

*University of California Retirement Plan*

---

**Actuarial Valuation Report as of July 1, 2003**

---

*October 2003*



## *Table of Contents*

*Management Summary of Valuation Results*..... *MS*

*Supplemental Information*..... *SI*



# ***Management Summary of Valuation Results***

<b><i>Financial Results</i></b> .....	<b><i>MS-1</i></b>
<b><i>Highlights</i></b> .....	<b><i>MS-2</i></b>
<b><i>Recommended Contributions</i></b> .....	<b><i>MS-3</i></b>
<b><i>Funded Status</i></b> .....	<b><i>MS-5</i></b>
<b><i>Actuarial Certification</i></b> .....	<b><i>MS-7</i></b>



## Financial Results

This report presents the results of the July 1, 2003 actuarial valuation of the University of California Retirement Plan (UCRP). Results from the prior valuation are shown for comparison.

	<b>July 1, 2003</b> \$ in 000s	<b>July 1, 2002</b> \$ in 000s
<b>Recommended Contribution (as percentage of pay)</b>		
Non-safety	0.0%	0.0%
Safety	0.0	0.0
Total	0.0%	0.0%
<b>Funded Status</b>		
Actuarial value of assets [AV]	\$ 41,429,332	\$ 41,648,822
Actuarial accrued liability [AAL]	32,954,757	30,099,594
AAL funded percentage [AV ÷ AAL]	126%	138%

## Highlights

### Assets

The UCRP investment portfolio consists of approximately 65% equities and 35% fixed income investments. During the 2002 plan year, the fund achieved a 5.6% investment return on market value, while the capital market performed as follows:

S&P 500 composite (including dividends)	0.25%
Lehman Brothers government/corporate/Yankee bond index	13.15%
Return on cash (three-month Treasury bill)	1.41%

As a result of investment losses over three of the prior five years, the rate of return during the 2002 plan year on the actuarial value of assets is 1.9%, which is below the expected return of 7.5%.

### Demographic Experience

The UCRP had 121,351 active members as of July 1, 2003, an increase of 3.0% over 2002. Covered payroll for active members increased 7.0% from 2002 to 2003, to a level of \$7.73 billion.

The plan has 37,867 members currently receiving benefits, an increase of 4.7% over 2002. Total annual benefits in pay status is \$918 million, an increase of 10.4% from 2002. There are 20,418 terminated vested members in the plan who are entitled to future benefits.

### Future Expectations

Although no contribution to UCRP is called for as a result of this valuation, it is not reasonable to expect the plan to maintain its high level of surplus. Forecasts of assets and liabilities are performed, as needed, to ensure that financial data are available to provide advance information regarding contribution requirements.

### Major Plan Changes

Members who were active as of April 1, 2003 received a Capital Accumulation Payment (CAP) in the amount of 5% of the prior year's actual pay. The CAP was allocated in May 2003. This lump sum CAP is credited with 7.5% interest per year and is payable upon termination, retirement, or death.

As a result of the UCSF Stanford Health Care (USHC) break-up, effective November 26, 2002, certain UC employees received vesting and service credit for their hours worked at USHC. Assets from the USHC Staff Pension Plan were transferred to UCRP for this purpose. USHC employees who were members of the USHC Retirement Plan will be given a one-time opportunity to exchange a portion of their accounts attributable to Employer Basic contributions for service credit under UCRP.



## Recommended Contributions

Beginning with the 1990 plan year, the Regents adopted a full funding policy. Under that policy, the University will suspend contributions when the smaller of the market value or the actuarial value of plan assets exceeds the lesser of:

- ▶ The actuarial accrued liability (including normal cost), or
- ▶ 150% of the estimated current liability (including normal cost).

## Impact of Major Events

Normal cost as a percentage of pay generally increased in recent years due to changes in the profile of plan participants. The plan is fully funded in 2003 due to favorable investment returns in past years, as reflected in the actuarial value of assets. Since assets exceed the actuarial accrued liability, the recommended contribution for 2003 is zero.

---

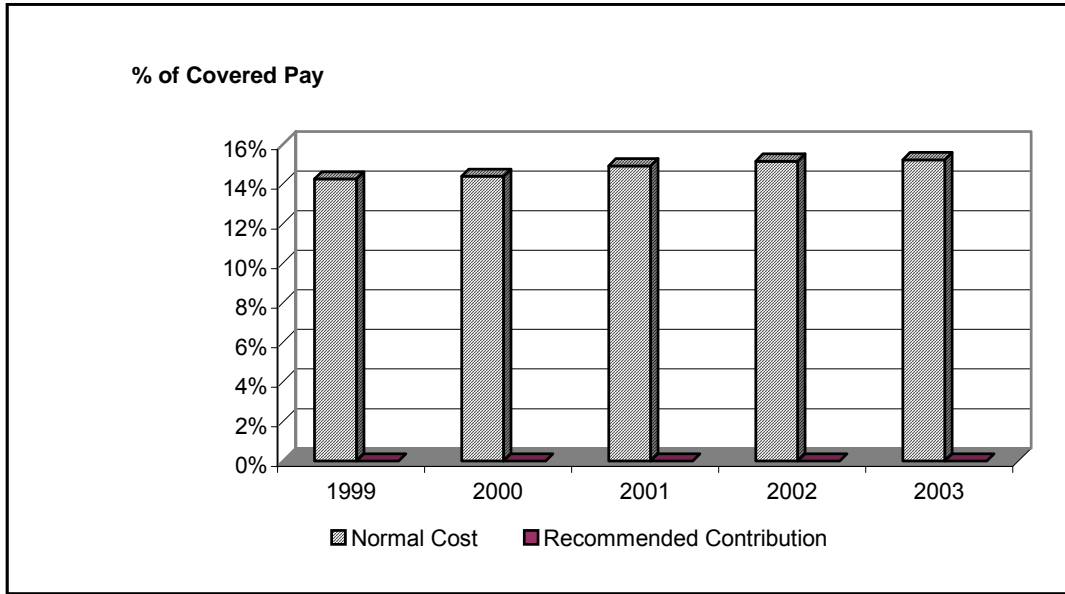
### Five-Year History of Normal Costs and Recommended Contributions as a Percent of Covered Payroll

<i>Year</i>	<i>Normal Cost</i>	<i>Recommended Contribution</i>
2003	15.22%	0.00%
2002	15.15	0.00
2001	14.91	0.00
2000	14.38	0.00
1999	14.24	0.00

---

The following chart shows a five-year history of normal cost percentages and recommended University contributions as a percent of covered payroll:

**Five-Year History of Normal Cost and Recommended University Contributions**



**Assumptions**

Recommended contributions are based on three key economic assumptions:

	<b>2003</b>	<b>2002</b>
Interest rate for normal cost and actuarial accrued liability	7.50%	7.50%
Average salary increase rate	5.40%	5.40%
Inflation	4.00%	4.00%

## Funded Status

The funded status is measured by comparing the actuarial value of assets with the actuarial accrued liability. The actuarial value of assets is a smoothed value that recognizes investment gains and losses over time. The actuarial accrued liability is the funding target on which the employer contribution limits are based. As the funded percentage for a plan approaches or exceeds 100%, employer contributions to the plan will be restricted in accordance with the funding policy.

The plan's funded percentage (actuarial value of assets divided by actuarial accrued liability) is 126% as of July 1, 2003. This percentage is based on an actuarial value of assets of \$41.4 billion and an actuarial accrued liability of \$33.0 billion.

## Impact of Major Events

Due to the impact of the UCSF Stanford Health Care break-up, the new CAP, and poor investment performance over the last three years, the funded percentage decreased to 126% in 2003 compared to 138% in 2002.

---

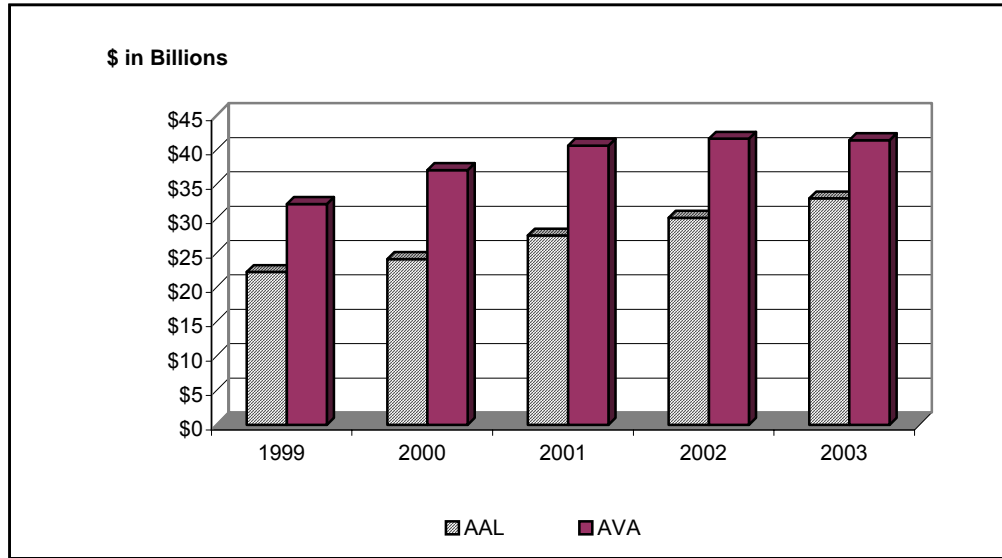
### Five-Year History of Funded Status

<i>Year</i>	<i>Actuarial Accrued Liability (\$ in 000s)</i>	<i>Actuarial Value of Assets (\$ in 000s)</i>	<i>Funded Percentage</i>
2003	\$ 32,954,757	\$ 41,429,332	126%
2002	30,099,594	41,648,822	138
2001	27,451,200	40,554,492	148
2000	24,067,231	37,026,168	154
1999	22,156,969	32,089,610	145

---

The following chart shows a five-year history of the Actuarial Accrued Liability (AAL) and the Actuarial Value of Assets (AVA):

**Five-Year History of Actuarial Accrued Liability  
and Actuarial Value of Assets**



**GASB 25/GASB 27**

For information regarding GASB Statement Nos. 25 and 27, please see pages 10 to 13 in the Supplemental Information section.

## **Actuarial Certification**

The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their “General Qualification Standard for Prescribed Statements of Actuarial Opinions” relating to pension plans.

In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants, and plan assets. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness but have not audited it. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The actuarial assumptions and the accounting policies and methods employed in the development of the pension cost have been selected by the plan sponsor, with the concurrence of Towers Perrin. This valuation process complies with GASB requirements.

The results shown in this report are reasonable actuarial results. However, a different set of results could also be considered reasonable actuarial results, since the Actuarial Standards of Practice describe a “best-estimate range” for each assumption, rather than a single best-estimate value. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

The information contained in this report was prepared for the internal use of the University of California and its auditors in connection with our actuarial valuation of the pension plan. It is not intended nor necessarily suitable for other purposes.

Catherine L. Cole, A.S.A., E.A.

Leslie P. Finertie, F.S.A., E.A.

