



University of California Retirement Plan

Disability Handbook

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Introduction

The *UCRP Disability Handbook* is a guide for members of the University of California Retirement Plan (UCRP) who are applying for disability benefits.

The information is applicable for the following membership classifications:

- Members with Social Security
- Members without Social Security
- Tier Two Members
- Safety Members applying for benefits related to non-duty disability

Safety Members applying for duty-related disability benefits should call the UCRP Disability Unit.

This handbook answers questions about UCRP disability—from eligibility, through the application and review process, to the time when disability income ends. It also discusses the UC-sponsored medical, dental and legal insurance you may be eligible to continue if your application for UCRP disability benefits is approved.

This handbook also includes general information about the benefits payable to your beneficiaries and/or family members in the event of your death. You should read the booklet carefully, and keep it for future reference.

Eligibility and Applying for UCRP Disability Income

UCRP Membership and Service Credit Requirements

UCRP provides disability income when an eligible member has a disability that is permanent or expected to last 12 consecutive months or longer from the UCRP disability date.

You may apply for disability income at any age if you have at least five years of UCRP service credit (or at least two years, if you became a member before April 1, 1980).

Your UCRP Disability Date

Your UCRP disability date is the first day you are eligible for UCRP disability income. If you are disabled according to UCRP definitions, your UCRP disability date is the later of:

- The first of the month in which the UCRP Disability Unit receives your application, or
- The day after your last day on pay status.

Service credit is based on the time you work as a UCRP member. For example, if you work one year at full time, you earn one year of service credit. If you work one year at 50% time, you earn one-half year of service credit. You do not earn service credit during a leave without pay or for any other period you are not on active pay status—such as the period between your separation from UC employment and your UCRP disability date.

Service credit that determines your eligibility for disability income may include service credit you bought back for an earlier period of UC employment. Service credit bought for a leave period is not included for this purpose.

Service credit used to determine your eligibility for insurance may differ from that used to calculate your disability benefit. For further discussion on UCRP service credit, see the appropriate UCRP summary plan description for your membership classification.

Note: If you have earned service credit in a retirement plan with which UCRP has reciprocity or another special arrangement (for example, CalPERS or Mount Zion), that service credit may be included in determining your eligibility for disability income. (It will not be used to calculate your benefit.) Ask the Disability Unit for more information.

Required Information and Forms

You should submit your application for disability income before you leave University employment. If you apply later as an inactive member, the application must be received by the UCRP Disability Unit within 12 months of your separation date and your UCRP accumulations, if any, must have remained on deposit. In addition, medical evidence must substantiate that the disability has been continuous since your separation date and that you would have been entitled to disability income as of your separation date.

You may elect to receive retirement income while your application for disability income is pending. If you are approved for disability income after your retirement income payments begin, your retirement income will cease and disability income will be paid retroactive to your disability date less any retirement income received.

You may not apply for disability income after your retirement election is irrevocable. Your retirement election is irrevocable after your retirement date (or 15 days after your confirmation letter is sent, if later).

You will be asked to provide documentation such as:

- Identity records (for example, your spouse's or domestic partner's birth certificate or a marriage certificate);
- Medical reports and other records related to your medical condition;
- Information about other disability benefits you receive or are eligible to receive; and
- Information about your education, work experience, and related activities.

Depending on the nature of your disability, the Plan Administrator may require additional

When to Apply

You should apply for UCRP disability income as soon as it appears you will be unable to return to work according to UCRP guidelines. While UCRP requires that you apply within 12 months of separating from UC employment, prompt application (within 120 days) will also preserve your right to continue your UC-sponsored health insurance coverage. See page 12 regarding eligibility.

information from various sources at any time; you may be asked to provide records or to sign a release authorizing the Plan Administrator to obtain records.

Fees charged by your doctors for the required medical reports are your responsibility.

Information the University obtains about you will be held in confidence and will be released to or exchanged with others only with your written consent.

When Your Application Is Received

When the Disability Unit receives your application for disability income, an analyst will be assigned to your case. Your disability analyst will be available to answer any questions you may have. He or she will notify you whenever specific documentation is required or if you need to comply with regulations in some other way.

If the medical evidence you submit is inconclusive, an independent medical examination may be necessary. If an independent exam is required, UCRP will cover the exam fee. Your disability analyst will notify you if this applies to you. Please note that UCRP does not pay for the cost of doctor's reports or copies of medical records.

It is important for you to provide us with any information that may have a bearing on your disability.

Final salary is your full-time equivalent compensation as of your UCRP disability date (or as of your medical separation date, if higher). If you worked less than your full and normal appointment during the last 12 months, your final salary will be adjusted based on your average percent of time on pay status over the 36 months of continuous service before your separation date. However, if your doctor had you reduce the percent of time you worked during this period because of your disability, your final salary will be calculated as if you had continued to work at your normal percent of time.

Full-time equivalent compensation is 100% of the covered compensation you would earn if employed full-time. This includes payment for approved leave of absence with pay, as well as amounts such as shift differentials. Not included are overtime or "by agreement" payments. For further details about the kinds of pay included, refer to the appropriate Retirement Plan summary plan description.

A review of your possible qualifications for other types of employment may be necessary. In this case, you may be asked to meet with a vocational rehabilitation professional to help you explore the options available to you and/or regain skills you need to return to work. Various tests, including those of skills and aptitude, may be involved.

If you are eligible to retire under UCRP at the time you apply for disability benefits, your retirement benefit will be calculated as well as your disability income. If the retirement benefit is higher, you may prefer to retire rather than apply for disability income. You will receive further information upon which to base your decision.

