 to 60 days.

BENEFICIARIES

Participants should designate a beneficiary to receive their accumulations in the 457(b) Plan in the event of their death. Participants may name more than one beneficiary and specify the percentage of the Plan balance that each beneficiary is to receive. A beneficiary may be a person, trustee or organization.

Subject to restrictions on small accounts, a beneficiary may elect to take his or her benefit as a lump sum or in periodic payments over a term that meets the Internal Revenue Code requirements on minimum distributions. The benefit also may be applied toward the purchase of a commercial annuity through UC's group insurance contract. If a beneficiary fails to make an election, the benefit will be distributed to the beneficiary in a lump sum by the last day of the calendar year that contains the fifth anniversary of the participant's death.

A deceased participant's beneficiary (the participant's beneficiary) may also designate a beneficiary (beneficiary's beneficiary) to receive the balance in the deceased participant's account if the participant's beneficiary dies before taking a total distribution. The beneficiary's beneficiary must decide how they want money to be distributed within nine months of the death of the participant's beneficiary.

If no beneficiary has been named, or if the beneficiary dies before the participant, any amount remaining will be distributed to the participant's eligible survivors in the following order of succession:

- Surviving legal spouse or domestic partner; or, if none,
- Surviving children, natural or adopted, on an equal-share basis (children of a deceased child share their parent's benefit); or, if none,
- Surviving parents on an equal-share basis; or, if none,
- Brothers and sisters on an equal-share basis; or, if none,
- The participant's estate.

COMMUNITY PROPERTY

Married participants and registered domestic partners who designate someone other than their legal spouse or partner as a beneficiary may need to consider the spouse's or partner's community property rights. For residents of a community property state such as California, a designation of beneficiary may be subject to challenge if the spouse or partner would consequently receive less than the share of the benefit attributable to community property.

A will or trust does not supersede a designation of beneficiary, nor does either supersede the Plan's "default" beneficiary rules (described above) that apply in the absence of a valid beneficiary designation.

It is the participant's responsibility to keep information on beneficiaries, including addresses, up to date. The address of record is binding for all purposes of the 457(b) Plan.

TAXES ON DISTRIBUTIONS

A distribution from the 457(b) Plan is generally taxed as ordinary income in the year it is issued. Note, however, that there are specific federal tax withholding rules that apply to all distributions from retirement savings and investment plans. For more information about the tax treatment of Plan distributions, read the special tax notice provided by Fidelity Retirement Services before requesting a distribution. The tax rules are quite complex; for these reasons, participants considering a distribution from the Plan are strongly encouraged to consult a tax advisor.

Participants who choose to take a distribution are responsible for satisfying the distribution rules and for any tax consequences.

Distributions to participants are reported annually on IRS Form 1099-R, which are sent in January following the calendar year in which the distribution was issued.

Procedures established for the University of California Retirement Plan (UCRP) are used to determine whether a domestic partner is included in the order of succession above. Generally, the UCRP procedures require that an individual must be designated as a UCRP member's domestic partner by one of three possible methods:

- Registration of the domestic partnership with California's Secretary of State;
- Registration of a same-sex union, other than marriage, validly formed in another jurisdiction, that is substantially equivalent to a California domestic partnership; or
- Filing of a *UC Declaration of Domestic Partnership* form with the UCRP administration.

If a member dies before filing a *UC Declaration of Domestic Partnership*, only documents from the first two methods may be used to establish a domestic partnership under the Plan.

EARLY DISTRIBUTION PENALTIES

Distributions from 457(b) plans are generally not subject to the early distribution penalties that may apply to distributions from other types of retirement plans. If, however, an amount is rolled over from another type of retirement plan, such as a 403(b) plan or a tax-qualified 401(a) plan, to the 457(b) Plan, any distributions attributable to the rolled over amount that are made before a participant attains age 59½ may be subject to federal and state penalty taxes unless an exception applies.

Early distribution penalties are not assessed when a distribution is paid. Participants who are subject to the penalties are responsible for reporting them to the IRS when they file their income tax returns.

MINIMUM REQUIRED DISTRIBUTIONS

Participants must begin receiving minimum distributions from the Plan by April 1 of the calendar year following the later of:

- The year in which they reach age 70½, or
- The year in which they leave UC employment.