Towers Perrin

October 2003

## ***Supplemental Information***

### ***Assets***

<b><i>Asset Values</i></b> .....	<b><i>SI-1</i></b>
<b><i>Development of Actuarial Value of Assets</i></b> .....	<b><i>SI-2</i></b>
<b><i>History of Investment Return</i></b> .....	<b><i>SI-4</i></b>

### ***Contributions***

<b><i>Normal Cost</i></b> .....	<b><i>SI-5</i></b>
<b><i>Actuarial Liabilities</i></b> .....	<b><i>SI-6</i></b>
<b><i>Unfunded Actuarial Liability</i></b> .....	<b><i>SI-7</i></b>
<b><i>Full Funding Limitations</i></b> .....	<b><i>SI-8</i></b>
<b><i>Contributions</i></b> .....	<b><i>SI-9</i></b>

### ***Information for Financial Statements***

<b><i>Schedule of Funding Progress</i></b> .....	<b><i>SI-10</i></b>
<b><i>Schedule of Employer Contributions</i></b> .....	<b><i>SI-11</i></b>
<b><i>Annual Pension Cost and Net Pension Obligation</i></b> .....	<b><i>SI-12</i></b>
<b><i>Notes to Trend Data</i></b> .....	<b><i>SI-13</i></b>

### ***Actuarial Basis***

<b><i>Actuarial Assumptions and Methods</i></b> .....	<b><i>SI-14</i></b>
<b><i>Tables</i></b> .....	<b><i>SI-17</i></b>
<b><i>Plan Provisions</i></b> .....	<b><i>SI-28</i></b>
<b><i>Member Data</i></b> .....	<b><i>SI-35</i></b>

<b><i>Glossary of Actuarial Terms</i></b> .....	<b><i>SI-49</i></b>
---	---------------------



## Asset Values

	<b>Market Value</b> (\$ in 000s)	<b>Actuarial Value</b> (\$ in 000s)
<b>Assets as of June 30, 2003</b>		
Cash and short-term investment	\$ 66,938	N/A
Fixed income investment	11,541,619	N/A
Mortgage loans and notes	1	N/A
Equity investment	23,602,769	N/A
Other	<u>0</u>	<u>N/A</u>
Total investments	\$ 35,211,327	\$ 41,313,847
Receivables	257,460	257,460
Payables	(142,079)	(142,079)
Net securities lending	<u>104</u>	<u>104</u>
Net assets	\$ 35,326,812	\$ 41,429,332
<b>Change in Asset Values</b>		
As of June 30, 2002	\$ 34,441,805	\$ 41,648,822
Regents' contributions	811	811
Member contributions	2,546	2,546
Benefit payments	(987,018)	(987,018)
Administrative cost	(28,230)	(28,230)
Transfers	4,514	4,514
Investment return	<u>1,892,384</u>	<u>787,887</u>
As of June 30, 2003	\$ 35,326,812	\$ 41,429,332
Rate of return	5.6%	1.9%



## Development of Actuarial Value of Assets

### Expected Market Value of Assets at July 1, 2003

Market Value at July 1, 2002		\$ 34,441,805
Benefit disbursements and expense during 2002		(1,015,248)
Contributions during 2002		3,357
Transfers during 2002		4,514
Expected investment return:		
▶ On market value at July 1, 2002	\$ 2,583,135	
▶ On disbursements	(37,384)	
▶ On contributions	124	
▶ On transfers	166	
▶ Total		<u>2,546,041</u>
Expected Market Value of Assets at July 1, 2003		\$ 35,980,469

### Actual Market Value of Assets at July 1, 2003

Market value at July 1, 2002		\$ 34,441,805
Benefit disbursements and expense during 2002		(1,015,248)
Contributions during 2002		3,357
Transfers during 2002		4,514
Actual investment return		<u>1,892,384</u>
Actual market value of assets at July 1, 2003		\$ 35,326,812

### Actual Less the Expected Investment Return During 2002

		\$ (653,657)
Amount of 2002 investment gain/(loss) to be recognized in 2002		(130,731)
Unrecognized 2002 investment gain/(loss) at July 1, 2003		(522,926)

## Development of Actuarial Value of Assets (Continued)

### Amortization of Investment Gains/(Losses) During 2002

From July 1, 2002 to June 30, 2003	\$ (130,731)
From July 1, 2001 to June 30, 2002	(1,268,067)
From July 1, 2000 to June 30, 2001	(1,084,835)
From July 1, 1999 to June 30, 2000	394,277
From July 1, 1998 to June 30, 1999	<u>331,202</u>
Total	\$ (1,758,154)

### Unrecognized Investment Gains/(Losses) at July 1, 2003

From July 1, 2002 to June 30, 2003	\$ (522,926)
From July 1, 2001 to June 30, 2002	(3,804,202)
From July 1, 2000 to June 30, 2001	(2,169,668)
From July 1, 1999 to June 30, 2000	394,275
From July 1, 1998 to June 30, 1999	<u>0</u>
Total	\$ (6,102,521)

### Development of Actuarial Value of Assets at July 1, 2003

Actuarial value of assets at July 1, 2002	\$ 41,648,822
Disbursements during 2002	(1,015,248)
Contributions during 2002	3,357
Transfer during 2002	4,514
Expected return on market value	2,546,041
Amortization of investment gains/(losses)	<u>(1,758,154)</u>
Actuarial value of assets at July 1, 2003	\$ 41,429,332

## History of Investment Return

<b>Plan Year Beginning</b>	<b>Investment Rate of Return for the Year</b>		<b>Cumulative Average Annual Rate of Return since 1985*</b>	
	<b>Market Value</b>	<b>Actuarial Value</b>	<b>Market Value</b>	<b>Actuarial Value</b>
1985	37.3%	18.7%	37.3%	18.7%
1986	23.1	23.6	30.0	21.1
1987	(7.1)	16.4	16.2	19.5
1988	16.8	16.0	16.3	18.6
1989	13.6	17.0	15.8	18.3
1990	9.8	11.3	14.8	17.1
1991	15.5	11.2	14.9	16.2
1992	16.8	11.1	15.1	15.6
1993	(2.6)	11.0	13.0	15.0
1994	26.1	11.2	14.2	14.6
1995	21.3	15.2	14.8	14.7
1996	25.8	19.4	15.7	15.1
1997	21.6	22.1	16.1	15.6
1998	12.3	21.4	15.8	16.0
1999	12.7	18.2	15.6	16.1
2000	(5.5)	12.1	14.2	15.8
2001	(9.0)	5.2	12.7	15.1
2002	5.6	1.9	12.3	14.3

\* Geometric average of annual rates of return.

## Normal Cost

	<b>Nonsafety</b> (\$ in 000s)	<b>Safety</b> (\$ in 000s)	<b>Total</b> (\$ in 000s)
<b>Normal Cost</b>			
As of July 1, 2002	\$ 1,088,356	\$ 6,526	\$ 1,094,882
▶ Percent of pay	15.12%	24.12%	15.15%
As of July 1, 2003	\$ 1,170,156	\$ 6,786	\$ 1,176,942
▶ Percent of pay	15.19%	24.34%	15.22%

### Components of Normal Cost as of July 1, 2003

Retirement benefits	\$856,555	\$ 4,380	\$ 860,935
Termination benefits	128,195	1,589	129,784
Disability benefits	83,296	397	83,693
Survivor benefits	50,381	234	50,615
Lump sum death benefits	8,592	25	8,617
Refund of member contributions	0	0	0
CAP	4,608	22	4,630
Expenses	38,529	139	38,668
Member contributions	<u>0</u>	<u>0</u>	<u>0</u>
Total normal cost	\$1,170,156	\$ 6,786	\$ 1,176,942

### Normal Cost Percentage Adjusted to Mid-Year

Plan year 2002-2003	15.68%	25.01%	15.71%
Plan year 2003-2004	15.75%	25.24%	15.78%

### Change in Normal Cost Percentage

Normal cost percentage for 2002	15.12%	24.12%	15.15%
Change from 2002 to 2003:			
▶ Change in profile of participants	0.07	0.22	0.07
▶ Change in plan provisions	0.00	0.00	0.00
▶ Change in actuarial assumptions	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Normal cost percentage for 2003	15.19%	24.34%	15.22%

## Actuarial Liabilities

	<b>July 1, 2003</b> (\$ in 000s)	<b>July 1, 2002</b> (\$ in 000s)
<b>Actuarial Accrued Liability</b>		
Members in pay status:		
▶ Retirees	\$ 9,206,927	\$ 8,312,226
▶ Beneficiaries	463,344	412,486
▶ Survivors	371,950	347,815
▶ Disableds	<u>432,110</u>	<u>404,116</u>
▶ Total in pay status	\$ 10,474,331	\$ 9,476,643
Active members:		
▶ With Social Security	\$ 16,572,730	\$ 14,804,715
▶ Without Social Security	3,976,591	4,119,066
▶ Safety	<u>127,417</u>	<u>126,518</u>
▶ Total actives	\$ 20,676,738	\$ 19,050,299
Terminated members:		
▶ Vested	\$ 1,789,121	\$ 1,564,520
▶ Nonvested	<u>14,567</u>	<u>8,132</u>
▶ Total terminated	\$ 1,803,688	\$ 1,572,652
Total actuarial accrued liability	\$ 32,954,757	\$ 30,099,594
<b>Current Liability</b>		
Members in pay status	\$ 10,474,331	\$ 9,476,643
Active members	13,207,426	11,957,090
Terminated members	<u>1,803,688</u>	<u>1,572,652</u>
Total current liability	\$ 25,485,445	\$ 23,006,385
<b>Actuarial Present Value of Projected Benefits</b>		
Members in pay status	\$ 10,474,331	\$ 9,476,643
Active members	30,814,938	28,537,605
Terminated members	<u>1,803,688</u>	<u>1,572,652</u>
Total	\$ 43,092,957	\$ 39,586,900

## Unfunded Actuarial Liability

	<b>July 1, 2003</b> (\$ in 000s)	<b>July 1, 2002</b> (\$ in 000s)
<b>Unfunded Actuarial Liability</b>		
Actuarial accrued liability (AAL)	\$ 32,954,757	\$ 30,099,594
Actuarial value of assets	<u>41,429,332</u>	<u>41,648,822</u>
Unfunded actuarial liability (surplus)	\$ (8,474,575)	\$ (11,549,228)
AAL funded percentage	125.7%	138.4%
<b>Change in Unfunded Actuarial Liability</b>		
Unfunded actuarial liability at July 1, 2002		\$ (11,549,228)
Change due to University contributions		
▶ 2002 normal cost (net of expenses)		\$ 1,058,750
▶ 2002 University and member contributions		(3,357)
▶ 2002 Transfer		(4,514)
▶ Interest accrued to July 1, 2003		<u>\$ (787,076)</u>
Expected unfunded actuarial liability		\$ (11,285,425)
Actuarial (gains)/losses		
▶ Liability sources		\$ (1,023,362)
▶ Asset sources		<u>3,512,551</u>
Unfunded actuarial liability before plan changes		\$ (8,796,236)
Effect of plan changes		<u>321,661*</u>
Unfunded actuarial liability at July 1, 2003		\$ (8,474,575)

\*Only includes the effect of the May 1, 2003 CAP as described on page MS-2. The USHC plan change also described on page MS-2 is not included since the additional service for former USHC employees is contained in their total service field. The liabilities for this benefit are included in the (gain)/loss category.

## Full Funding Limitations

(\$ in 000s)

### Assets

Actuarial value of assets as of July 1, 2003	\$ 41,429,332
Market value of assets as of July 1, 2003	35,326,812
Lesser of actuarial value and market value	35,326,812
Estimated benefit disbursements	(1,217,236)
Interest to June 30, 2004	<u>2,604,690</u>
Estimated assets as of June 30, 2004	\$ 36,714,266

### Full Funding Limitation – Actuarial Accrued Liability Basis

Actuarial accrued liability as of July 1, 2003	\$ 32,954,757
Normal cost as of July 1, 2003 (net of expenses)	1,138,274
Estimated benefit disbursements	(1,217,236)
Interest to June 30, 2004	<u>2,512,156</u>
Estimated actuarial accrued liability as of June 30, 2004	35,387,951
Estimated assets as of June 30, 2004	<u>36,714,266</u>
Full funding limitation (minimum zero)	\$ 0

### Full Funding Limitation – Current Liability Basis

Current liability as of July 1, 2003	\$ 25,485,445
Current liability normal cost as of July 1, 2003	1,336,461
Estimated benefit disbursements	(1,217,236)
Interest to June 30, 2004	<u>1,966,822</u>
Estimated current liability as of June 30, 2004	\$ 27,571,492
150% of estimated current liability	41,357,238
Estimated assets as of June 30, 2004	<u>36,714,266</u>
Full funding limitation (minimum zero)	\$ 4,642,972

## Contributions

	<b>July 1, 2003</b> (\$ in 000s)	<b>July 1, 2002</b> (\$ in 000s)
<b>Normal Cost</b>		
Dollars	\$ 1,176,942	\$ 1,094,882
Percent of pay	15.22%	15.15%
<b>Full Funding Limitation</b>		
Actuarial liability basis	\$ 0	\$ 0
Current liability basis	\$ 4,642,972	\$ 1,513,292
Lesser of actuarial and current liability basis	\$ 0	\$ 0
<b>Recommended Contribution</b>		
Dollars	\$ 0	\$ 0
Percent of pay	0.00%	0.00%



## Information for Financial Statements

Actuarial calculations under Statement No. 25 of the Governmental Accounting Standards Board (GASB 25) are for purposes of providing the required supplementary information to the financial statements of the plan. Actuarial calculations under Statement No. 27 of the Governmental Accounting Standards Board (GASB 27) are for purposes of providing the required supplementary information and the notes to the financial statements of the University. The calculations and disclosures reported in this section have been made on a basis consistent with our understanding of GASB 25 and GASB 27.