Determining Your Eligibility

After the Disability Unit receives all the necessary documentation from you, your doctors, and others, your case will be carefully reviewed and evaluated. Once your eligibility for disability income has been determined, the Disability Unit will send you a written notice of the decision.

UCRP Definitions of Disability

In all cases, the determination of whether you are disabled will be based on qualified medical opinion provided by one or more licensed physicians. The disability may be physical or mental.

UCRP disability income is payable only if certain requirements are met. The requirements vary, depending on the date you became a UCRP member.

If you became a member April 1, 1980, or later:

For the first year: Disability income is payable if, due to a medically determined disability, you are unable to perform the duties of any job for which you qualify that pays 50% or more of your final salary. The disability must be permanent or expected to last 12 months or longer from your UCRP disability date.

After you have received benefits for one year: You can continue to receive disability income if your disability prevents you from engaging in any occupation that gives you earnings above the level of "substantial gainful activity" as defined by the Social Security Administration (SSA). In 2009, this amount is \$980 per month. The amount is indexed annually by the SSA.

If you became a member before April 1, 1980:

For the first two years: Disability income is payable if, due to a medically determined disability, you are

unable to perform the duties of your current job or a comparable University position. The disability must be permanent or expected to last 12 months or longer from your UCRP disability date.

A comparable University position is a position for which you qualify and which you are medically able to perform, whether or not such a position is available, and which pays 80% or more of your final salary, as defined in the box on page 4.

After you have received benefits for two years: You can continue to receive disability income if your disability prevents you from engaging in any occupation for which you qualify (at the University or elsewhere) that pays 70% or more of your final salary.

If Your Application Is Approved

If your application for UCRP disability income is approved, you will receive an approval letter stating the effective date of your disability income (your UCRP disability date), the amount of your monthly benefit, terms and conditions of the approval, your medical, dental and/or legal insurance coverage (if applicable) and when you can expect to receive your first check.

Rather than receiving your disability benefit check in the mail, you may wish to have your benefit transferred electronically to your bank. The Disability Unit will send you detailed information about this direct deposit option upon request.

If you need a refund of your medical, dental and legal plan payments, see your Benefits Representative.

If Your Application Is Denied

If your application for UCRP disability income is denied, you will receive a written explanation for the denial. If you do not agree with the decision, you have the right to appeal.

Your Right To Appeal

If your disability income is denied or terminated and you feel that you are eligible within the established guidelines, you may request that your case be reconsidered. Your request must be:

- Submitted within 60 days from the date you receive the denial notice;
- Submitted in writing;
- Accompanied by documentation to support your claim; and

- Sent to the Disability Unit (see “UC HR/Benefits Address” on page 20).

If necessary, you may appeal a second time, and even a third time.

The third and final level of administrative appeal is a hearing before a State of California hearing officer appointed by the Director of Administrative Hearings in the Department of General Services. The decision of the hearing officer is generally binding on both the member and the Plan.

Continuing Your Medical, Dental and Legal Coverage

While your application is pending—or if it is in appeal—you may continue medical, dental, and/or legal coverage, as applicable, if you make arrangements to pay your premiums. You will be advised about the specific arrangements. See “Health and Welfare Plans” beginning on page 12.

While You Receive Disability Income

Your Monthly Benefit

For detailed information on how the monthly benefit is calculated, see “Payment of Disability Income” on page 10.

Your initial check will include payment retroactive to your UCRP disability date. Thereafter, benefits are paid at the end of each month. For example, your benefit payment for May will be payable at the end of May. If your check does not arrive by the tenth of the following month—in this example, June 10—you should call the Disability Unit and report the check lost.

Continuing Eligibility

To determine your continuing eligibility for disability income, the Disability Unit will review your case from time to time—typically after one year, after two years, and every few years thereafter, depending on the nature and severity of your disability.

Benefits continue only while you remain eligible as defined by the Plan and within the time frame described in “Length of the Disability Income Period” on page 7.

The review is much the same as the initial evaluation. See “Eligibility and Applying for UCRP Disability Income” beginning on page 3. Information, releases and forms for medical as well as legal and/or financial purposes may be required. Fees for any medical reports requested from your doctors are your responsibility. If an independent medical examination is necessary, UCRP will pay the fee.

To verify your level of earnings, if any, the Disability Unit may request earnings information from the California Employment Development Department, the Internal Revenue Service, and/or the California State Franchise Tax Board.

Rehabilitation/Training/Return-to-Work Programs

Disabled UCRP members are encouraged to return to work if possible. Depending on the nature and severity of your disability, you may be able to work to some extent while continuing to qualify for disability income; at some point you may be required to

participate in a rehabilitation evaluation and/or training program to help you regain or develop skills. Job counseling or placement may also be available.

If you receive pay for work at the same time that you receive UCRP disability income, it is important that you notify the Disability Unit immediately. You must provide the following information:

- Your employer’s name, address, and telephone number;
- The amount of your earnings;
- A description of your job and duties;
- Hours worked (or expected hours worked); and
- Date of employment

Additional information may be required to reevaluate your eligibility to receive disability income. The amount you earn may affect the amount of UCRP disability income to which you are entitled.

Generally, after you’ve been approved for disability income, your UC employment will be terminated, and your position will not be held open for you. If you become able to work again, you should ask about rehabilitation services at your location and for information about positions that may be appropriate.

Returning to work at UC may have a different impact on your continued eligibility for UCRP disability income, compared to a return to work outside the University. For more information, see the appropriate *UCRP Disability Return-to-Work Factsheet*, available from the Disability Unit.

Complying with Requirements

To qualify for benefits, you must comply with UCRP requirements. Otherwise, your benefits may be denied, suspended, or terminated.

