

April 2013



Retiree health benefit changes coming in July

By Anne Wolf

Retiree health is a benefit employers rarely offer, but UC has chosen to maintain it as part of its employment package. About half of current faculty and staff will be affected by new eligibility rules for retiree health benefits that go into effect on July 1, 2013. These rules were approved by the Regents in December 2010 as part of a series of reforms to address the \$14.5 billion unfunded liability in the retiree health program, and to help sustain the long-term viability of the program.

The Regents also approved a new pension tier for employees hired or re-hired July 1, 2013 and later. The new pension tier does not apply to current employees unless they leave employment and return at a later date.

To help employees understand the changes to retiree health, we sat down with Gary Schlimgen, Executive Director of Retirement Programs & Services, to field some of the most commonly asked questions.

Can you remind people what changes regarding retiree health benefits are going into effect on July 1?

First, let me point out what is not changing. A retiring employee will still be eligible to enroll in UC's retiree health plans if that employee:

- Is a member of the UC Retirement Plan (UCRP)
- Is enrolled in or eligible to be enrolled in UC benefits on the day he/she retires
- Is age 50 or older with 10 years or more of UCRP service credit at retirement

What's changing is the formula for determining how much of UC's contribution to the health premium a retiring employee will get. Beginning July 1, the formula is changing for all new employees and for about half of our current employees.

Under the revised rules, if you retire at age:

- **50 – 55:** you can enroll in UC-sponsored health insurance for retirees but UC will not be contributing toward the cost of coverage. Access to our retiree health plan at a group rate is still a valuable benefit, with comprehensive coverage at a reasonable cost.
- **56 and older:** you will receive a portion of UC's contribution to retiree health based on your age and years of service at retirement. The percentage ranges from a minimum of 5 percent at age 56 with 10 years of service to 100 percent at age 65

with 20 or more years of service. There is a chart (below) that outlines the percentage.

GRADUATED ELIGIBILITY FORMULA

To find the university contribution for a particular age and number of years of UCRP service credit, look down the far left column for the appropriate age; then look across that row to the number of years of UCRP service credit. That will show the percentage of the maximum university contribution that a retiree at that age and with those years of service credit will receive. Example: with 15 years of UCRP service credit at age 60, the retiree receives 37.5% of the maximum university contribution.

Age*	Years of UCRP Service Credit at Retirement										
	10	11	12	13	14	15	16	17	18	19	20+
50-55**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
56	5.0%	5.5%	6.0%	6.5%	7.0%	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%
57	10.0%	11.0%	12.0%	13.0%	14.0%	15.0%	16.0%	17.0%	18.0%	19.0%	20.0%
58	15.0%	16.5%	18.0%	19.5%	21.0%	22.5%	24.0%	25.5%	27.0%	28.5%	30.0%
59	20.0%	22.0%	24.0%	26.0%	28.0%	30.0%	32.0%	34.0%	36.0%	38.0%	40.0%
60	25.0%	27.5%	30.0%	32.5%	35.0%	37.5%	40.0%	42.5%	45.0%	47.5%	50.0%
61	30.0%	33.0%	36.0%	39.0%	42.0%	45.0%	48.0%	51.0%	54.0%	57.0%	60.0%
62	35.0%	38.5%	42.0%	45.5%	49.0%	52.5%	56.0%	59.5%	63.0%	66.5%	70.0%
63	40.0%	44.0%	48.0%	52.0%	56.0%	60.0%	64.0%	68.0%	72.0%	76.0%	80.0%
64	45.0%	49.5%	54.0%	58.5%	63.0%	67.5%	72.0%	76.5%	81.0%	85.5%	90.0%
65	50.0%	55.0%	60.0%	65.0%	70.0%	75.0%	80.0%	85.0%	90.0%	95.0%	100.0%

* Age is measured in whole years.

** Those who retire between ages 50 and 55 are eligible to enroll in UC-sponsored health insurance for retirees but will not receive a UC contribution.

To which employees do the new rules apply?

The new rules will apply to all new hires and to current employees who are active UCRP members as of June 30, 2013, who:

- will have less than 5 years of UCRP service credit as of June 30, 2013
- have five or more years of UCRP service and whose age plus years of service credit is less than 50 on June 30, 2013. Age is measured in whole years. For example, someone who is 37 years old with 10.5 years of service would be under the new rules, as their age plus service does not equal 50.

There have been a lot of comments about this “age plus service greater than 50” rule. What was the thinking behind this rule?