### Schedule of Funding Progress (\$ in 000s)

	Actuarial Valuation Date	
	July 1, 2003	July 1, 2002
1. Actuarial value of assets	\$ 41,429,332	\$ 41,648,822
2. Actuarial accrued liability (AAL)	32,954,757	30,099,594
3. Unfunded AAL (UAAL): (2)-(1)	(8,474,575)	(11,549,228)
4. Funded ratio: (1)÷(2)	125.7%	138.4%
5. Covered payroll (valuation payroll as of the actuarial valuation date)	7,733,777	7,226,529
6. UAAL as a percentage of covered payroll: (3)÷(5)	(109.6)%	(159.8)%

## Schedule of Employer Contributions (\$ in 000s) (GASB continued)

	<b>Fiscal Year Ended June 30</b>	
	<b>2004</b>	<b>2003</b>
1. Actuarial valuation date	July 1, 2003	July 1, 2002
2. Annual required contribution (ARC)		
a. Employer's normal cost (percentage of covered valuation payroll)	15.22%	15.15%
b. UAAL	\$ (8,474,575)	\$ (11,549,228)
c. Amortization of UAAL	(1,177,081)	(1,094,819)
d. Amortization of UAAL (percentage of covered payroll)	(15.22)%	(15.15)%
e. ARC (percentage of covered payroll): (a)+(d)	0.00%	0.00%
f. Covered payroll	\$ 7,733,777	\$ 7,226,529
g. ARC: (e)x(f)	0	0
3. Employer contributions		0
4. Percentage contributed: (3)÷(2)(g)		0.00%
5. Excess contributions/(contribution deficiencies): (3)-(2)/(g)		\$ 0

## **Annual Pension Cost and Net Pension Obligation (GASB continued)**

The plan's annual pension cost and net pension obligation to the fund for the current and prior year were as follows:

	<b>Fiscal Year Ended June 30</b>	
	<b>2004</b>	<b>2003</b>
1. Annual required contribution (ARC)	\$ 0	\$ 0
2. Interest on net pension obligation	0	0
3. Adjustment to annual required contribution	0	0
4. Annual pension cost (APC): (1)+(2)-(3)	0	0
5. Contributions made		0
6. Increase (decrease) in net pension obligation: (4)+(5)		0
7. Net pension obligation beginning of year		0
8. Net pension obligation end of year: (6)+(7)		0

## Notes to Trend Data (GASB continued)

	<b>Fiscal Year Ended June 30</b>	
	<b>2004</b>	<b>2003</b>
1. Actuarial valuation date	July 1, 2003	July 1, 2002
2. Actuarial cost method	Entry age	Entry age
3. Amortization method	Level percent, Open	Level percent, Open
4. Remaining amortization period (years)	8.38	13.25
5. Asset valuation method	5-year smoothed market value	5-year smoothed market value
6. Actuarial Assumptions:		
Investment rate of return*	7.5%	7.5%
Projected salary increases*	4.5% to 6.5%	4.5% to 6.5%
* Includes inflation at	4.0%	4.0%
Cost-of-living adjustment	2.0%	2.0%

## Actuarial Assumptions and Methods

### Economic Assumptions

Investment return	7.50%
Annual rates of increase in:	
▶ Salaries	
– inflation component	4.00%
– merit and promotion component	See Table 1
▶ Consumer Price Index	4.00%

### Demographic and Other Assumptions

Mortality	1983 Group Annuity Mortality Table, set back two years. See Table 2.
Termination	Rates varying by age, service, gender and employment classification; based on plan experience. See Tables 3A through 3C.
Disability	Rates varying by age and gender; based on plan experience. See Table 4.
Disabled mortality	1987 Group Long-Term Disability Table (composite select and ultimate rates). See Table 5
Retirement	Rates varying by age and employment classification for active members. See Table 6.  Vested terminated members are expected to retire at age 50.
Form of payment	Life annuity for single members; 25% contingent annuity for members with Social Security in a relationship for at least one year; 50% contingent annuity for members without Social Security in a relationship for at least one year; 50% contingent annuity for Safety members in a relationship for at least one year.
Percentage with eligible dependents	Percentages varying by age and gender. See Table 7.
Dependent ages	Members assumed to have opposite sex partner with females three years younger than males.

Number of dependents	Numbers varying by age and gender. See Table 8.
Refund probability	Probability of electing a refund upon termination is zero if accumulated contributions are zero or if hire date is 7/1/93 or later. Otherwise probability varies by age and service. See Table 9.
Future service for part-time employees	Assume full-time service for all future years.
Entry age	Age on birthday nearest July 1 following employment.
Administrative expenses	0.5% of payroll, added to normal cost.

### **Actuarial Methods**

Normal cost and actuarial accrued liability	Entry age normal.
Actuarial value of assets	Adjusted market value method: the market value on the valuation date less the following percentage of the prior years' investment gains and losses: <ul style="list-style-type: none"> <li>▶ 80% of the prior year</li> <li>▶ 60% of the second prior year</li> <li>▶ 40% of the third prior year</li> <li>▶ 20% of the fourth prior year.</li> </ul>

### **Approximations**

Guaranteed survivor and disability benefits	Liability and normal cost for guaranteed survivor and disability benefits for members who elected Social Security was estimated as 10% of their basic liability and normal cost.
Sick leave	Service has been increased by 0.2% for faculty, 1.4% for staff and 2.5% for safety members to account for unused sick leave.

### **Benefits Not Valued**

All benefits are valued.

**Sources of Data**

Asset data

Provided by the University, used without audit.

Member data

Census data provided by the University:

- ▶ Members and beneficiaries in receipt of benefits (not active). Data as of July 1, 2003.
- ▶ Members not in receipt of benefits (actives). Data as of June 30, 2003.

Average or reasonable data used where data was incomplete. Data was adjusted as follows:

- ▶ Active and not active censuses compared; duplicate records removed from active census
- ▶ Full-time earnings for active members adjusted to be within assumed ranges:

Management, Executive	\$55,000 - \$500,000
Faculty	29,000 - 400,000
NonFaculty Academic	31,000 - 200,000
Staff & Professional	25,000 - 110,000
Safety	35,000 - 110,000
- ▶ If reported credit service is unreasonable, it is replaced with a calculated amount using hire date and participation date as follows:

Noncoordinated members: assumed hired before April 1, 1976

Members with Plan 02 balances: assumed hired before July 1, 1971

Staff members: assumed joined the plan after June 30, 1961.
- ▶ Members with missing birth dates assumed to be age 44 on valuation date.

The data adjustments do not have a significant impact on valuation results.

Table 1

## Salary Scale

### Merit and Promotional Salary Increases

Age	Annual Increase	Ratio: Earnings at Retirement/ Current Earnings	Age	Annual Increase	Ratio: Earnings at Retirement/ Current Earnings
20	2.5%	2.052	50	1.2%	1.187
21	2.5	2.002	51	1.2	1.173
22	2.5	1.953	52	1.2	1.159
23	2.5	1.905	53	1.1	1.145
24	2.5	1.859	54	1.1	1.133
25	2.5	1.814	55	1.1	1.120
26	2.5	1.769	56	1.1	1.108
27	2.4	1.726	57	1.0	1.096
28	2.3	1.686	58	1.0	1.085
29	2.2	1.648	59	0.9	1.074
30	2.1	1.612	60	0.9	1.065
31	2.0	1.579	61	0.8	1.055
32	1.9	1.548	62	0.8	1.047
33	1.8	1.519	63	0.7	1.039
34	1.7	1.493	64	0.6	1.031
35	1.7	1.468	65	0.5	1.025
36	1.6	1.443	66	0.5	1.020
37	1.6	1.420	67	0.5	1.015
38	1.5	1.398	68	0.5	1.010
39	1.5	1.377	69	0.5	1.005
40	1.5	1.357	70	0.0	1.000
41	1.4	1.337			
42	1.4	1.319			
43	1.4	1.300			
44	1.4	1.282			
45	1.3	1.265			
46	1.3	1.248			
47	1.3	1.232			
48	1.3	1.217			
49	1.2	1.201			



Table 2

## Mortality Rates

### Number of Deaths per 1,000 Members

Age	Male Rate	Female Rate	Age	Male Rate	Female Rate	Age	Male Rate	Female Rate
20	0.353	0.168	50	3.138	1.366	80	60.678	34.459
21	0.365	0.179	51	3.513	1.505	81	67.125	38.549
22	0.377	0.189	52	3.909	1.647	82	74.070	42.945
23	0.392	0.201	53	4.324	1.793	83	81.484	47.655
24	0.408	0.212	54	4.755	1.949	84	89.320	52.691
25	0.424	0.225	55	5.200	2.120	85	97.525	58.071
26	0.444	0.239	56	5.660	2.315	86	106.047	63.807
27	0.464	0.253	57	6.131	2.541	87	114.836	69.918
28	0.488	0.268	58	6.618	2.803	88	124.170	76.570
29	0.513	0.284	59	7.139	3.103	89	133.870	83.870
30	0.542	0.302	60	7.719	3.443	90	144.073	91.935
31	0.572	0.320	61	8.384	3.821	91	154.859	101.354
32	0.607	0.342	62	9.158	4.241	92	166.307	111.750
33	0.645	0.364	63	10.064	4.703	93	178.214	123.076
34	0.687	0.388	64	11.133	5.210	94	190.460	135.630
35	0.734	0.414	65	12.391	5.769	95	203.007	149.577
36	0.785	0.443	66	13.868	6.386	96	217.904	165.103
37	0.860	0.476	67	15.592	7.064	97	234.086	182.419
38	0.907	0.502	68	17.579	7.817	98	248.436	201.757
39	0.966	0.536	69	19.804	8.681	99	263.954	222.044
40	1.039	0.573	70	22.229	9.702	100	280.803	243.899
41	1.128	0.617	71	24.817	10.922	101	299.154	268.185
42	1.238	0.665	72	27.530	12.385	102	319.185	295.187
43	1.370	0.716	73	30.354	14.128	103	341.086	325.225
44	1.527	0.775	74	33.370	16.160	104	365.052	358.897
45	1.715	0.842	75	36.680	18.481	105	393.102	395.843
46	1.932	0.919	76	40.388	21.092	106	427.255	438.360
47	2.183	1.010	77	44.597	23.992	107	469.531	487.816
48	2.471	1.117	78	49.388	27.185	108	521.945	545.886
49	2.790	1.237	79	54.758	30.672	109	586.518	614.309
						110	665.268	694.885
						111	760.215	789.474
						112	1,000.000	1,000.000

Table 3A

**Withdrawal Rates – Faculty****Number of Terminations per 1,000 Active Members**

Age	Years of Service			
	0-1	1-2	2-3	3+
20	240	220	210	210
21	240	220	210	210
22	240	220	210	210
23	240	220	210	210
24	240	220	210	210
25	240	220	210	210
26	230	210	210	190
27	230	210	200	170
28	230	210	200	150
29	230	210	190	150
30	230	200	180	130
31	230	200	180	110
32	230	200	170	110
33	220	200	170	100
34	220	190	170	90
35	220	190	160	80
36	210	190	160	70
37	210	190	150	60
38	210	180	140	60
39	200	180	140	60
40	200	180	130	50
41	200	180	130	50
42	200	180	130	40
43	200	180	130	40
44	200	180	120	30
45	190	180	120	30
46	190	170	120	20
47	190	170	110	20
48	180	170	110	20
49	180	170	100	20
50	180	160	100	20
51	170	160	100	20
52	170	160	90	20
53	170	160	90	20
54	170	160	90	20

Table 3B

**Withdrawal Rates – Staff****Number of Terminations per 1,000 Active Members**

Age	Male – Years of Service				Female – Years of Service			
	0-1	1-2	2-3	3+	0-1	1-2	2-3	3+
20	270	240	210	180	270	240	210	180
21	270	240	210	180	270	240	210	180
22	270	240	210	180	270	240	210	180
23	270	240	210	180	270	240	210	180
24	270	240	210	180	270	240	210	180
25	270	240	210	180	270	240	210	180
26	270	230	200	160	270	230	200	160
27	270	230	190	140	270	230	190	150
28	270	230	190	120	270	230	190	140
29	270	220	180	110	270	220	180	130
30	260	220	170	100	260	220	170	110
31	260	210	170	90	260	210	170	100
32	260	210	160	80	260	210	160	90
33	250	200	160	70	250	200	160	80
34	250	200	150	60	250	200	150	80
35	250	200	150	60	250	200	150	70
36	250	190	140	60	250	190	140	70
37	250	190	140	50	250	190	140	60
38	250	190	140	50	250	190	140	60
39	250	180	130	50	250	180	130	60
40	250	180	130	40	250	180	130	60
41	250	180	120	40	250	180	120	60
42	240	180	120	30	240	180	120	60
43	240	170	120	30	240	170	120	60
44	240	170	110	30	240	170	110	60
45	240	160	110	30	240	160	110	60
46	240	160	110	30	240	160	110	60
47	230	160	100	30	230	160	100	60
48	230	150	100	30	230	150	100	60
49	230	150	100	30	230	150	100	60
50	230	150	100	20	230	150	100	50
51	220	150	90	20	220	150	90	50
52	220	140	90	20	220	140	90	50
53	220	140	90	20	220	140	90	40
54	220	140	90	20	220	140	90	40