Whenever the Disability Unit requests information from you, you are expected to submit it as soon as you can. If it is not clear to you why a particular report or other document is needed, be sure to ask.

If a doctor prescribes treatment expected to enable you to return to work, you will be expected to follow the course of treatment. If you do not follow the required treatment, you may lose eligibility for UCRP disability income. (If so, you will be notified in writing.)

This rule does not apply to procedures that may be recommended rather than required—for example, surgical procedures or treatment that is experimental.

You are also required to notify the Disability Unit immediately if any change occurs that could affect your eligibility or the amount of your benefit—such as your earnings or employment, other disability benefits, or the status of your eligible children. You will be responsible for repaying any overpayment of benefits. See “Overpayment of Benefits” on page 11.

Length of the Disability Income Period

Disability income is not intended to be a lifetime benefit, even for a member who is permanently disabled. Once you meet the eligibility requirements for retirement, you can elect to receive retirement income or a lump sum cashout at any time.

If your UCRP disability date is November 5, 1990 or later:

As noted above, you can elect to retire at any time after you meet the requirements for retirement.

If you prefer, and if you continue to be disabled, you can receive disability income as follows:

Membership Classification	Your age on your disability date	You can receive disability income
Members with Social Security and Tier Two members with Social Security	under 65	for 5 years or until age 65, if later
	65 or older	for 12 months or until age 70, if later
Members without Social Security and Tier Two members without Social Security	under 65	for 5 years or until age 67, if later
	65 or older	for 12 months or until age 70, if later

If your UCRP disability date is before November 5, 1990:

Your disability income will stop at the time your potential retirement benefit equals your disability benefit—or, at the latest, at age 62 for members with Social Security or age 67 for members without Social Security. For more information, refer to the appropriate UCRP summary plan description.

Earning Service Credit

As a disabled member, you may continue to earn service credit, generally at the same rate as the last twelve months before your UCRP disability date. Service credit accrued while you are on disability status does not affect your disability benefit, but it may continuously increase your potential retirement benefit. This accrual ends when your potential retirement benefit equals your disability benefit (excluding adjustments for cost of living).

When Disability Income Ends

Notification When Your Options Change

If you are no longer disabled:

If you are no longer considered to be disabled based on UCRP definitions, your benefit will terminate. You will receive 60 days notice before your eligibility ends.

If you reach the end of your disability income period:

You will be notified three to six months in advance of the date your disability income will end because you have reached the end of your disability income period. See “Length of the Disability Income Period” on page 7 for more information.

If your potential retirement income equals your disability benefit:

You will be notified three to six months before your UCRP retirement benefit would equal your disability benefit of that event. You may continue to receive disability income as long as you qualify or you may choose to receive your retirement benefit. If you choose to continue disability income, you will not earn any additional UCRP service credit. Only you can make decisions about receiving benefits for which you may be eligible. However, the Plan Administrator will give you information about your UCRP benefit options so that you can make the best decisions.

UCRP benefit options other than disability income are described briefly below. For further details, ask for the *From Disability to Retirement Factsheet*, available from the Disability Unit.

Retirement Income

Unlike UCRP disability income, retirement income is a lifetime benefit. You may elect to retire any time after you reach age 50 with five or more years of service credit.

If you are covered by UC group medical, dental, and/or legal insurance as a disabled member and you retire without a lapse in UCRP income, your insurance coverage will continue automatically into retirement.

UCRP retirement income is calculated based on a formula that includes your service credit (including service credit earned while on disability status), age at retirement, and University salary.

When you retire, your disability income and cost-of-living adjustment (COLA) will stop. Your retirement COLA will start on July 1 following your retirement date.

If you are receiving Supplemental Disability benefits, the carrier will recalculate the offset applied to your Supplemental Disability benefit to reflect the change from UCRP disability income to your basic retirement benefit. The offset applies only to the basic benefit, not to any COLAs.

Please see the *From Disability to Retirement Factsheet* for information about how retirement benefits compare to disability benefits.

If your UCRP disability date is before November 5, 1990, contact the Disability Unit about certain provisions that may vary.

Lump Sum Cashout

As an alternative to monthly retirement income, you can choose a lump sum cashout of your retirement benefits. The lump sum cashout is a single payment approximating the present value of your lifetime retirement income, including a 2% cost-of-living adjustment. In other words, it is the amount of retirement income (in today's dollars) that you could be expected to receive over your lifetime.

The lump sum cashout is not a retirement benefit. You must choose between the cashout and monthly retirement income. If you elect the lump sum cashout you waive all rights to other UCRP benefits except CAP (see “What You Forfeit” on page 9).

Your Cashout Date

You must specify a cashout date. The cashout date you choose is the date on which the benefit is calculated. The provisions for establishing your cashout date are basically the same as the provisions for establishing your retirement date.

How the Lump Sum Cashout is Calculated

In the cashout calculation, your basic retirement income is reduced by any offsets that apply and then multiplied by a lump sum cashout factor. This factor is based on your age and is derived from average life expectancy tables, projected cost-of-living increases, and the actuarial assumptions of the Plan.

Example

A member elects the lump sum cashout at age 60.

Basic retirement income (excluding sick leave conversion) is \$2,000 per month.

The lump sum cashout factor for age 60 and 0 months is currently 154.20.

$$\$2,000 \times 154.20 = \$308,400.00$$

The member's lump sum cashout is a one-time payment of \$308,400.00.

What You Forfeit

The cashout calculation does not include:

- basic death payment,
- postretirement survivor continuance,
- contingent annuitant benefit, or
- temporary Social Security supplement (for those under 65).