Participants who do not receive minimum distributions by the required dates, or who receive less than the minimum amount the law requires, must pay a nondeductible 50 percent excise tax on the difference between the amount that should have been received and the amount received.

Minimum required distributions are not eligible for rollover.

Minimum required distributions are calculated in accordance with U.S. Treasury regulations.

Additional 457(b) Plan Information

INVESTMENT OPTIONS

Plan participants have several options for building individual investment portfolios to achieve their retirement savings goals. Currently, the Treasurer of the Regents of the University of California selects and monitors a group of Core Funds based on criteria established by the Regents. The Core Funds include the UC Funds, which are investment options managed by the Treasurer's Office or by investment managers appointed by the Treasurer's Office, as well as mutual funds. The Core Funds provide participants with a diverse menu of the major asset classes to which participants may direct their contributions.

In addition, Fidelity Investments mutual funds and Calvert socially responsible mutual funds are available for those participants willing to assume additional responsibility for monitoring their individual fund choices. These funds are part of fund families previously authorized by The Regents as plan investment options and have been retained in the 457(b) Plan as an accommodation to participants. The Treasurer's Office does not monitor individual fund performance and makes no qualitative assessment as to any investment fund that is not part of the Core Funds.

Participants may also invest in mutual funds that are not included in the Core Funds and are not part of the Fidelity or Calvert fund families by opening a brokerage window account. To open a brokerage window account, participants must agree to the terms and conditions that govern the account, including acknowledgement of the risks involved and the special fees that may apply.

Information about investment objectives, risks, changes and expenses of all options is available, free of charge, from Fidelity Retirement Services.

ROLLOVERS: INTO THE PLAN

Participants may move eligible retirement funds from a previous employer plan or an IRA to the 457(b) Plan via a rollover. The 457(b) Plan accepts rollovers of pretax distributions from:

- Other employer-sponsored plans, including 401(a), 401(k), 403(b) and governmental 457(b) Plans; and/or
- Lump sum cashouts and Capital Accumulation Payment (CAP) distributions from the UC Retirement Plan,
- Traditional IRAs.

The 457(b) Plan does not accept rollovers of after-tax distributions. To roll over money directly from another employer-sponsored plan to UC's 457(b) Plan, the participant must arrange to have the plan's custodian or plan administrator write a check for the distribution, payable to "Fidelity

Additional 457(b) Plan Information

Investments Institutional Operations Company, Inc. (FIIOC).” As long as the check is payable directly to FIIOC (not to the participant), no taxes should be withheld from the distribution, and the pretax funds will retain their tax-deferred status.

Employees who are eligible to participate in the 457(b) Plan may execute a rollover (and become Plan participants) even if they have not yet begun contributing to the Plan through payroll deductions.

Former employees who did not participate in the 457(b) Plan are not eligible to roll over funds into the Plan, except for eligible distributions from UCRP of \$2,000 or more.

If a participant takes a distribution from a former employer plan, including UCRP, and the check is payable to the participant, he/she can also roll over the taxable portion of the money into the 457(b) Plan, as long as the rollover is made within 60 days after receiving the distribution. To roll over 100 percent of the taxable portion of the distribution, the participant must replace from personal savings or other sources an amount equal to the taxes that were withheld when the distribution was issued.

ROLLOVERS: FROM THE PLAN

All 457(b) Plan distributions except those listed below are eligible for direct rollover (distribution made payable to a traditional IRA, a Roth IRA or another employer plan). As long as the check for the distribution is payable directly to the plan, no taxes should be withheld and the funds will retain tax-deferred status. If made payable to the participant, taxable distributions are subject to mandatory 20 percent federal tax withholding.

Participants may also roll over an eligible 457(b) Plan distribution consisting of pretax funds that has been paid to them, as long as the rollover to the IRA or new plan occurs within 60 days of receipt of the distribution. A participant who wants to roll over 100 percent of the distribution must replace from personal savings or other sources an amount equal to the taxes that were withheld when the distribution was issued. Any amount not rolled over will be taxed as ordinary income for the year in which the distribution was issued. It may also be subject to the early distribution penalties if the distribution is attributable to a rollover from a plan subject to the early distribution penalties.

457(b) Plan distributions that are not eligible for rollover include:

- Minimum required distributions,
- Refunds of excess contributions (plus earnings),
- Systematic withdrawals, and
- Unforeseen emergency withdrawals.