Table 3C

**Withdrawal – Safety**

Number of Terminations per 1,000 Active Members

Age	<u>Male – Years of Service</u>				<u>Female – Years of Service</u>			
	0-1	1-2	2-3	3+	0-1	1-2	2-3	3+
20	250	250	250	250	250	250	250	250
21	250	250	250	240	250	250	250	240
22	250	250	240	230	250	250	240	230
23	250	250	230	220	250	250	230	220
24	250	250	220	200	250	250	220	200
25	200	200	200	180	200	200	190	180
26	190	190	180	160	200	200	180	160
27	180	180	160	140	200	200	170	150
28	170	170	150	120	200	200	160	140
29	160	160	150	110	200	200	160	130
30	150	150	150	100	200	200	160	110
31	150	150	150	90	200	200	160	100
32	150	150	150	80	200	200	160	90
33	150	150	150	70	200	200	160	80
34	150	150	150	60	200	200	160	80
35	100	100	100	60	190	190	150	70
36	100	100	100	60	180	180	140	70
37	100	100	100	50	180	180	130	60
38	100	100	100	50	170	170	120	60
39	100	100	100	50	170	170	110	60
40	100	100	100	40	160	160	100	60
41	100	100	100	40	160	160	100	60
42	100	100	100	30	150	150	100	60
43	100	100	100	30	150	150	100	60
44	100	100	100	30	140	140	100	60
45	100	100	100	30	140	140	100	60
46	100	100	100	30	130	130	100	60
47	100	100	100	30	120	120	100	60
48	100	100	100	30	120	120	100	60
49	100	100	100	30	110	110	100	60
50	100	100	100	20	100	100	100	50

Table 4

## Disability Rates

### Number of Disablements per 1,000 Active Members

Age	Male	Female	Age	Male	Female
20	2.0	0.5	45	2.9	3.4
21	2.0	0.5	46	3.0	3.7
22	2.0	0.5	47	3.1	4.0
23	2.0	0.5	48	3.3	4.4
24	2.0	0.5	49	3.4	4.8
25	2.0	0.5	50	3.6	5.2
26	2.0	0.5	51	3.7	5.6
27	2.0	0.5	52	3.9	6.0
28	2.0	0.5	53	4.1	6.4
29	2.0	0.5	54	4.4	6.9
30	2.0	0.5	55	4.7	7.5
31	2.0	0.5	56	5.0	8.0
32	2.0	0.5	57	5.4	8.6
33	2.1	0.6	58	5.9	9.2
34	2.1	0.7	59	6.5	9.9
35	2.2	0.8	60	7.2	10.6
36	2.2	0.9	61	8.0	11.3
37	2.3	1.1	62	8.9	12.0
38	2.3	1.3	63	9.9	12.7
39	2.4	1.6	64	10.9	13.4
40	2.5	1.9	65	12.0	14.1
41	2.6	2.2	66	13.1	14.8
42	2.7	2.5	67	14.2	15.5
43	2.8	2.8	68	15.3	16.2
44	2.8	3.1	69	16.4	16.9
			70	17.5	17.6

Table 5

## Mortality Rates – Disabled Members

### Number of Deaths per 1,000 Disabled Members

Age	Male	Female	Age	Male	Female	Age	Male	Female
20	196.0	167.0	50	33.4	33.4	80	122.1	122.1
21	196.0	167.0	51	34.2	34.2	81	131.4	131.4
22	196.0	167.0	52	35.0	35.0	82	141.6	141.6
23	196.0	167.0	53	35.5	35.5	83	152.4	152.4
24	196.0	167.0	54	35.7	35.7	84	164.1	164.1
25	181.8	152.7	55	36.0	36.0	85	176.6	176.6
26	167.3	138.3	56	36.3	36.3	86	189.9	189.9
27	152.7	123.9	57	36.6	36.6	87	204.1	204.1
28	137.9	109.3	58	36.9	36.9	88	219.2	219.2
29	122.8	94.7	59	37.4	37.4	89	235.2	235.2
30	114.9	87.2	60	37.7	37.7	90	252.0	252.0
31	107.0	79.7	61	38.2	38.2	91	269.7	269.7
32	99.2	72.5	62	38.6	38.6	92	288.3	288.3
33	91.8	65.6	63	39.7	39.7	93	307.6	307.6
34	84.6	58.9	64	41.4	41.4	94	327.7	327.7
35	78.0	53.8	65	43.2	43.2	95	348.4	348.4
36	71.8	49.1	66	46.0	46.0	96	369.6	369.6
37	66.1	45.5	67	48.9	48.9	97	391.3	391.3
38	60.7	43.9	68	52.1	52.1	98	413.2	413.2
39	54.5	40.9	69	55.7	55.7	99	435.2	435.2
40	48.8	38.5	70	59.5	59.5	100	459.2	459.2
41	41.2	37.0	71	64.1	64.1	101	484.4	484.4
42	35.6	35.6	72	68.3	68.3	102	511.7	511.7
43	31.2	31.2	73	73.3	73.3	103	543.1	543.1
44	28.6	28.6	74	78.7	78.7	104	580.6	580.6
45	29.2	29.2	75	84.6	84.6	105	626.2	626.2
46	29.9	29.9	76	90.9	90.9	106	681.9	681.9
47	30.6	30.6	77	97.8	97.8	107	749.9	749.9
48	31.5	31.5	78	105.2	105.2	108	831.9	831.9
49	32.4	32.4	79	113.3	113.3	109	930.2	930.2
						110	1,000.0	1,000.0

Table 6

**Retirement Rates****Number of Retirements per 1,000 Eligible Members**

<b>Age</b>	<b>Faculty</b>	<b>Staff</b>	<b>Safety</b>
50	30	80	200
51	10	50	50
52	10	50	50
53	10	50	50
54	10	50	50
55	10	50	250
56	10	50	250
57	10	50	250
58	10	50	250
59	10	50	250
60	30	100	250
61	30	120	250
62	30	250	500
63	30	200	500
64	50	200	750
65	100	350	1,000
66	70	250	1,000
67	100	250	1,000
68	100	250	1,000
69	100	300	1,000
70	1,000	1,000	1,000

Table 7

## Percentage With Eligible Dependents

### Percentage of Active Members Who Have Eligible Dependents

Age	Males	Females	Age	Males	Females
20	58.0%	66.5%	45	94.0%	92.5%
21	64.0	73.0	46	94.5	92.5
22	71.0	80.5	47	94.5	92.0
23	77.0	84.5	48	94.5	92.0
24	81.5	87.5	49	95.0	91.5
25	85.0	89.5	50	95.0	91.0
26	87.5	90.5	51	95.0	91.0
27	89.0	91.0	52	95.0	90.5
28	90.0	91.5	53	95.0	90.0
29	91.0	92.0	54	94.5	89.5
30	91.5	92.5	55	94.5	89.0
31	92.0	93.0	56	94.5	88.5
32	92.5	93.5	57	94.5	88.0
33	92.5	93.5	58	94.0	87.0
34	92.5	93.5	59	94.0	86.0
35	93.0	94.0	60	94.0	85.0
36	93.0	94.0	61	94.0	84.0
37	93.0	94.0	62	94.0	83.0
38	93.0	93.5	63	93.5	82.0
39	93.5	93.5	64	93.5	81.0
40	93.5	93.5	65	93.0	80.0
41	93.5	93.5	66	93.0	79.0
42	94.0	93.0	67	92.5	78.0
43	94.0	93.0	68	92.0	77.0
44	94.0	93.0	69	91.5	75.5



Table 8

## Number of Dependents

### Number of Dependents per Active Member With Dependents

Age	Males	Females	Age	Males	Females
20	1.0	1.0	45	3.0	2.0
21	1.2	1.4	46	2.9	1.9
22	1.5	1.8	47	2.8	1.8
23	1.6	2.0	48	2.7	1.7
24	1.7	2.2	49	2.6	1.6
25	1.8	2.3	50	2.5	1.5
26	1.9	2.5	51	2.4	1.5
27	2.0	2.7	52	2.3	1.4
28	2.1	2.9	53	2.2	1.4
29	2.2	3.0	54	2.1	1.4
30	2.3	3.2	55	2.0	1.3
31	2.4	3.3	56	1.9	1.3
32	2.5	3.5	57	1.8	1.2
33	2.7	3.4	58	1.7	1.2
34	2.9	3.3	59	1.6	1.1
35	3.0	3.1	60	1.5	1.1
36	3.1	3.0	61	1.5	1.1
37	3.2	2.9	62	1.4	1.1
38	3.3	2.8	63	1.4	1.1
39	3.4	2.6	64	1.3	1.1
40	3.5	2.5	65	1.3	1.1
41	3.4	2.4	66	1.2	1.1
42	3.3	2.3	67	1.2	1.0
43	3.2	2.2	68	1.1	1.0
44	3.1	2.1	69	1.1	1.0

Table 9

## Rates of Refund

### Probability of Electing a Refund Upon Termination

Age at Termination	Years of Service				
	Less Than 5	5	7	9	10 or More
35 or less	1.000	0.500	0.300	0.100	0.000
36	1.000	0.500	0.299	0.099	0.000
37	1.000	0.480	0.285	0.094	0.000
38	1.000	0.458	0.272	0.090	0.000
39	1.000	0.435	0.258	0.085	0.000
40	1.000	0.413	0.245	0.081	0.000
41	1.000	0.390	0.231	0.076	0.000
42	1.000	0.368	0.218	0.072	0.000
43	1.000	0.345	0.204	0.067	0.000
44	1.000	0.323	0.191	0.063	0.000
45	1.000	0.300	0.177	0.058	0.000
46	1.000	0.278	0.164	0.054	0.000
47	1.000	0.255	0.150	0.049	0.000
48	1.000	0.233	0.137	0.045	0.000
49	1.000	0.210	0.123	0.040	0.000
50	1.000	0.188	0.110	0.036	0.000
51	1.000	0.165	0.096	0.031	0.000
52	1.000	0.143	0.082	0.027	0.000
53	1.000	0.120	0.069	0.022	0.000
54	1.000	0.098	0.056	0.018	0.000
55	1.000	0.075	0.042	0.013	0.000
56	1.000	0.053	0.028	0.009	0.000
57	1.000	0.030	0.015	0.004	0.000
58	1.000	0.008	0.001	0.000	0.000
59 or more	1.000	0.000	0.000	0.000	0.000

## Plan Provisions

<b>Effective Date</b>	April 24, 1954. Most recent amendments effective June 1, 2003.
<b>Covered Employees</b>	All employees who are not members of another retirement system to which the Regents contribute, and who: a) Are appointed to work 50% time or more for one year or longer or b) Beginning January 1, 2001 have accumulated at least 1,000 hours in a 12-month period.
<b>Participation Date</b>	Date of becoming a covered employee.
<b>Definitions</b>	
Highest average plan compensation (HAPC)	Highest average monthly full-time-equivalent base compensation rate received during any period of 36 consecutive months.
Normal retirement date (NRD)	Attainment of age 60 with five years of service credit.
Inactive member	Former UCRP member who retains right to vested benefits.
Eligible survivor:	
▶ Eligible partner	Spouse or domestic partner of deceased active or disabled member in relationship for at least one year before date of death and who is: ▶ Responsible for care of eligible child, ▶ Disabled, or ▶ Age 60 (age 50 if spouse of member without Social Security and in plan prior to October 19, 1973).
▶ Eligible child	Spouse or domestic partner of deceased retired member in relationship at least one year before date of retirement. Child: ▶ Under age 18, ▶ under age 22 and full-time student, ▶ disabled, if disability occurred prior to age 18 or age 22 if full-time student.
Eligible dependent parent	Parent of deceased active, disabled or retired member, supported 50% or more by member for one year prior to earliest of death, disablement or retirement.

**Age Factor** Percentage of HAPC per year of service credit (interpolated for fractional ages):

▶ Nonsafety members	Age	Factor	Age	Factor
	50	1.10%	56	1.94%
	51	1.24	57	2.08
	52	1.38	58	2.22
	53	1.52	59	2.36
	54	1.66	60+	2.50
	55	1.80		

▶ Safety members 3.0% at all ages.

▶ Tier II members Same as nonsafety members.

Benefit percentage Age factor multiplied by years of service credit; not to exceed 100%.

**Basic Retirement Income (BRI)** Monthly amount of retirement income payable to retired member for life.

Members without Social Security Benefit percentage x HAPC.

Members with Social Security Benefit percentage x HAPC in excess of \$133 per month.

Safety members Benefit percentage x HAPC.

## Retirement

Eligibility Age 50 with five years of service credit, or age 62 regardless of service credit if membership began on or before July 1, 1989, or retirement on normal retirement date.

Monthly benefit BRI.

Form of payment Single life annuity.