You also waive all rights to continue retiree medical, dental, vision, and legal benefits if you elect a lump sum cashout (see "If Coverage Ends" on page 14).

Death Benefits

When a UCRP member dies, certain benefits are payable to the designated beneficiary. Benefits may also be payable to the member's spouse, domestic partner or other family members.

- UCRP provides a one-time payment of \$7,500 to your beneficiary in addition to any monthly income that may be payable to your eligible survivors or contingent annuitant. If you elect the lump sum cashout, you forfeit the basic death payment.
- Your CAP balance, if any, will be paid to your beneficiary.
- Monthly survivor income may be payable to your spouse or domestic partner or (if you are not married or your spouse does not meet eligibility requirements) to eligible children or dependent parents for as long as the survivor(s) remain eligible.
- Lifetime retirement income may be payable to your surviving spouse or domestic partner, if you are eligible to retire at the time of your death. This benefit is not payable to children or parents. If your spouse or domestic partner also qualifies as an eligible survivor, the higher benefit—survivor income or lifetime retirement income—is paid.

If you have no survivors who are eligible for monthly UCRP income now or in the future, your UCRP accumulations, if any, will be paid to your beneficiary.

The community property portion of a deceased member's benefit may be payable to a former spouse in accordance with a Qualified Domestic Relations Order (QDRO).

Payment of Disability Income

How Your UCRP Benefit Is Calculated

UCRP disability income is based on service credit and final salary. Service credit established or reestablished through buyback is included. Service credit you may have from any other retirement system (such as CalPERS) is not included. For a discussion of final salary, see page 4.

Members with Social Security

Your disability income is a percentage of your final salary, less a reduction for your Social Security benefit. The percentage depends upon your UCRP service credit, as shown in the table below:

Years of Service Credit	Percent of Final Salary
5	22.5
6	25.0
7	27.5
8	30.0
9	32.5
10	35.0
11	37.5
12 or more	40.0

The monthly Social Security reduction is \$106.40 (or, if you became a UCRP member before July 1, 1988, the reduction is \$106.40 or 33% of your Social Security benefit, if less).

Example:

You have 11 years of service credit and your final salary is \$3,000. Your benefit is calculated as follows:

37.5% of \$3,000 = \$1,125 unreduced benefit
 \$1,125 – \$106.40 Social Security reduction =
 \$1,018.60 UCRP monthly benefit

Members without Social Security

Your disability income is a percentage of your final salary. The percentage depends on your UCRP service credit and the number of your eligible children, as shown in the chart below.

Years of Service Credit	Eligible Children				
	0	1	2	3	4 or more
2 but less than 3	25%	30%	35%	40%	45%
3 but less than 4	30	35	40	45	50
4 but less than 5	35	40	45	50	55
5 or more	40	45	50	55	60

Example:

You have 15 years of service credit and your final salary is \$3,000. You have one eligible child. Your benefit is calculated as follows:

45% of \$3,000 = \$1,350 monthly benefit

Your monthly benefit will change if the number of your eligible children changes. In this event, be sure to notify the Disability Unit immediately, as you are responsible for repaying any overpayment. See “Overpayment of Benefits” on page 11.

Eligible child means your natural or adopted child or stepchild who received significant support from you and is:

- Under age 18,
- A full-time student under age 22, or
- Disabled while otherwise an eligible child.

A child born to you after your disability date may also qualify as your eligible child. Documentation will be required to verify a child’s age, student status, and/or disability.

If you are eligible for medical, dental, and/or legal insurance, please see the Health and Welfare Plans section (page 12) for premium deduction information.

Significant support means your support of the child during the year just before your disability date. You must have contributed at least 50% of the cost of the child's food, shelter, clothing, health care, and education.

Please note: The definition of an eligible child is different for health and welfare benefits. See the chart on page 13.

Tier Two Members

Your disability income is 5% of your final salary.

Example:

Your final salary is \$3,000. Your benefit is calculated as follows:

5% of \$3,000 = \$150 UCRP monthly benefit

Cost-of-Living Adjustments

An annual cost-of-living adjustment (COLA) is applied to UCRP monthly income. The COLA is first payable in July after you have received disability income for one full year.

The COLA is based on the Consumer Price Index (CPI) increase for the preceding year.

Generally, the COLA for any year equals:

- 100% of the CPI increase up to 2%; and
- 75% of the CPI increase over 4%.

The Maximum COLA is 6%.

In recent years the annual COLA has been about 2%. If the CPI decreases, UCRP benefits are not reduced.

Example:

For a given year, the CPI increase is 5%. COLA is determined as follows:

100% of the first 2%	2.00%
75% of CPI increase over 4%	0.75%
COLA	2.75%

Your benefit is increased by 2.75%.

Overpayment of Benefits

If you receive benefits to which you are not entitled, you are responsible for repaying the excess amount.

An overpayment could result from a situation such as:

- A change in eligibility. For example, if your monthly benefit is based on your having an eligible child and the child loses eligibility, your benefit must be adjusted.
- A miscalculation of your monthly income. While every effort is made to ensure accuracy, occasionally a mistake is made.
- A return to work.

If you have been overpaid, you will receive a written explanation.

You may make the repayment in a lump sum. Or, if you prefer, deductions may be taken from your monthly benefit, in equal monthly installments, for up to two years. If you retire, additional installments may be taken from your retirement income, or if no retirement income is paid, from a refund of your accumulations or lump sum cashout.

Note: If an overpayment occurs because you conceal, misrepresent, or give misleading information regarding your employment, earnings, eligible children, or medical condition, your benefit will be terminated and you must repay the amount of the overpayment.