Distributions made to non-spouse beneficiaries are eligible only for direct rollover and only to an inherited IRA.

For more information about the tax treatment of rollovers, read the special tax notice available from Fidelity Retirement Services.

ACCOUNT ACTIVITY

To help participants better understand the Plan's benefits and effectively manage their accounts, Fidelity Retirement Services, on behalf of UC Human Resources, provides personalized account information via two electronic sources.

- Participants who have Internet access can find current, comprehensive information about their accounts and make certain online Plan transactions by visiting the Fidelity Retirement Services website (netbenefits.com).
- Participants can retrieve personal financial information about their accounts and make transactions on the Fidelity Retirement Services toll-free telephone line (866-682-7787).

Annual reports containing audited financial statements are available on At Your Service or from the UC Customer Service Center.

Summary plan descriptions are provided at hire and are also available on At Your Service, the Fidelity Retirement Services website or from your local Benefits Office or the UC Customer Service Center.

Participants may obtain a copy of the University of California Tax-Deferred 457(b) Plan document by writing to UC Human Resources (see inside front cover).

Participants should read the complete descriptions of the investment funds and accompanying Plan materials before making any investment decisions.

All notices or communications to a participant or a beneficiary will be effective when sent by first-class mail or conveyed electronically to the participant's address of record. The University and the Regents are entitled to rely exclusively upon any notices, communications or instructions issued in writing or electronically conveyed by UC Human Resources that are believed to be genuine and to have been properly executed.

CLAIMS PROCEDURES

If Fidelity Retirement Services is unable to verify a claimant's right to a benefit within a short period of time, the claimant will be notified that he or she needs to forward a written request to the attention of the UC Contract Administrator, UC Human Resources, P.O. Box 24570, Oakland, CA 94623-1570, who will review the claim on behalf of the Plan Administrator. The request should include all relevant information. Within 90 days of receipt of the request, the contract administrator will approve or disapprove the claim. If the claim is denied, the contract administrator will notify the claimant in writing, setting forth the specific reasons for the denial and providing specific references to the plan provisions on which the denial is based. The contract administrator also will describe any additional material or information needed to perfect the claim and provide an explanation of the 457(b) Plan's review procedures.

If the claimant's request is denied by the contract administrator, the claimant may submit a written request for an independent review by the Plan Administrator within 90 days of receiving the denial. The request for an independent review should be forwarded to the Plan Administrator, P.O. Box 24570, Oakland, CA 94623-1570. The request should be accompanied by all supporting documentation. The Plan Administrator will make a full review of the request within 60 days unless the circumstances require a longer period, but in general, no more than 120 days. If the Plan Administrator upholds the contract administrator's denial, the Plan Administrator will notify the claimant. The decision of the Plan Administrator will be final and conclusive on all persons.

If, after exhausting administrative appeal procedures, the claimant still believes that a benefit has been improperly paid or denied, the claimant has the right to initiate legal proceedings.

For service of process, send to:

The Regents of the University of California,
Trustee of the 457(b) Plan, c/o Office of the General Counsel,
1111 Franklin Street, 8th Floor, Oakland, CA 94706.

PLAN ADMINISTRATION AND FEES

The Vice President of UC Human Resources is the Plan Administrator with responsibility for the day-to-day management and operation of the Plan.

Investor expenses for the UC Funds are limited to 0.15 percent (or \$1.50 per \$1,000 invested) of the Fund's average market value per year, assessed on a daily basis (1/365th per day invested). These expenses are not billed to participants, but are netted against the investment experience of the Fund. These expenses comprise approximately 0.03 percent for investment management, 0.02

percent for investor education, and 0.10 percent for administration (including accounting, audit, legal, custodial and recordkeeping services). The total administrative expenses are estimated and actual expenses could be lower in some periods. If actual administrative expenses are less than estimated, any residual amount will be returned to the Fund periodically, on a prorated basis, thereby lowering the effective expense ratio for participants. There are no front-end or deferred sales loads or other marketing expenses.