Payment options Full continuance to contingent annuitant;  
Two thirds continuance to contingent annuitant;  
One-half continuance to contingent annuitant;  
One-half continuance (including postretirement survivor continuance) to surviving spouse or domestic partner (for members with Social Security only).

Lump sum cashout May be elected in lieu of monthly retirement income.

Temporary Social Security supplement: For members with Social Security only.

▶ Eligibility Retirement before age 65.

▶ Benefit Temporary annuity to age 65 equal to \$133 per month multiplied by BRI benefit percentage.

- ▶ Form of payment                      Single life annuity.
- ▶ Payment options                      None.

**Disability**

Eligibility                                      Disablement after five years of service credit; safety members are eligible for duty disability without regard to service credit. Service credit continues to accrue during disabled period.

Monthly benefit:

- ▶ Members without Social Security                      25% of final salary, plus 5% of final salary per year of service credit greater than two, total not to exceed 40% of final salary, plus 5% of final salary for each eligible child, total not to exceed 20% of final salary.
- ▶ Members with Social Security                      15% of final salary, plus 2.5% of final salary per year of service credit greater than two, total not to exceed 40% of final salary; less \$106.40 per month.
- ▶ Safety members (nonduty disability)                      Same as for members without Social Security; includes eligible child's benefit.
- ▶ Safety members (duty disability)                      50% of HAPC, or nonduty disability benefit if greater.

Form of payment                                      Single life annuity payable until end of disability income period or retirement date if earlier.

Disability income period:

- ▶ Members disabled before November 5, 1990                      To earliest of:
  - ▶ Date member is eligible to retire and retirement income equals or exceeds disability income,
  - ▶ Age 62 (Age 67 for members without Social Security),
  - ▶ Date member retires.
- ▶ Members disabled on or after November 5, 1990                      If under age 65 at disablement:
  - ▶ Members with Social Security: to age 65 or five years if longer.
  - ▶ Members without Social Security: to age 67 or five years if longer.

If age 65 or older at disablement: to age 70 or 12 months if longer.

Disability income ends if member is no longer disabled.

## Vested Termination

Eligibility	Five years of service credit, or age 62 regardless of service credit if membership began on or before July 1, 1989.
Monthly benefit	BRI beginning at age 50 or later, calculated using HAPC at termination date, adjusted for CPI changes (see COLA), and benefit formula in effect when benefits commence.
Form of payment	As for retirement.
Payment options	As for retirement.
Refund option	Member may elect a refund of contributions with interest, thereby forfeiting all other benefits.
Lump sum cashout	May be elected in lieu of retirement income, available only if at least age 50 with five years of service credit at date of termination.

## Preretirement Survivor Income

Eligibility	Eligible survivor of deceased active or disabled member with two or more years of service credit; no service requirement for duty-related death of Safety member.
-------------	---

### Monthly benefit:

▶ Members without Social Security	Percent of final salary as follows:																		
	<table> <thead> <tr> <th>Eligible Survivors</th> <th>Percent</th> <th>Minimum Benefit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>25%</td> <td>\$200</td> </tr> <tr> <td>2</td> <td>35</td> <td>\$300</td> </tr> <tr> <td>3</td> <td>40</td> <td>\$300 plus 5% of final pay</td> </tr> <tr> <td>4</td> <td>45</td> <td>\$300 plus 10% of final pay</td> </tr> <tr> <td>5+</td> <td>50</td> <td>\$300 plus 15% of final pay</td> </tr> </tbody> </table>	Eligible Survivors	Percent	Minimum Benefit	1	25%	\$200	2	35	\$300	3	40	\$300 plus 5% of final pay	4	45	\$300 plus 10% of final pay	5+	50	\$300 plus 15% of final pay
Eligible Survivors	Percent	Minimum Benefit																	
1	25%	\$200																	
2	35	\$300																	
3	40	\$300 plus 5% of final pay																	
4	45	\$300 plus 10% of final pay																	
5+	50	\$300 plus 15% of final pay																	
▶ Members with Social Security	25% of final salary less \$106.40 per month																		
▶ Safety members (nonduty death)	As for members without Social Security.																		
▶ Safety members (duty-related death)	Percentage of HAPC as follows, but not less than benefit for nonduty death.																		

Eligible Survivors	Percent of HAPC
1	50.0%
2	62.5
3	70.0
4+	75.0

**Death while eligible to retire:**

- ▶ Eligibility Eligible surviving spouse or domestic partner of active, disabled or inactive member who dies while eligible to retire.
- ▶ Benefit Greater of benefit described above or monthly benefit to surviving spouse or domestic partner assuming member had retired on date of death and elected full continuance option with spouse or domestic partner as contingent annuitant.

**Postretirement Survivor Continuance**

Eligibility Eligible survivor of deceased retired member.

**Benefit:**

- ▶ Members without Social Security 50% of BRI including COLA.
- ▶ Members with Social Security 25% of BRI including COLA, plus 25% of Temporary Social Security Supplement (ends when member would have reached age 65).
- ▶ Safety members 50% of BRI including COLA.

**Lump Sum Death Benefit**

Eligibility Active, inactive, disabled or retired member.

**Basic benefit:**

- ▶ Active members who became members before October 1, 1990 Greater of \$1,500 plus one month's final salary, or \$7,500.
- ▶ All others \$7,500.

Residual benefit Refund of member contributions plus interest, reduced by a portion of benefits received (100% of retirement income, 50% preretirement survivor income or disability income) payable to beneficiary if no survivor, surviving spouse, domestic partner, or contingent annuitant.

**Cost-of-Living Adjustment**

COLA formula: Based on annual increase in CPI:

- ▶ Basic 100% of CPI increase up to 2%.
- ▶ Supplemental Greater of:  
75% of CPI increase above 4%, or accumulated increment; maximum 4%.  
  
Accumulated increment:  
1.5% per year compounded annually starting at 7/1/86, minus actual COLA increases on or after 7/1/86 above 2% per year.

## COLA applies to:

- ▶ Retired members, survivors, disabled members, and contingent annuitants receiving retirement income Benefits in pay status one or more years on July 1.
- ▶ Inactive members HAPC (used to calculate retirement income) adjusted for COLA up to 2% per year from separation date to retirement date; retirement income adjusted using COLA formula.
- ▶ Disabled members receiving disability income since before November 5, 1990 HAPC (used to calculate retirement income) adjusted according to COLA formula above for years from disablement to retirement date.

**Capital Accumulation Provision**

Eligibility Active member on specified date; benefits immediately vested.

## Allocations:

- ▶ April 1, 1992 Active member 12/31/1991 through 4/1/1992: 5.0% of 1991 calendar year covered compensation.
- ▶ July 1, 1992 Active member on 7/1/1992: 2.5% of 1991-1992 fiscal year covered compensation.
- ▶ July 1, 1993 Active member on 7/1/1993: 2.5% of 1992-1993 fiscal year covered compensation.
- ▶ November 1, 1993 Active member on 10/1/1993 and subject to 1993-1994 salary plan: 5.26% of July through October 1993 covered compensation.
- ▶ July 1, 1994 Active member 6/1/1994 and subject to 1993-1994 salary plan: 2.67% of November 1993 through June 1994 covered compensation.
- ▶ May 1, 2002 Active member 4/1/2002: 3.0% of April 2001 through March 2002 covered compensation.
- ▶ May 1, 2003 Active member 4/1/2003: 5.0% of April 2002 through March 2003 covered compensation.

Interest credit Regents' approved interest rate; currently 8.5% per year for pre-2002 CAPs. 7.5% for post-2001 CAPs (CAP II).

Payment Lump sum payment upon termination, retirement or death.



**Member Contributions**

Members without Social Security	3.0% of covered compensation, less \$19 per month.
Members with Social Security	2.0% of covered compensation up to the Social Security wage base, plus 4.0% of excess covered compensation, minus \$19 per month.
Safety members	3.0% of covered compensation, less \$19 per month.

All member contributions are currently being redirected to the UC Defined Contribution Plan.

## Member Data

	<b>July 1, 2003</b> (\$ in 000s)	<b>July 1, 2002</b> (\$ in 000s)
<b>Members in Pay Status</b>		
Retirees:		
▶ Number	30,655	29,247
▶ Average age	69.6	69.5
▶ Annual benefit:		
— Total	\$ 798,563	\$ 722,021
— Average*	\$ 26,050	\$ 24,687
Beneficiaries:		
▶ Number	3,118	2,895
▶ Average age	76.2	75.9
▶ Annual benefit:		
— Total	\$ 51,534	\$ 45,672
— Average*	\$ 16,528	\$ 15,776
Disabled:		
▶ Number	2,129	2,096
▶ Average age	54.2	53.8
▶ Annual benefit:		
— Total	\$ 32,173	\$ 30,266
— Average*	\$ 15,112	\$ 14,440

\*In dollars, not thousands.

	<b>July 1, 2003</b> (\$ in 000s)	<b>July 1, 2002</b> (\$ in 000s)
Survivors:		
▶ Number	1,965	1,927
▶ Average age	64.0	63.8
▶ Annual benefit:		
— Total	\$ 35,771	\$ 33,634
— Average*	\$ 18,204	\$ 17,454
All Members in Pay Status:		
▶ Number	37,867	36,165
▶ Average age	69.0	68.8
▶ Annual benefit:		
— Total	\$ 917,858	\$ 831,542
— Average*	\$ 24,239	\$ 22,993

\*In dollars, not thousands.

## Terminated Members Not in Pay Status

	<b>July 1, 2003</b> (\$ in 000s)	<b>July 1, 2002</b> (\$ in 000s)
Terminated Vested Members:		
▶ Number	20,418	19,402
▶ Annual benefit:		
— Total	\$ 139,496	\$ 124,309
— Average*	\$ 6,832	\$ 6,407
Terminated Nonvested Members:		
▶ Number**	10,844	5,796
▶ Expected refund and CAP balance:		
— Total	\$ 14,567	\$ 8,132
— Average*	\$ 1,343	\$ 1,403
All Terminated Members:		
▶ Number	31,262	25,198

\*In dollars, not thousands.

\*\*Includes members with CAP balances.

**Active Members**

	<b>July 1, 2003</b> (\$ in 000s)	<b>July 1, 2002</b> (\$ in 000s)
With Social Security:		
▶ Number	113,939	109,733
▶ Average age	43.2	42.9
▶ Average service	8.3	8.1
▶ Covered pay:		
— Total	\$ 7,134,858	\$ 6,594,196
— Average*	\$ 62,620	\$ 60,093
Without Social Security:		
▶ Number	7,012	7,645
▶ Average age	53.4	53.0
▶ Average service	24.0	23.9
▶ Covered pay:		
— Total	\$ 571,036	\$ 605,275
— Average*	\$ 81,437	\$ 79,173
Safety:		
▶ Number	400	398
▶ Average age	40.5	41.0
▶ Average service	11.2	11.7
▶ Covered pay:		
— Total	\$ 27,884	\$ 27,058
— Average*	\$ 69,709	\$ 67,985
All Active Members:		
▶ Number	121,351	117,776
▶ Average age	43.8	43.5
▶ Average service	9.2	9.1
▶ Covered pay:		
— Total	\$ 7,733,778	\$ 7,226,529
— Average*	\$ 63,731	\$ 61,358

\* In dollars, not thousands

**University of California Retirement Plan  
Member Retirees as of July 1, 2003**

Age at Retirement	-----Age at July 1, 2003-----										Total
	0-49	50-59	60-61	62-63	64-65	66-67	68-69	70-71	72-73	Over 73	
0-49	Number										
	Avg Benefit										
	Avg HAPC										
	Avg Service										
50-54	2,541	917	999	618	282	70	38	45	73	5,583	
	13,117	15,970	18,168	16,522	16,547	13,558	15,464	14,380	13,218	15,078	
	51,048	46,076	44,879	41,632	39,784	26,724	22,974	20,321	15,087	46,301	
	17.9	20.8	21.8	21.5	21.6	20.6	21.3	20.5	17.4	19.7	
55-57	1,002	351	241	669	1,249	741	429	337	947	5,966	
	24,900	18,052	16,859	23,255	30,642	17,875	13,628	9,733	7,830	19,948	
	60,735	52,226	48,010	48,490	50,132	40,224	37,267	29,994	21,439	43,897	
	20.7	17.8	16.3	21.1	23.5	20.5	16.4	13.9	11.8	18.8	
58-59	282	427	208	153	270	968	519	253	569	3,649	
	37,577	38,532	29,185	23,582	43,254	35,111	25,842	18,607	11,557	29,337	
	68,096	67,851	58,601	54,371	59,538	50,844	43,718	36,964	26,447	49,579	
	24.1	23.1	20.7	17.6	24.5	24.6	23.7	19.3	13.9	21.7	
60-62	14	776	1,031	866	403	386	1,044	1,046	2,136	7,702	
	9,483	44,339	39,863	35,276	24,418	34,400	39,679	30,144	16,855	30,931	
	0	76,102	67,714	61,277	53,400	57,865	55,669	46,343	31,085	51,699	
	0.0	24.5	22.9	21.6	16.2	20.1	24.3	22.7	16.3	20.7	
63-64	Number										
	Avg Benefit										
	Avg HAPC										
	Avg Service										
65-69	Number										
	Avg Benefit										
	Avg HAPC										
	Avg Service										
Over 69	Number										
	Avg Benefit										
	Avg HAPC										
	Avg Service										
Total	3,839	2,471	2,547	2,672	2,657	2,549	2,331	2,279	9,310	30,655	
	17,996	28,981	28,263	28,184	30,054	29,112	30,234	29,004	23,617	26,050	
	54,913	59,977	56,392	55,177	53,284	50,492	50,286	47,829	38,206	48,941	
	19.1	21.9	21.6	21.2	21.4	21.6	21.6	20.7	17.8	20.0	