Offsets by Other Disability Plans

Disability benefits paid by other UC-sponsored plans (the Short-Term or Supplemental Disability Plans) will be offset by amounts paid by UCRP (COLA excluded). See the *Disability Factsheet* or *Disability Benefits Information for Faculty*.

Tax Information

UCRP tax consultants state that, generally, UCRP disability income is taxable as ordinary income under Internal Revenue Code Section 105. The University cannot give tax advice. For more information, see your accountant or tax advisor.

Health and Welfare Plans

Eligibility to Continue Medical and Dental Coverage

If you are approved for UCRP disability income, you may be eligible to continue your UC medical, dental and/or legal coverage if:

- Your UCRP disability income begins within 120 days of your separation from employment;
- You were enrolled when you left UC employment;
- You elect to continue coverage when you apply for UCRP disability income;
- Your coverage is continuous until the date your disability income begins;
- You meet the UCRP service credit requirements shown at right, based on the date you became a retirement plan member; and
- You have not been on a leave without pay for more than 24 months.

Your monthly benefit should be large enough to cover your monthly plan costs.

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.

Only UC service credit counts toward eligibility for medical and dental benefits. (Service credit from a reciprocal system as a non-UC employee affects only retirement plan benefits.)

Service Credit Requirements

If you were hired in a career position before January 1, 1990, and you have not had a break in service of more than 120 days, you will receive 100% of UC's maximum contribution toward the plan's monthly premium.

If you were hired in a career position on or after January 1, 1990, or were rehired after that date following a break in service of more than 120 days, you will receive a percentage of UC's maximum contribution toward the plans' monthly premium. The percentage corresponds to your years of UCRP service credit as shown below.

Graduated Eligibility	
Years of UCRP Service Credit	Percentage of UC Contribution
5 to 10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20	100%

Any service credit that you established or reestablished through buyback (for leaves or prior UC service) will also be included. Please note: When you retire, the service credit you earned while on disability status will count toward determining the percentage of the UC contribution.

When you retire, even if you still have less than 10 years of service credit, your medical and dental insurance will continue with 50% of UC's maximum contribution.

Eligible Family Members

Relationship to UCRP member	Eligibility	Must be
Legal spouse ^{1,2}	Eligible	–
Domestic partner (same-sex/opposite sex) ¹	Age 18 or older	<ul style="list-style-type: none"> • if opposite sex, either the employee or the domestic partner must be age 62 or older and eligible to receive Social Security benefits based on age • a domestic partnership registered with the State of California or a substantially equivalent partnership established in another jurisdiction (same-sex domestic partnership only) is a domestic partnership for UC HR/Benefits purposes. A domestic partnership that has not been registered with the State of California must meet the following criteria to be a domestic partnership for UC HR/Benefits purposes: <ul style="list-style-type: none"> – parties must be each other's sole domestic partner in a long-term, committed relationship and must intend to remain so indefinitely – neither party may be legally married or be a partner in another domestic partnership – parties must not be related to each other by blood to a degree that would prohibit legal marriage in the State of California – both parties must be at least 18 years old and capable of consenting to the relationship – both parties must be financially interdependent – parties must share a common residence
Natural or adopted child	To age 23	<ul style="list-style-type: none"> • unmarried
Stepchild	To age 23	<ul style="list-style-type: none"> • unmarried • living with you • supported by you or your spouse (50%+)
Grandchild or step-grandchild	To age 23	<ul style="list-style-type: none"> • unmarried • living with you • supported by you or your spouse (50%+) • claimed as a tax dependent by you or your spouse
Domestic partner's child or grandchild ³	To age 23	<ul style="list-style-type: none"> • unmarried • living with you • supported by you or your domestic partner (50%+) • claimed as a tax dependent by you or your domestic partner
Legal ward enrolled 1/1/95 or after	To age 18	<ul style="list-style-type: none"> • unmarried • living with you • supported by you (50%+) • claimed as your tax dependent
Overage disabled child (except a legal ward) of employee	Age 23 or older	<ul style="list-style-type: none"> • unmarried • living with you if not your natural or adopted child • enrolled in a group medical plan before age 23 with continuous coverage and the incapacity must have begun before age 23 • supported by you (50%+) and claimed as your dependent for income tax purposes or eligible for Social Security income or Supplemental Security Income as a disabled person. The overage disabled child may be working in supported employment which may offset the Social Security or Supplemental Security Income • incapable of self-support due to a mental or physical disability incurred prior to age 23 • must be approved before age 23 or by the carrier during the PIE for newly eligible employees

1 The surviving family members who are eligible for continuation of health and welfare benefits cannot enroll a spouse or domestic partner (or their children/grandchildren).

2 A legally separated spouse is not eligible for UC-sponsored coverage.

3 Domestic partner must be eligible for UC-sponsored health coverage.

Imputed Income

If your domestic partner or your partner's child or grandchild is enrolled in your UC-sponsored medical or dental plan, UC's contribution toward the additional coverage is considered your "imputed income." It is subject to FICA (Social Security and Medicare) and federal and state income taxes.

FICA is calculated at 7.65% of the imputed income. (UC contributes the same amount.) The FICA and applicable income taxes will be deducted from your monthly disability benefit. The imputed income will be reported to the IRS as taxable income, and you will receive a specially generated form W-2 showing this amount after the end of the calendar year.

If you and your domestic partner are registered with the state of California, you may not have any imputed income for state income tax purposes.

Medicare

Medicare is our country's health insurance program for people age 65 or older, certain people with disabilities who are under age 65, and people of any age who have permanent kidney failure. If you are receiving Social Security Disability Income (SSDI) benefits, you generally become eligible for Medicare coverage 24 months after your SSDI benefits begin.