In addition, any fees paid by participants, including loan fees and brokerage window account fees, and any fees that may be awarded in connection with plan administration by the Fidelity Retirement Services failure to meet certain performance standards, will be credited to a plan fee account. At the direction of the Plan Administrator and subject to receipt of supporting documentation, Fidelity Retirement Services will apply the plan fee account funds against reasonable plan expenses that otherwise would be paid from other plan assets. Any basis points that are assessed against the market value of the mutual fund investments in the 457(b) Plan pursuant to revenue sharing agreements will be credited to an expense credit account and offset against charges for services provided by Fidelity Retirement Services and its affiliates. If any amount remains after payment for Fidelity Retirement Services-related services, funds in the expense credit account will be used to reimburse the University for reasonable plan expenses previously paid by the University.

A participant can obtain information on fees charged by a mutual fund investment option by reviewing the fund prospectus available on the Fidelity Retirement Services website (netbenefits.com).

PLAN CHANGES

The Plan is subject to change and to independent audit to comply with applicable federal and state statutes, IRC regulations and industry standards. Participants are notified in writing whenever substantive changes to the Plan occur. Although the Plan is expected to continue indefinitely, the Regents reserve the right to amend or terminate the Plan at any time.

Additional 457(b) Plan Information

ASSIGNMENT OF BENEFITS

Generally, 457(b) Plan benefits payable to participants, beneficiaries or survivors cannot be attached by creditors, nor can anyone receiving benefits assign payments to others. Plan benefits are intended solely for the security and welfare of participants and their beneficiaries and survivors.

There are some exceptions. For example, the IRS may attach retirement benefits to collect unpaid taxes, or a court may order certain benefits to be paid for child or spousal support.

QUALIFIED DOMESTIC RELATIONS ORDERS (QDROS)

A court may award Plan assets to the participant's spouse or former spouse or the participant's dependent. This usually occurs in connection with a divorce or legal separation. In such cases, the domestic relations order must be approved, or qualified, as being in compliance with state law and with the Plan terms.

Both spouses and the court have the right to request information about the benefits earned by the participant during the marital period and how those benefits are derived, as well as information about the options available to non-participants. To obtain a copy of the QDRO procedures, contact Fidelity Retirement Services (netBenefits.com or 866-682-7787).

California law established procedures for dividing property in connection with the termination of a state-registered domestic partnership. For more information, call Fidelity Retirement Services.

Employee Information Statement

DC, 403(B), AND 457(B) PLANS

Participants in defined contribution plans are responsible for determining which, if any, investment vehicles best serve their retirement objectives. The DC, 403(b) and 457(b) Plan assets are invested solely in accordance with the participant's instructions. The participant should periodically review whether his/her objectives are being met, and if the objectives have changed, the participant should make the appropriate changes. Careful planning with a tax advisor or financial planner will help to ensure better supplemental retirement savings.

Neither the Regents, the Treasurer, the Plan Administrator nor any officer or affiliated officer of the University makes any recommendation to participants for building supplemental retirement savings, and the various options available for the investment of contributions should not be construed in any respect as a judgment regarding the prudence or advisability of such investments or as tax advice. Neither the Regents, the Treasurer, the Plan Administrator nor Fidelity Retirement Services bear any fiduciary liability for any losses resulting from a participant's investment instructions. The Plan Administrator reserves the right to refuse to implement any investment instruction from a participant that violates Plan rules or IRC provisions.

All elections concerning contributions to the DC, 403(b) and 457(b) Plans are subject to payroll transaction and fund valuation deadlines.

Neither the University, the Treasurer, the Plan Administrator nor any officer or affiliated officer shall be responsible in any way for the purpose, propriety or tax treatment of any contribution or distribution (or any other action or nonaction) taken pursuant to the direction of a Plan participant, beneficiary, executor or administrator, or a court of competent jurisdiction. Although the Regents, the Treasurer, the Plan Administrator, and officers and affiliated officers shall have no responsibility to give effect to a decision from anyone other than the Plan participant, beneficiary, executor or administrator, they reserve the right to take appropriate action, including termination and/or disbursement of a participant's account, to protect the Plan from losing its tax-advantaged status for any event that violates Plan rules or applicable IRC provisions.

By authority of The Regents, University of California Human Resources, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by The Regents. Source documents are available for inspection upon request (800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits — particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. For more information, employees should contact your Human Resources Office and retirees should call the UC Customer Service Center (800-888-8267).

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 Systemwide AA/EEO Policy Coordinator, University of California, Office of the President, 1111 Franklin Street, 5th Floor, CA 94607, and for faculty to Associate Director of Academic Personnel, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