Average Ret. Age = 59.5

Average Age @ 7/1/03 = 69.6

**University of California Retirement Plan  
Beneficiaries as of July 1, 2003**

Age at Retirement	-----Age at July 1, 2003-----											
	0-49	50-59	60-61	62-63	64-65	66-67	68-69	70-71	72-73	Over 73	Total	
0-49	Number	50	139	41	33	29	19	24	21	28	65	449
	Avg Benefit	14,868	17,286	12,520	13,673	10,976	9,498	6,041	12,227	11,103	13,973	13,876
	Avg HAPC	45,234	49,520	37,462	33,432	29,136	25,124	22,954	23,493	17,858	17,982	35,228
	Avg Service	20.9	21.5	18.3	18.0	14.9	15.2	12.2	17.9	16.3	16.9	18.5
50-54	Number		20	25	47	39	44	30	25	27	176	433
	Avg Benefit		11,743	25,834	21,089	17,090	14,009	11,299	9,773	11,341	9,745	13,301
	Avg HAPC		53,632	52,723	55,763	44,662	38,158	35,624	30,737	30,643	19,336	33,415
	Avg Service		26.9	24.8	25.4	23.2	20.2	16.5	14.7	16.4	14.4	18.4
55-57	Number		5	3	5	26	43	46	44	42	264	478
	Avg Benefit		19,428	35,920	15,527	22,152	22,594	20,394	13,199	11,602	10,074	13,575
	Avg HAPC		64,609	66,374	42,503	56,105	54,330	43,864	36,046	34,213	21,747	32,019
	Avg Service		18.7	27.8	17.1	22.2	24.1	24.2	17.9	16.7	14.3	17.3
58-59	Number			3	1	4	10	27	35	32	258	370
	Avg Benefit			8,183	41,822	23,147	21,450	18,564	25,847	12,809	11,139	13,684
	Avg HAPC			42,866	96,622	55,258	55,445	46,214	54,176	40,999	25,780	32,724
	Avg Service			14.2	32.9	17.1	21.0	23.1	24.3	17.2	14.9	16.8
60-62	Number		2	1	5	5	3	7	38	52	465	578
	Avg Benefit		7,851	40,896	45,195	11,314	12,991	41,565	27,473	26,037	14,028	16,592
	Avg HAPC		60,466	79,329	94,954	51,168	54,723	66,775	58,422	49,036	30,480	35,424
	Avg Service		4.8	22.1	26.0	21.8	11.7	23.2	22.9	22.5	16.1	17.3
63-64	Number						1	5		13	287	306
	Avg Benefit						164,973	12,796		32,545	18,901	19,858
	Avg HAPC						206,599	51,756		66,035	36,771	38,814
	Avg Service						42.2	19.2		22.2	18.4	18.6
65-69	Number						1	1	4	2	389	397
	Avg Benefit						11,996	1,812	7,748	38,174	24,894	24,698
	Avg HAPC						48,047	39,559	28,312	66,624	43,892	43,849
	Avg Service						13.7	5.2	17.2	23.6	19.9	19.8
Over 69	Number								1		106	107
	Avg Benefit								27,021		23,498	23,531
	Avg HAPC								116,450		47,243	47,890
	Avg Service								16.0		19.9	19.8
Total	Number	50	166	73	91	103	121	140	168	196	2,010	3,118
	Avg Benefit	14868	16,569	18,252	19,646	16,601	18,172	16,256	18,384	17,182	16,059	16,528
	Avg HAPC	45234	50,523	44,772	49,617	43,827	45,171	40,364	42,860	38,891	31,722	36,111
	Avg Service	20.9	21.9	20.8	22.4	20.3	20.8	19.9	19.8	18.7	16.8	18.1

Average Ret. Age = 57.9

Average Age @ 7/1/03 = 76.2

**University of California Retirement Plan  
Disabled Members as of July 1, 2003**

Age at Retirement	-----Age at July 1, 2003-----											
	0-49	50-59	60-61	62-63	64-65	66-67	68-69	70-71	72-73	Over 73	Total	
0-49	Number	560	580	26	5	3	1	2	3	1	3	1,184
	Avg Benefit	12,861	14,666	17,284	25,551	12,951	20,743	19,754	17,954	22,024	13,276	13,942
	Avg HAPC	37,486	36,406	32,176	41,284	10,562	29,220	21,737	20,359	22,200	8,841	36,626
	Avg Service	11.1	12.9	13.5	16.5	4.3	14.2	10.4	10.6	11.2	6.1	12.0
50-54	Number		470	53	27	11	2			2	3	568
	Avg Benefit		16,287	16,731	15,960	17,229	27,435		19,432	17,184	16,386	16,386
	Avg HAPC		42,886	40,260	37,264	37,323	42,659		25,740	21,533	42,092	42,092
	Avg Service		16.0	14.9	13.3	15.1	12.1		14.4	14.7	15.7	15.7
55-57	Number		106	44	36	14				1	3	204
	Avg Benefit		17,928	16,599	14,584	12,945			23,556	19,828	16,772	16,772
	Avg HAPC		49,404	46,175	39,143	34,157			32,996	22,802	45,379	45,379
	Avg Service		16.1	12.2	12.5	13.6			16.4	13.4	14.4	14.4
58-59	Number		16	35	22	11			1		1	86
	Avg Benefit		20,969	17,627	18,844	9,092			29,302	13,941	17,763	17,763
	Avg HAPC		60,289	51,842	48,398	31,370			52,380	18,395	49,531	49,531
	Avg Service		15.4	13.9	14.4	10.1			10.4	3.7	13.6	13.6
60-62	Number	1		9	24	15	5				1	55
	Avg Benefit	23959		12,787	17,411	17,813	15,848				22,709	16,903
	Avg HAPC	39779		49,001	49,496	51,981	44,776				43,533	49,379
	Avg Service	5.9		8.1	13.5	10.7	12.4				14.3	11.6
63-64	Number				1	3	11	2				17
	Avg Benefit				30,943	16,717	11,756	27,368				15,597
	Avg HAPC				85,920	53,753	37,556	66,670				46,685
	Avg Service				11.7	8.6	10.2	12.3				10.2
65-69	Number					5	7		1			13
	Avg Benefit						14,854	14,779	0			14,810
	Avg HAPC						53,643	46,598	11,336			46,595
	Avg Service						8.8	9.1	6.2			8.8
Over 69	Number									1	1	2
	Avg Benefit									9,296	9,220	9,258
	Avg HAPC									33,711	46,651	40,181
	Avg Service									8.1	5.4	6.8
Total	Number	561	1,172	167	115	57	24	11	5	5	12	2,129
	Avg Benefit	12881	15,698	16,781	16,927	14,738	14,935	17,972	20,791	18,748	16,394	15,112
	Avg HAPC	37490	40,506	43,458	43,133	38,710	42,490	45,727	24,959	28,077	22,342	39,918
	Avg Service	11.1	14.4	13.4	13.4	11.6	10.7	9.9	9.7	12.9	10.5	13.2

Average Ret. Age = 48.3

Average Age @ 7/1/03 = 54.2



**University of California Retirement Plan  
Survivors as of July 1, 2003**

		-----Age at July 1, 2003-----										
Age at Retirement		0-49	50-59	60-61	62-63	64-65	66-67	68-69	70-71	72-73	Over 73	Total
0-49	Number	230	363	49	47	37	35	38	25	21	45	890
	Avg Benefit	17,028	17,579	16,019	12,819	13,357	13,257	15,900	12,179	16,847	13,761	16,320
	Avg HAPC	44,741	45,650	38,890	34,693	32,469	29,455	28,055	20,661	21,275	17,767	40,295
	Avg Service	12.2	14.8	11.3	12.0	11.4	14.3	15.9	10.8	20.9	15.6	13.6
50-54	Number		188	36	29	28	23	22	20	14	97	457
	Avg Benefit		19,201	17,680	16,255	15,125	16,419	19,197	15,871	14,355	14,934	17,300
	Avg HAPC		55,146	51,601	45,272	44,917	46,252	41,908	37,522	36,302	19,846	43,515
	Avg Service		23.5	14.7	13.5	14.3	13.7	14.4	14.6	13.4	15.0	18.5
55-57	Number		31	17	15	13	9	11	15	16	58	185
	Avg Benefit		20,862	32,529	23,043	32,705	14,174	14,713	15,638	15,062	14,225	19,246
	Avg HAPC		67,614	69,679	57,496	67,075	33,197	40,997	43,566	34,798	24,949	44,848
	Avg Service		13.1	20.0	14.5	23.3	16.8	11.6	15.7	14.4	13.0	15.0
58-59	Number		2	9	13	8	9	9	10	13	55	128
	Avg Benefit		35,848	30,728	34,987	46,594	20,132	16,615	10,461	20,662	18,082	22,455
	Avg HAPC		82,052	77,894	74,558	85,699	48,205	41,094	35,482	43,097	30,050	45,940
	Avg Service		15.4	22.9	19.2	27.9	12.8	14.4	13.0	16.3	14.9	16.5
60-62	Number		12	6	9	13	11	6	7	6	92	162
	Avg Benefit		15,096	33,059	29,354	29,452	18,425	14,893	26,037	15,814	17,582	19,835
	Avg HAPC		40,416	71,856	60,319	79,311	50,547	42,089	62,548	46,461	32,585	43,685
	Avg Service		15.0	20.2	15.6	14.1	13.5	10.8	15.8	11.1	15.7	15.1
63-64	Number				1		6	8	3	3	28	49
	Avg Benefit				42,094		28,857	23,095	18,958	10,376	19,203	20,932
	Avg HAPC				67,139		91,316	46,300	41,540	26,848	35,852	41,781
	Avg Service				27.3		20.8	18.2	17.7	13.5	14.2	15.8
65-69	Number				1	1	2	6	4	5	61	80
	Avg Benefit				58,056	73,824	24,409	24,754	10,610	33,950	24,344	25,330
	Avg HAPC				45,734	119,967	85,865	73,609	43,405	83,197	43,325	49,856
	Avg Service				25.4	35.0	18.9	43.7	6.7	12.8	23.0	23.5
Over 69	Number									1	13	14
	Avg Benefit									6,100	48,606	45,569
	Avg HAPC									0	82,091	82,091
	Avg Service									0.0	20.3	20.3
Total	Number	230	596	117	115	100	95	100	84	79	449	1,965
	Avg Benefit	17,028	18,271	20,934	19,467	21,723	16,579	17,605	14,793	17,294	18,173	18,204
	Avg HAPC	44,741	49,635	51,700	47,245	51,699	41,329	39,063	35,923	36,933	30,593	42,847
	Avg Service	12.2	17.6	15.1	14.3	16.3	14.4	16.6	13.9	14.9	16.3	15.8