There are three parts to Medicare: hospital insurance (Medicare Part A), medical insurance (Medicare Part B), and prescription drug insurance (Medicare Part D). Medicare Part A is financed by payroll taxes, and, if you are eligible to receive it based on your own—or your spouse's—employment, you do not pay a premium. Medicare Part B has a monthly premium, which usually is deducted from your Social Security check. UC's medical plans coordinate with Medicare Part D, so you do not need to enroll in a separate plan.

If you are enrolled in a UC-sponsored medical plan while receiving UCRP disability income and you or any of your enrolled family members (except an adult dependent relative) become eligible for Medicare Part A, UC requires that you (or the family members) enroll in Medicare Parts A and B. It is important that you enroll in Medicare Part B when you first become eligible. **If you do not, you will be permanently de-enrolled from your UC-sponsored medical plan.** For more information about UC's Medicare requirements, see the *Medicare Factsheet*, available on At Your Service (atyourservice.ucop.edu) or from your Benefits Office. For Medicare enrollment and eligibility

If Coverage Ends

COBRA Continuation: If you or a family member loses eligibility for medical, dental, and/or vision coverage, you may be able to continue coverage through the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). You have 60 days from the date of the qualifying event (your last day of UC employment, for example), or the date you receive notice of your continuation rights, whichever is later, to enroll.

Although not required under COBRA, UC will extend continuation coverage to eligible enrolled adult dependent relatives, domestic partners, and/or domestic partner's children or grandchildren. They may be eligible to continue health coverage for a limited time, if applicable, when eligibility for group coverage is lost.

Conversion Options: If you do not elect group medical coverage under COBRA, you may convert your coverage to an individual policy, if available. If you elect group medical coverage under COBRA, you can convert to an individual policy only at the end of the full COBRA continuation period, and only if you maintain your COBRA continuation coverage throughout this period. (Dental and vision coverage cannot be converted to individual policies.)

Health Flexible Spending Account (Health FSA): Your participation stops at the end of the pay period in which your last contribution is deducted from your pay. You may submit claims for eligible expenses incurred through your last day of plan participation. Expenses incurred after that date are not eligible for reimbursement. You may submit claims for funds in your account until the deadline for the plan year. You may be able to continue participation under COBRA through the end of the plan year by making direct, after-tax payments to your account. Call CONEXIS for more information (see page 20).

For more information, see the HR/Benefits website (atyourservice.ucop.edu).

information, call Social Security at 1-800-772-1213. You can also find Medicare information online at www.medicare.gov.

When you enroll in Medicare, you also must transfer your UC-sponsored medical coverage to your carrier's plan for Medicare enrollees. **If you do not enroll, UC will cancel your medical coverage.** It is your responsibility to initiate these changes; enrollment is not automatic. Please call Customer Service when you enroll in Medicare to coordinate coverage and avoid cancellation of your UC coverage.

Once you are enrolled in a UC-sponsored medical plan for Medicare enrollees, UC may reimburse some or all of your Medicare Part B premium if the monthly UC contribution is greater than the cost of your plan. (The Medicare Part B reimbursement is part of the UC contribution toward medical premiums.) The UC contribution is subject to annual state legislative appropriation and may change or terminate at any time.

Coverage That Stops

You may neither continue nor convert these plans:

Short-Term and Supplemental Disability Plans

Coverage and contributions for Short-Term and Supplemental Disability stop on your last day actively at work before your UCRP disability date. If you remain on pay status after your last day actively at work, you must complete a cancellation form to stop premium deductions for the Supplemental Disability Plan. Otherwise, you will be paying for coverage that has stopped.

Dependent Care Flexible Spending Account (DepCare FSA)

Contributions to your DepCare FSA stop when you go off pay status. You may continue to file claims for funds still in your account until the filing deadline for the plan year. The expenses you claim must have been incurred while you were on pay status. Any funds left in your account after the filing deadline will be forfeited.

Tax Savings on Insurance Premiums (TIP)

TIP stops with your last paycheck.

Workers' Compensation and Business Travel Accident Insurance

Coverage under these plans stops the last day you are at work.

Legal Insurance

If you are enrolled in the legal plan as an active employee, you may elect to continue coverage when you receive UCRP disability income. For coverage to continue, your monthly UCRP disability benefit should be large enough to cover your net premium deduction.

Other Plans

Vision Plan

Vision coverage through UC is not available while you are receiving UCRP disability income. However, you and your eligible family members may be able to continue coverage through COBRA continuation (see "If Coverage Ends," on page 13). Ask your Benefits Representative for information.

If you do not apply for COBRA continuation, coverage ends on the last day of the last period for which premiums are paid.

Basic Life, Supplemental Life, Dependent Life, and Accidental Death and Dismemberment (AD&D) Insurance

Group coverage under these plans ends when you leave active UC pay status. However, you can convert any of the life plans to individual policies. When you convert coverage, you pay premiums directly to the insurance company. Individual policies do not provide the same coverage as the UC-sponsored plans, and the premiums are usually higher, so you should review benefits and costs carefully before making a decision.

You have 31 days after UC coverage ends to apply for conversion. UC coverage ends on the last day of the last period for which premiums are paid. See your Benefits Representative for more information and the appropriate forms.

Waiver of Premium for Supplemental Life

If you are covered under Supplemental Life, become totally disabled before age 65, and your disability continues for at least six consecutive months, you may qualify for continuance of life insurance protection without paying the premiums. You must provide written proof of your disability to the insurance carrier, Prudential, no later than one year after disability starts. Call Prudential for more information (see page 20).