The process that was undertaken to re-evaluate and design a more sustainable program looked at many factors. UC’s post-employment benefits are designed to reward long service. Currently, someone can retire as early as age 50 with retiree health, which doesn’t make sense for workforce planning and retention. Many thought a better idea was to foster retention by rewarding people who stay and encouraging later retirements by putting the maximum UC contribution at age 65 with 20 years or more of service. In this manner, the UC contribution towards retiree health rewards long-serving employees and provides for closer coordination with

Medicare. A retiree may still be eligible for 100 percent of the maximum UC contribution, but at a later age.

At the same time, we wanted to protect employees who are already close to retirement age. There was concern that employees close to retiring would not have enough time to adjust their planning for higher medical premium costs, so the President recommended, and the Regents approved grandfathering them under the current rules.

I can understand the disappointment for those employees who do not meet the age plus service credit criteria. They will still be eligible for retiree health with the current minimum of 10 years of service and at least age 50, but the amount of the UC contribution will be different. The retiree health eligibility rules have changed before, with the last time being in 1990 when graduated eligibility was established.

UC is also slowly reducing its contribution to retiree health premiums to a floor of 70 percent. Can you explain the 70 percent contribution floor? Many people think that if they get 100 percent of the UC contribution to retiree health that UC pays 100 percent of the premium.

The key is the UC contribution, which is currently 80 percent, on average, of the total cost of retiree health premiums. This will go down to 70 percent in the future. Those retirees who receive 100 percent of the UC contribution get the full amount UC sets, which even today may or may not cover the full premium, depending on the plan a retiree chooses. Those who don't get the full contribution, get the percentage associated with their years of service credit at retirement.

UC has been reducing the contribution since 2010; so current retirees have already felt the impact of changes to the retiree health program.

Do these changes also apply to employees who are represented by unions when they retire?

As with any change in terms and conditions of employment, which include benefits, these changes are subject to the collective bargaining process for represented employees. We are committed to having all future retirees pay the same rates for the same benefits. The collective bargaining process is ongoing.

Some employees have questioned whether UC can change these benefits for current employees. Aren't they guaranteed?

Retiree health benefits have never been guaranteed and are not "vested" in the same way that pension benefits are. Any pension benefits you've already accrued are yours and can't be changed. But retiree health benefits are separate and can be changed or eliminated at any time. UC has no plans to eliminate these benefits; they are important for recruiting and retaining our faculty and staff.

It's been more than two years since the Regents approved the changes to post-employment benefits. Can you briefly recap how these changes came about and who was involved in making them?

UC is facing a \$24 billion unfunded liability for its pension and retiree health benefits, along with increasing annual costs. UC needed to find ways to control the costs and manage the unfunded liability to be able to sustain these benefits for the long-term. Our benefits are an important component in recruiting and retaining excellent faculty and staff, but changes were needed to ensure we can continue to provide these post-employment benefits well into the future.

Back in 2009, UC President Mark G. Yudof appointed a Post-Employment Benefits Task Force to develop recommendations for sustainable post-employment benefits. The task force, which included senior leaders, faculty, staff and retirees from around the system, conducted extensive consultation that included surveys, town halls at campuses and web chats. President Yudof continued the consultation process before finalizing recommendations that had the support of the Academic Senate, the staff advisors to the regents and the Council of UC Staff Assemblies. He then brought those recommendations to the Board of Regents, which approved the measures in December 2010.

These are pretty significant changes. How do these changes compare with what other employers are doing?

Actually few employers offer health benefits to retirees. A 2012 Kaiser Family Foundation study showed that just 25 percent of employers with 200 or more employees nationwide still provide them. Many organizations that do offer them are evaluating changes as well.

At UC, we know retiree health benefits are very important and we have no plans to eliminate these benefits. But we need to modify them in order to ensure they remain financially sustainable. Also, as national health care reform becomes more fully implemented, it's likely there will be additional changes in the future.

Anne Wolf is systemwide coordinator in Internal Communications at the Office of the President.

Systemwide News

Cooperative Extension: 100 years and counting

A new video celebrates UC Agriculture & Natural Resources Cooperative Extension scientists, who since 1913, have been helping make California the nation's leading agricultural state. To view the video, go to:
http://www.youtube.com/watch?v=O0XDDXdUX5E&list=UUS4C_y9ig7LUb9ZTGn86LOA&index=3

Record number of freshmen admitted for Fall 2013

The University of California admitted a record high number of applicants for its fall 2013 freshman class, 82,850 students who represent a diverse mix of academically accomplished Californians and out-of state and international residents.

Preliminary data show California students continued to make up the lion's share of admitted students — 60,089. The overall number of admitted state residents varied slightly by campus — some increased, a few decreased, and others stayed the same. Drawing from a record number of applications, freshman offers of admission were up 3.2 percent overall from 2012.