Average Ret. Age = 49.9

Average Age @ 7/1/03 = 64.0

**University of California Retirement Plan  
All Members in Pay Status as of July 1, 2003**

		-----Age at July 1, 2003-----										
Age at Retirement		0-49	50-59	60-61	62-63	64-65	66-67	68-69	70-71	72-73	Over 73	Total
0-49	Number	840	1,082	116	85	69	55	64	49	50	113	2,523
	Avg Benefit	14,138	15,988	15,066	13,899	12,339	12,095	12,323	12,553	13,734	13,870	14,775
	Avg HAPC	39,864	41,167	36,857	34,589	30,045	27,898	25,804	21,881	19,301	17,636	37,623
	Avg Service	12.0	14.6	14.5	15.0	12.9	14.7	13.7	14.9	17.0	16.3	13.7
50-54	Number		3,219	1031	1102	696	351	122	83	88	349	7,041
	Avg Benefit		13,929	16,309	18,188	16,509	16,282	14,027	13,828	13,540	11,978	15,218
	Avg HAPC		50,064	46,116	45,175	41,861	40,008	32,043	28,712	26,221	18,604	44,963
	Avg Service		18.0	20.4	21.5	21.3	20.9	18.3	17.7	18.1	15.2	19.2
55-57	Number		1,144	415	297	722	1,301	798	488	396	1272	6,833
	Avg Benefit		24,126	18,624	16,873	23,200	30,262	17,974	13,651	10,181	8,619	19,388
	Avg HAPC		59,854	52,363	47,268	48,798	50,167	40,448	37,355	30,635	21,667	43,129
	Avg Service		20.0	17.4	15.7	21.0	23.4	20.6	16.6	14.2	12.4	18.5
58-59	Number		300	474	244	176	289	1004	565	298	883	4,233
	Avg Benefit		36,674	36,632	28,611	23,884	41,764	34,499	25,575	18,072	11,845	27,522
	Avg HAPC		67,772	66,650	58,689	54,377	59,038	50,639	44,244	37,669	26,463	47,978
	Avg Service		23.6	22.4	20.1	17.6	24.0	24.5	23.6	18.9	14.2	21.0
60-62	Number	1	28	792	1,069	899	422	399	1,089	1,104	2,694	8,497
	Avg Benefit	23959	12,397	43,921	39,309	34,764	24,071	34,229	39,163	29,872	16,391	29,644
	Avg HAPC	39779	42238	75,744	67,367	61,319	53,236	57,782	55,810	46,471	31,032	50,420
	Avg Service	5.9	13.3	24.3	22.6	21.3	16.0	20.1	24.2	22.6	16.2	20.3
63-64	Number				70	276	207	114	61	413	2,114	3,255
	Avg Benefit				39,683	42,660	31,322	25,208	16,280	47,927	22,959	28,634
	Avg HAPC				72,519	75,490	61,773	56,777	46,323	64,390	37,398	47,104
	Avg Service				21.5	21.4	17.4	15.5	11.6	25.0	18.3	19.2
65-69	Number				1	94	272	299	213	144	3,529	4,552
	Avg Benefit				58056	40,580	34,959	34,895	28,778	28,414	30,224	30,903
	Avg HAPC				45734	78,419	69,512	68,644	64,154	65,206	44,886	50,067
	Avg Service				25.4	20.8	18.7	18.7	15.2	13.7	20.0	19.5
Over 69	Number							40	66	827	933	
	Avg Benefit							55,065	41,725	41,211	41,849	
	Avg HAPC							91,480	87,086	64,211	66,973	
	Avg Service							22.8	18.8	21.9	21.7	
Total	Number	841	5,773	2,828	2,868	2,932	2,897	2,800	2,588	2,559	11,781	37,867
	Avg Benefit	14150	17,517	27,642	27,177	27,303	28,982	28,010	28,939	27,712	22,105	24,239
	Avg HAPC	39864	51,257	58,228	55,262	54,337	52,484	49,565	49,291	46,776	36,804	47,048
	Avg Service	12.0	18.1	21.1	21.1	20.8	21.1	21.3	21.2	20.4	17.6	19.3

Average Ret. Age = 58.3

Average Age @ 7/1/03 = 69.0

**University of California**  
**Termvested Members as of July 1, 2003**

Age at Termination	Age at July 1, 2003									Total	
	15-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	Over 69		
15-34	Number	966	1,582	1,035	653	283	165	32		4,716	
	Avg Ret Ben	3,948	4,264	4,067	3,520	2,693	3,798	6,207		3,956	
	Avg Prj HAPC	55,156	56,320	52,420	44,473	40,905	40,415	39,365		51,988	
	Avg Service	6.5	6.9	7.0	7.1	6.4	6.8	7.5		6.8	
35-39	Number		797	2,030	1,424	797	230	103	15	5,396	
	Avg Ret Ben		5,662	5,373	4,986	5,106	6,613	7,200	6,640	5,365	
	Avg Prj HAPC		63,734	59,128	53,901	47,047	43,350	41,046	39,357	55,572	
	Avg Service		8.1	8.3	8.4	8.2	8.0	7.6	7.3	8.3	
40-44	Number			981	2,050	1,318	709	133	33	8	5,232
	Avg Ret Ben			6,656	6,340	6,849	9,807	10,020	6,409	5,629	7,091
	Avg Prj HAPC			63,714	58,651	53,565	53,381	47,607	41,055	39,228	57,184
	Avg Service			9.5	9.8	9.5	9.1	8.7	6.6	6.0	9.5
45-49	Number				807	1,375	720	223	27	14	3,166
	Avg Ret Ben				7,168	8,254	12,566	12,297	8,569	6,415	9,238
	Avg Prj HAPC				59,832	57,161	59,762	53,116	51,226	40,959	58,026
	Avg Service				10.8	10.3	10.1	9.1	6.9	6.6	10.3
50-54	Number					411	553	189	44	21	1,218
	Avg Ret Ben					10,786	12,659	12,677	11,355	6,838	11,877
	Avg Prj HAPC					65,107	61,294	55,479	50,783	47,460	61,060
	Avg Service					10.6	9.5	9.1	8.5	6.0	9.7
55-59	Number						184	126	58	32	400
	Avg Ret Ben						15,365	14,389	15,659	12,228	14,851
	Avg Prj HAPC						62,868	59,156	56,649	52,986	60,006
	Avg Service						10.7	9.1	11.3	9.0	10.2
60-64	Number							66	49	79	194
	Avg Ret Ben							19,201	15,733	15,142	16,672
	Avg Prj HAPC							57,888	60,897	59,201	59,183
	Avg Service							11.7	9.2	9.9	10.4
65-69	Number								14	59	73
	Avg Ret Ben								30,009	17,574	20,061
	Avg Prj HAPC								75,486	62,055	64,631
	Avg Service								13.5	10.2	10.8
Over 69	Number									23	23
	Avg Ret Ben									24,870	24,870
	Avg Prj HAPC									75,024	75,024
	Avg Service									11.4	11.4
Total	Number	966	2,379	4,046	4,934	4,184	2,561	872	240	236	20,418
	Avg Ret Ben	3,948	4,732	5,350	5,711	7,084	10,918	12,026	13,089	14,599	6,832
	Avg Prj HAPC	55,156	58,804	58,524	55,597	53,783	55,829	52,092	53,705	57,810	56,041
	Avg Service	6.5	7.3	8.3	9.2	9.4	9.3	9.0	9.1	9.3	8.7

Average Term. Age = 40.5

Average Age @ 7/1/03 = 48.0

**University of California Retirement Plan  
Active Member Data as of July 1, 2003  
With Social Security**

Age Last Birthday		-----Completed Years of Credited Service-----										Total
		0	1	2	3	4	5-9	10-19	20-29	30-39	Over 39	
15-34	Number	8089	6933	4568	2882	2210	3755	542	0	0	0	28979
	Avg fte	43199	45003	46952	47904	49088	51715	51418	0	0	0	46396
	Avg actpay	21064	38711	40971	41858	43496	46429	46698	0	0	0	35969
	Avg cap	677	2270	3210	3337	3498	3849	6441	0	0	0	2456
35-39	Number	1907	2072	1812	1429	1353	4029	2592	19	0	0	15213
	Avg fte	54630	54827	56251	57278	60776	65207	60646	59008	0	0	59477
	Avg actpay	27168	47470	49404	49868	54077	57426	54451	55223	0	0	49804
	Avg cap	888	2779	3895	4014	4342	5132	10298	13245	0	0	4847
40-44	Number	1574	1749	1483	1294	1257	4283	5639	726	0	0	18005
	Avg fte	55801	55131	56271	58139	60468	66710	69408	63424	0	0	63432
	Avg actpay	26863	48234	49312	51267	53942	59099	63046	59045	0	0	54731
	Avg cap	858	2823	3928	4123	4406	5460	12997	13946	0	0	7208
45-49	Number	1137	1263	1070	923	1000	3607	7084	2773	4	0	18861
	Avg fte	58189	57937	58198	58471	62081	66186	73699	73269	71185	0	67968
	Avg actpay	28727	50687	50989	51520	54842	58455	66911	68201	67560	0	59799
	Avg cap	932	3013	4055	4159	4528	5565	14574	16598	18910	0	9914
50-54	Number	843	908	789	693	699	2716	6039	3491	41	0	16219
	Avg fte	60362	59904	59545	57031	61788	66386	73616	81475	75938	0	70743
	Avg actpay	29428	52445	53062	50216	54955	58804	67095	76350	72043	0	63006
	Avg cap	1011	3145	4216	4098	4498	5620	15095	19016	19046	0	11505
55-59	Number	475	511	505	469	451	1659	3829	2629	128	1	10657
	Avg fte	62987	64268	61043	59907	63503	67509	75041	91671	93975	49588	75324
	Avg actpay	31809	55879	54332	52014	56656	61014	69147	86134	88613	46961	68018
	Avg cap	1091	3374	4359	4270	4631	5554	15546	21643	24074	14525	12881
60-64	Number	198	196	176	169	208	745	1616	938	245	1	4492
	Avg fte	71271	66893	65666	62003	65945	70853	78945	99882	124785	73743	81850
	Avg actpay	34836	58649	59215	55580	58196	64013	73106	94715	119023	70500	74402
	Avg cap	1343	3532	4708	4460	4937	5849	16890	23817	31403	21794	14531
65-69	Number	58	49	56	43	53	205	378	188	126	8	1164
	Avg fte	76975	85017	74052	61843	70235	74784	87058	118752	140651	152983	93358
	Avg actpay	28204	58750	60087	49972	55737	66481	80258	113570	135076	147395	82902
	Avg cap	1209	3790	4842	3964	4792	6277	19113	28553	37051	42265	17042
Over 69	Number	22	20	14	17	15	59	93	57	39	13	349
	Avg fte	87800	59162	75897	64789	95586	70360	96381	143919	132369	140198	100331
	Avg actpay	36175	48352	54835	41790	85659	57034	92047	141385	131103	140198	90103
	Avg cap	1433	3348	4204	4093	6947	6099	23974	37849	36665	41576	20196
Total	Number	14303	13701	10473	7919	7246	21058	27812	10821	583	23	113939
	Avg fte	49564	51157	53156	54422	57895	63915	71907	83171	118154	137816	62620
	Avg actpay	24218	44277	46617	47637	51373	56762	65546	78022	112967	135617	53733
	Avg cap	792	2610	3683	3834	4180	5180	14172	19365	30412	39779	7703

Average Age = 43.2

Average Service = 8.3

**University of California Retirement Plan  
Active Member Data as of July 1, 2003  
Without Social Security**

Age Last Birthday		-----Completed Years of Credited Service-----										Total
		0	1	2	3	4	5-9	10-19	20-29	30-39	Over 39	
15-34	Number	457	198	56	10	3	7	0	0	0	0	731
	Avg fte	41993	42868	42245	51410	93122	53602	0	0	0	0	42699
	Avg actpay	18711	37880	37127	45599	88007	50190	0	0	0	0	26268
	Avg cap	552	2114	2919	3552	7289	3941	0	0	0	0	1258
35-39	Number	79	71	26	2	5	2	0	0	0	0	185
	Avg fte	44514	42531	42151	51390	50592	95038	0	0	0	0	44206
	Avg actpay	20681	36573	35095	28248	43815	90036	0	0	0	0	30263
	Avg cap	621	2052	2749	1582	3617	7313	0	0	0	0	1633
40-44	Number	174	60	12	1	1	8	8	0	0	0	264
	Avg fte	42598	41794	39409	40739	34112	60220	78192	0	0	0	43844
	Avg actpay	16867	37552	37054	37859	32364	49604	63202	0	0	0	25020
	Avg cap	432	2140	2895	3060	2708	4310	16074	0	0	0	1542
45-49	Number	11	7	6	2	1	3	44	275	23	0	372
	Avg fte	46509	50332	55510	58968	60916	111626	70830	61808	61410	0	62465
	Avg actpay	21248	44786	46195	41218	30371	90651	63826	57213	58196	0	56693
	Avg cap	706	2575	2967	3187	3821	7409	13330	14111	14344	0	13099
50-54	Number	5	5	3	2	2	9	116	1006	460	0	1608
	Avg fte	54337	76869	46713	79403	76253	59790	77467	75309	69615	0	73642
	Avg actpay	27131	76862	40808	75507	72290	48730	65054	70104	65453	0	68132
	Avg cap	869	3349	3246	6244	5900	3970	13783	17717	17369	0	17104
55-59	Number	12	11	4	4	5	9	108	1070	1095	3	2321
	Avg fte	74732	70334	43193	87624	91178	59605	85478	90762	85177	43910	87433
	Avg actpay	40536	57233	41014	83360	86078	53548	71108	84405	80441	41845	81313
	Avg cap	4410	2970	3271	6756	6797	6126	14589	21328	21211	12876	20627
60-64	Number	7	7	4	2	5	8	42	388	624	13	1100
	Avg fte	103066	100843	108922	81864	72096	65673	89312	103730	112662	97558	107709
	Avg actpay	65998	90886	109768	78189	67512	46514	74293	96937	107013	92897	101017
	Avg cap	6990	5895	8367	6520	5451	4199	17214	24839	28483	22953	26027
65-69	Number	4	3	3	1	1	3	4	84	224	11	338
	Avg fte	124140	105439	91066	111180	130045	70147	95646	107711	137959	166613	129301
	Avg actpay	38601	88147	88207	106392	123850	32423	61108	100012	131586	161705	121037
	Avg cap	2425	6115	6973	8694	10248	3062	16682	26300	35517	44889	31960
Over 69	Number	3	1	0	0	1	0	0	14	58	16	93
	Avg fte	153475	85300	0	0	205500	0	0	120133	145967	150067	143013
	Avg actpay	72748	85300	0	0	117135	0	0	115453	145233	149103	138131
	Avg cap	16198	3257	0	0	9774	0	0	32509	37763	43937	36667
Total	Number	752	363	114	24	24	49	322	2837	2484	43	7012
	Avg fte	44519	45821	46398	64990	80490	65149	81036	84896	95159	131019	81437
	Avg actpay	19695	40395	41259	57500	70806	52859	68027	79027	90260	127851	73539
	Avg cap	730	2267	3199	4557	5814	4746	14532	20031	23939	35669	17787