You and your spouse may purchase AD&D coverage as retirees. For full details, contact American Home Assurance (see page 19).

Automobile and Homeowner/Renter Insurance

You may continue coverage by arranging to pay premiums directly to the insurance company. Contact A+ Auto and Home Insurance (California Casualty) for more information (see page 20).

Making Changes

You can make changes to your medical, dental and/or legal plans during UC's annual Open Enrollment, generally held in November. The legal plan is open for enrollment only when announced. UC will send you information each year explaining your options. You can also make changes to your medical, dental, and/or legal coverage at other times under certain circumstances. Generally, you have 31 calendar days from the date the event occurs to make these changes:

- If you acquire a new eligible family member, you may add that person to your plans.
- If you and/or your eligible family members involuntarily lose coverage under a group medical plan not sponsored by UC, you may enroll in a UC plan if you meet eligibility requirements.
- If you are enrolled in an HMO and you move out of the plan's service area, you may transfer to another UC-sponsored plan that provides coverage in your new location.

Your UCRS Money

Depending on your dates of UCRP membership and some other factors, you may have any or all of the following on deposit in UCRS:

UCRP Accumulations

Member accumulations are used to help fund UCRP benefits. If you are receiving UCRP disability income, your accumulations must remain on deposit.

If your application for disability income is denied and you are interested in receiving a distribution of your UCRP accumulations, call Customer Service. They will advise you of your options.

Capital Accumulation Provision (CAP)

UCRP's Capital Accumulation Provision (CAP) provides eligible members with a supplement to their other UCRP benefits. The CAP benefit is based on allocations that were credited in their behalf by UCRP on certain dates. Each allocation was calculated as a percentage of covered compensation paid during a specified time period. CAP allocations earn interest, which is credited monthly.

When your UCRP disability income application is approved, you must elect a distribution of your CAP balance, if any. The CAP is eligible for rollover into an IRA or into an employer plan that accepts direct rollovers (see "Federal Tax Rules for Rollovers" on page 18). You can roll over your CAP balance into UC's Defined Contribution Plan, 403(b) Plan or 457(b) Plan.

Please note: If your CAP balance is paid directly to you, your Short-Term or Supplemental Disability carrier (Liberty Mutual or Prudential) will offset their benefit by the amount of your CAP balance for the month in which the CAP is paid.

For your current UCRP account balance, including CAP, see the HR/Benefits website (atyourservice.ucop.edu). For your Retirement Savings Program balances, see the Fidelity Retirement Services website, netbenefits.com.

Tax-Deferred 403(b) Plan Loan Program

If you have a 403(b) Plan loan when you are approved for UCRP disability income, you must either repay the loan in full or arrange to make monthly Electronic Funds Transfers (EFTs) to Fidelity Retirement Services, starting with your first month of disability. Call Fidelity Retirement Services (see page 20) to make arrangements.

If you do not take any action within 90 days of your disability date, your loan will be treated as a 403(b) Plan distribution, subject to federal and state income taxes and any applicable penalties. You can defer current taxation and avoid possible penalties by rolling over within 60 days an amount no greater than the amount of the defaulted loan into an IRA or an employer plan that accepts rollovers.

As a member receiving UCRP disability income, you cannot borrow from your 403(b) Plan account.

UC Retirement Savings Program

UC has three retirement savings plans: the DC Plan, the 403(b) Plan, and the 457(b) Plan, collectively called the UC Retirement Savings Program. Fidelity Retirement Services provides record keeping and account services for the Retirement Savings Program.

Most UCRP members make mandatory contributions to the DC Plan—Pretax Account, and some choose to make voluntary contributions to the After-Tax Account. In addition, many UC employees make voluntary pretax contributions to the 403(b) Plan and/or the 457(b) Plan. Future income from these plans is based solely on the amount of money contributed, plus any earnings.

When you are approved for UCRP disability income, you have several options. You can:

- **Leave your money in the plan(s).** If you have at least \$2,000 in the DC Plan, the 403(b) Plan or the 457(b) Plan, you can leave your money on deposit in that Plan. As a UCRP disabled member, you cannot contribute to the plans, but you can transfer your money among the investment funds

and take distributions—subject to Plan rules and federal regulations.

Note: You cannot leave your money in the plans indefinitely. Tax laws require you to begin taking minimum distributions by April 1 following the calendar year in which you reach age 70½ or the year in which you leave UC employment, whichever is later.

If you have less than \$2,000 in any Plan, you must take a total distribution from that Plan.

- **Take a full or partial distribution.** Subject to Plan rules and processing deadlines, you can request a full or partial distribution of your money. You can have this distribution paid to you or you can arrange a rollover to an IRA or another employer plan. See “Taxes” at right.

You can also elect to take systematic withdrawals of your money in the Plans. This option enables you to receive periodic distributions from your Plan balances without having to make a separate request for each distribution. For details, contact Fidelity Retirement Services.

- **Purchase a commercial annuity.** You can take a total distribution and purchase a commercial annuity on your own from the insurance company of your choice. *Before purchasing any annuity, you should consult a financial advisor.*

Federal Tax Rules for Rollovers

Federal tax-withholding rules affect most nonperiodic distributions—including the lump sum cashout, CAP, 403(b) Plan distributions, 457(b) Plan distributions and the taxable part of DC Plan distributions.

Under these rules, you may have your distribution paid to you or you may arrange to have some or all of it rolled over directly into an IRA or into a qualified plan that accepts direct rollovers, including UC’s Retirement Savings Program plans.