Average Age = 53.4

Average Service = 24.0

**University of California Retirement Plan  
Active Member Data as of July 1, 2003  
Safety**

Age Last Birthday		-----Completed Years of Credited Service-----										Total
		0	1	2	3	4	5-9	10-19	20-29	30-39	Over 39	
15-34	Number	27	21	15	11	12	29	8	0	0	0	123
	Avg fte	51476	51880	55194	53556	55611	63075	74121	0	0	0	56795
	Avg actpay	26383	48828	51681	46884	49026	59015	69282	0	0	0	47827
	Avg cap	780	2763	4082	3912	4030	4922	7132	0	0	0	3508
35-39	Number	7	5	4	5	0	21	26	0	0	0	68
	Avg fte	59138	59916	52549	56419	0	69041	73386	0	0	0	67114
	Avg actpay	14100	56551	49743	53406	0	65087	69361	0	0	0	59083
	Avg cap	233	2938	3911	4298	0	5708	14224	0	0	0	7987
40-44	Number	2	2	3	2	2	10	47	11	0	0	79
	Avg fte	66076	55244	49142	50876	51486	65156	76731	83880	0	0	73107
	Avg actpay	19612	52393	35641	48248	48848	61295	72596	79310	0	0	67626
	Avg cap	276	3004	4451	3842	3764	5238	16665	20069	0	0	13817
45-49	Number	2	1	0	0	0	5	24	28	0	0	60
	Avg fte	88599	49624	0	0	0	74182	75221	81819	0	0	78233
	Avg actpay	47589	47126	0	0	0	69958	70388	79512	0	0	73462
	Avg cap	1595	3234	0	0	0	6096	16814	21291	0	0	17276
50-54	Number	2	1	2	0	1	2	14	29	2	0	53
	Avg fte	98263	46422	88133	0	47710	94500	72572	87535	91700	0	82903
	Avg actpay	54566	44127	83777	0	45352	89346	67084	82139	87219	0	76236
	Avg cap	1434	3094	6885	0	3600	6800	16931	21564	21854	0	17793
55-59	Number	0	1	0	0	0	1	6	3	2	0	13
	Avg fte	0	115610	0	0	0	115610	73176	99976	102289	0	90368
	Avg actpay	0	125000	0	0	0	136786	67464	105667	96335	0	90480
	Avg cap	0	4773	0	0	0	11336	14563	29036	27048	0	18823
60-64	Number	0	0	0	1	1	1	1	0	0	0	4
	Avg fte	0	0	0	107429	55823	59176	73649	0	0	0	74019
	Avg actpay	0	0	0	102411	44943	56412	70209	0	0	0	68494
	Avg cap	0	0	0	8741	2752	4844	5454	0	0	0	5448
65-69	Number	0	0	0	0	0	0	0	0	0	0	0
	Avg fte	0	0	0	0	0	0	0	0	0	0	0
	Avg actpay	0	0	0	0	0	0	0	0	0	0	0
	Avg cap	0	0	0	0	0	0	0	0	0	0	0
Over 69	Number	0	0	0	0	0	0	0	0	0	0	0
	Avg fte	0	0	0	0	0	0	0	0	0	0	0
	Avg actpay	0	0	0	0	0	0	0	0	0	0	0
	Avg cap	0	0	0	0	0	0	0	0	0	0	0
Total	Number	40	31	24	19	16	69	126	71	4	0	400
	Avg fte	57742	55200	56742	56862	54615	67613	74932	85240	96994	0	69709
	Avg actpay	26365	52554	52027	51666	48519	63955	70422	81659	91777	0	62853
	Avg cap	733	2897	4333	4261	3890	5439	15425	21540	24451	0	10781

Average Age = 40.5

Average Service = 11.2

**University of California Retirement Plan  
Active Member Data as of July 1, 2003**

Age Last Birthday		-----Completed Years of Credited Service-----										Total
		0	1	2	3	4	5-9	10-19	20-29	30-39	Over 39	
15-34	Number	8573	7152	4639	2903	2225	3791	550	0	0	0	29833
	Avg fte	43161	44964	46922	47937	49183	51806	51748	0	0	0	46349
	Avg actpay	20956	38717	40959	41890	43586	46532	47026	0	0	0	35780
	Avg cap	671	2267	3210	3340	3506	3858	6451	0	0	0	2431
35-39	Number	1993	2148	1842	1436	1358	4052	2618	19	0	0	15466
	Avg fte	54245	54433	56043	57267	60738	65241	60773	59008	0	0	59328
	Avg actpay	26865	47131	49203	49850	54039	57482	54599	55223	0	0	49611
	Avg cap	875	2755	3879	4011	4340	5136	10337	13245	0	0	4822
40-44	Number	1750	1811	1498	1297	1260	4301	5694	737	0	0	18348
	Avg fte	54500	54690	56121	58114	60433	66695	69481	63729	0	0	63192
	Avg actpay	25861	47885	49186	51252	53917	59087	63125	59348	0	0	54359
	Avg cap	815	2801	3921	4122	4404	5458	13031	14038	0	0	7155
45-49	Number	1150	1271	1076	925	1001	3615	7152	3076	27	0	19293
	Avg fte	58130	57889	58183	58472	62079	66235	73687	72323	62858	0	67893
	Avg actpay	28689	50652	50962	51498	54818	58497	66904	67322	59583	0	59782
	Avg cap	931	3011	4048	4157	4527	5567	14573	16418	15020	0	9998
50-54	Number	850	914	794	695	702	2727	6169	4526	503	0	17880
	Avg fte	60416	59982	59569	57095	61809	66384	73686	80144	70218	0	71040
	Avg actpay	29473	52570	53093	50289	54991	58793	67057	74999	66077	0	63507
	Avg cap	1012	3146	4219	4104	4501	5615	15074	18744	17524	0	12028
55-59	Number	487	523	509	473	456	1669	3943	3702	1225	4	12991
	Avg fte	63276	64494	60903	60142	63806	67496	75324	91415	86124	45329	77503
	Avg actpay	32024	56040	54227	52279	56978	61019	69198	85650	81321	43124	70416
	Avg cap	1173	3368	4351	4291	4654	5560	15518	21558	21520	13289	14271
60-64	Number	205	203	180	172	214	754	1659	1326	869	14	5596
	Avg fte	72357	68064	66627	62498	66041	70783	79205	101008	116079	95857	86928
	Avg actpay	35900	59761	60339	56115	58352	63817	73134	95365	110399	91297	79630
	Avg cap	1536	3614	4789	4509	4938	5830	16891	24116	29306	22870	16784
65-69	Number	62	52	59	44	54	208	382	272	350	19	1502
	Avg fte	80018	86195	74917	62965	71342	74717	87148	115342	138928	160874	101446
	Avg actpay	28875	60446	61517	51254	56998	65990	80058	109383	132842	155680	91484
	Avg cap	1287	3924	4950	4072	4893	6230	19088	27857	36069	43784	20399
Over 69	Number	25	21	14	17	16	59	93	71	97	29	442
	Avg fte	95681	60407	75897	64789	102455	70360	96381	139229	140499	145643	109312
	Avg actpay	40564	50111	54835	41790	87627	57034	92047	136271	139551	145111	100208
	Avg cap	3204	3344	4204	4093	7123	6099	23974	36796	37322	42879	23661
Total	Number	15095	14095	10611	7962	7286	21176	28260	13729	3071	66	121351
	Avg fte	49335	51028	53091	54460	57962	63930	72025	83538	99526	133387	63731
	Avg actpay	23999	44195	46572	47676	51431	56776	65596	78249	94572	130557	54907
	Avg cap	788	2602	3679	3837	4185	5179	14181	19514	25169	37102	8296

Average Age = 43.8

Average Service = 9.2

## **Glossary of Actuarial Terms**

### **Accumulated Plan Benefit**

The amount of an individual's benefit (whether or not vested) as of a specified date, determined in accordance with the terms of a retirement plan and based on compensation and service credit to that date.

### **Actuarial Accrued Liability**

The portion of the Actuarial Present Value of plan benefits and expenses allocated to years prior to the valuation date by a particular Actuarial Cost Method.

### **Actuarial Assumptions**

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement, and retirement; changes in compensation and Social Security benefits; rates of investment earnings and asset appreciation or depreciation; and other relevant items.

### **Actuarial Cost Method**

A procedure for determining the Actuarial Present Value of retirement plan benefits and expenses and for developing an actuarially equivalent allocation of such value to past and future time periods, in the form of a Normal Cost and an Actuarial Accrued Liability.

### **Actuarial Gain or Loss**

A measure of the change in value of the Actuarial Accrued Liability or plan assets resulting from experience different than that expected based upon a set of Actuarial Assumptions, as determined in accordance with a particular Actuarial Cost Method.

### **Actuarially Equivalent**

Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.

### **Actuarial Present Value**

The value of an amount or series of amounts payable or receivable at various times in the future, determined as of a specific date by the application of a particular set of Actuarial Assumptions.

### **Actuarial Valuation**

The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a retirement plan.



**Actuarial Value of Assets**

The value of cash, investments and other property belonging to a retirement plan, as used by the actuary for the purpose of determining contributions to the plan. Typically a smoothed value to reduce the impact on contributions of market volatility.

**Annual Required Contribution (ARC)**

The annual required contribution of the employer as determined by the parameters of GASB No. 25. The ARC is equal to the employer's normal cost plus an amortization of the total unfunded Actuarial Accrued Liability.

**Annual Pension Cost (APC)**

The annual cost to the employer of maintaining a pension plan as determined by the parameters of GASB No. 27. The APC is equal to the sum of the ARC, one year's interest on the Net Pension Obligation (see below), and an adjustment to the ARC.

**Covered Payroll**

The payroll of eligible active members projected for the plan year following the valuation date, based on the reported payroll for the previous plan year.

**Current Liability**

The actuarial present value of accumulated plan benefits.

**Full Funding Limitation**

A limitation on contributions imposed by the IRS on retirement plans subject to ERISA, equal to the lesser of:

- ▶ the excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets
- ▶ the excess, if any, of 150% of the Current Liability over the Actuarial Value of Assets.

The full funding limitation for a plan year is typically determined by projecting assets and liabilities to the end of the plan year.

**Funded Status**

A comparison of the plan's assets and actuarial liabilities at a particular point in time.

**Net Pension Obligation (NPO)**

The cumulative difference between Annual Pension Cost and the employee's contributions made in relation to the ARC. The NPO measurement begins with the employer's adoption of GASB No. 27.

**Normal Cost**

That portion of the Actuarial Present Value of plan benefits and expenses which is allocated to the current year by the Actuarial Cost Method.

**Projected Benefits**

Retirement plan benefits which are expected to be paid at various future times according to a particular set of Actuarial Assumptions, taking into account anticipated future compensation, future service credits, and the effect of advancement in age.

**Salary Scale**

An assumption as to the rate of growth of a member's compensation over his career.

**Unfunded Actuarial Accrued Liability**

The excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets.

**Valuation Date**

The date as of which assets, actuarial present values and actuarial liabilities are measured.

**Valuation Interest Rate**

An assumption as to the future rate of return on plan assets reflecting the average rate of earnings expected on the funds invested; used in calculating Actuarial Present Values; represents the time value of money.