If the distribution is made payable to you, the rules require that 20% be withheld for federal taxes. If some or all of the distribution is rolled over directly into an IRA or an employer plan, withholding does not apply to the rolled-over amount.

A special tax notice for plan distributions explains your options in detail. Call Fidelity Retirement Services for details.

Taxes

All 403(b) and 457(b) Plan distributions and the taxable portion of DC Plan distributions are taxed as ordinary income in the year in which you receive them unless you roll the money over into an IRA or qualified plan that accepts rollovers. See “Federal Tax Rules for Rollovers” below. Fidelity Retirement Services will send you a form 1099-R reporting any distributions (and rollovers) made during the calendar year.

In addition, if you receive a taxable distribution before you reach age 59½, it may be subject to early distribution penalty taxes (10% federal, 2.5% California) in addition to regular income tax. The penalty taxes apply unless at least one of these criteria is met:

- You roll over the distribution.
- You leave UC employment during or after the year you reach age 55.
- You purchase a life annuity.
- You are permanently disabled.
- Your distribution is used for deductible medical expenses in excess of 7.5% of your adjusted gross income.
- Your beneficiary withdraws the money after your death.
- Your distribution is paid to an alternate payee in accordance with a qualified domestic relations order.

See the appropriate Retirement Plan summary plan description for more information.

We strongly recommend that you consult a qualified tax advisor before making any final decisions.

Additional Information

Other Disability Benefits

Your Benefits Representative can tell you about other benefits for which you may be eligible—such as Short-Term or Supplemental Disability benefits—and whom to contact if state-provided Workers' Compensation benefits might apply.

Refer to the *Disability Factsheet* or *Disability Benefits Information for Faculty* for an explanation of how coverage in the various plans may be affected when you cannot work because of your disability, whether or not you are eligible for UCRP disability income.

If you have contributed to retirement plans other than UCRP, contact the plan administrator or its representative about benefits you may be eligible to receive.

If you contribute to Social Security now or have contributed in the past, contact Social Security to find out about benefits you may be eligible to receive. You may also be eligible based on contributions by your spouse or former spouse.

Definitions of salary for UCRP are different from those for UC's Short-Term and Supplemental Disability plans. Benefits from those plans supplement other sources of income (UCRP, CalPERS, Workers' Compensation, etc.) so that income from all sources is not more than 70% of your monthly eligible earnings before your disability. The insurance carrier will offset the benefit to you by the gross amount of your UCRP benefit (COLAs excluded).

Eligibility requirements for UCRP disability income (including the definition of disability) differ from the requirements for other disability plans. Approval (or denial) by one plan does not necessarily mean another plan will make the same determination.

Other University Services

Additional University services may be available to help you adjust to or overcome your disability. In some cases, modified or alternative job duties may be arranged or adaptive equipment may be provided. In other cases, vocational rehabilitation services can help determine your suitability for other types of employment. For more information, contact your local Human Resources department or the UCRP Disability Unit.

Additional Publications

For further information, please refer to:

- Retirement Plan Summary Plan Description
 - Members with Social Security*
 - Members without Social Security*
 - Tier Two Members*
 - Safety Members*
- Tax-Deferred 403(b) Plan Summary Plan Description
- Defined Contribution Plan Summary Plan Description
- 457(b) Deferred Compensation Plan Summary Plan Description
- UCRP Disability Return-to-Work Factsheets
- Survivor and Beneficiary Handbook for Families and Beneficiaries of UC Retirees
- University of California Retirement Handbook
- Your Group Insurance Plans
- UC Group Insurance Eligibility Factsheet
- Disability Factsheet
- Disability Benefits Information for Faculty
- Leave Without Pay Benefits Checklist
- Termination of Employment Benefits Checklist
- Partial Disability: Stay at Work/Return to Work Factsheet
- Personal Accident Insurance Plan (Accidental Death and Dismemberment/AD&D)
- Short-term Disability Insurance Plan
- Supplemental Disability Insurance Plan

At Your Service

atyourservice.ucop.edu

You can access UC benefits information online by visiting At Your Service, the UC Human Resources and Benefits website. The site includes links to publications and to the websites of many organizations, including those listed on this page.

UC HR/Benefits Address

Disability Unit
University of California HR/Benefits
P.O. Box 24570
Oakland, CA 94623-1570

Note: When you write UC HR/Benefits, be sure to include your Social Security number and daytime telephone number.

Customer Service

1-800-888-8267

Please have your Social Security number available for reference.

Other Numbers

American Home Assurance (for AD&D conversion)	1-800-772-7863
A+ Auto and Home Insurance (California Casualty)	1-866-680-5142
Social Security Administration	1-800-772-1213
Liberty Mutual (regarding your Supplemental Disability insurance)	1-800-838-4461
Prudential (regarding waiver of life insurance premium)	1-800-524-0542
Fidelity Retirement Services	1-866-682-7787
SHPS, Inc.	1-877-270-3915
CONEXIS	1-800-482-4120
ARAG Group	1-800-828-1395

By authority of the Regents, University of California Human Resources and Benefits, 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 (1-800-888-8267). 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. Contact your Human Resources Office for more information.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides for continued coverage for a certain period of time at applicable monthly COBRA rates if you, your spouse, or your dependents lose group medical, dental, or vision coverage because you terminate employment (for reasons other than gross misconduct); your work hours are reduced below the eligible status for these benefits; you die, divorce, or are legally separated; or a child ceases to be an eligible dependent. Note: The continuation period is calculated from the earliest of these qualifying events and runs concurrently with any other UC options for continued coverage. See your Benefits Representative for more information.

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

Website address: atyourservice.ucop.edu



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