The slight decline in the number and proportion of admitted students who are Californians

reflects the fallout from years of severe budget cuts to UC, which has enrolled thousands of California students for whom it received no state funding. The number of state students admitted for fall 2013 is expected to increase once offers are made from campus waitlists and the referral pool.

All nine undergraduate campuses increased their offers of admission to non-resident students, resulting in a rise from a systemwide total of 18,846 in 2012 to 22,761 in 2013. It is important to note, however, that applicants from outside California traditionally decline UC admission offers at a higher rate than do Californians. It is expected that, systemwide, fewer than 10 percent of enrolled UC undergraduates in 2013 will be out-of-state and international students.

“We continue to be inspired by the caliber of students who apply to the University of California,” said Michael Treviño, director of undergraduate admissions. “We wish we could enroll more of them. Despite our budget constraints, however, we will honor the California Master Plan and offer a spot at one of our campuses to all students who qualify for guaranteed admission by being in the top 9 percent of the state or in their local high school.”

The preliminary outcomes for fall 2013 reflect slight changes in the numbers of California students admitted from historically underrepresented groups. The proportion of Latinos admitted — the largest ethnic group among 2013 applicants — increased from 27.3 percent in 2012 to 27.6 percent in 2013, while the proportion of African Americans dropped slightly, from 4.4 percent in 2012 to 4.2 percent in 2013. UC continues to admit high proportions of freshmen who would be the first in their families to attend college, are from low-income families, and attended low-performing high schools.

Further details about the fall 2013 preliminary admissions outcomes can be found at www.ucop.edu/news/studstaff.html, which includes an information summary as well as tables that offer detailed breakdowns by campus, residency and ethnicity.

‘Lands of Two Seasons’

Great weather, abundant harvests and some of the world’s most cosmopolitan cities are all found within what are known as Mediterranean-climate ecosystems.

But the landscapes that made Rome, Perth, San Francisco and Cape Town possible also house some of the planet’s most endangered ecosystems. Their tremendous biological diversity, second only to that of tropical rainforests, faces common threats such as invasive species and intensive development.

With *Lands of Two Seasons: The World’s Mediterranean-Climate Ecosystems*, the UC Natural Reserve System and University of California Television recently launched a five-part video series about these regions. The introductory program offers an overview of the world’s Mediterranean-climate zones, which include much of California.

The first episode highlights their unusual weather patterns, unique characteristics and shared problems. Subsequent programs about geology, ocean and atmospheric forces and biological diversity explore in detail why these environments are so alluring.

The series has already been espoused as a teaching tool around the world. Faculty from UC Irvine to the University of Stellenbosch, South Africa, plan to use the programs in their courses.

The programs are an initiative of the International Cooperative for the Management of Mediterranean-Climate Ecosystems (INCOMME, www.incomme.org), a consortium of organizations dedicated to preserving the biological diversity of Mediterranean-climate regions. The NRS is a founding member of INCOMME. Other INCOMME partners include the International Union for the Conservation of Nature (IUCN, www.iucn.org), the world's oldest and largest global environmental organization, and IUCN's Mediterranean-Type Ecosystem Thematic Group (MTEG, www.iucn.org/about/union/commissions/cem/cem_work/tg_mteg/). Led by the NRS, MTEG is made up of scientists and experts from 21 countries interested in the sustainable management of the world's five Mediterranean-climate regions.

Watch the video here: <http://uctv.tv/shows/Lands-of-Two-Seasons-The-Worlds-Mediterranean-climate-Ecosystems-24602>

More Systemwide News

Global forum provides food for thought

<http://www.universityofcalifornia.edu/news/article/29321>

UC campuses among top 500 science universities

<http://www.universityofcalifornia.edu/news/article/29352>

UCLA mural honors baseball great Jackie Robinson

<http://newsroom.ucla.edu/portal/ucla/ucla-honors-alumnus-and-baseball-245230.aspx>

People Who Make A Difference

Huntington's Disease: a cause close to her heart

For two decades, UC Irvine has been at the forefront of Huntington's disease research and care, and Frances Saldaña is working to keep it that way.



By day, she manages the Corporate Partners program for The Paul Merage School of Business. But Saldaña is better known as a focused and driven advocate for the patients and family members who must endure the terrible consequences of this incurable neurodegenerative disorder.

She shares their pain. Saldaña has lost a husband and her younger daughter to Huntington's disease, and her other two children are in the late stages of it. "HD is cruel and unfair," she says. "And we have to end it."

So along with friends Jean Abdalla and Linda Pimental, who have also lost family members to the disease, Saldaña founded HD CARE to raise awareness and funds for UC Irvine research and clinical care. It's an official support group of the campus's Institute for Memory Impairments & Neurological Disorders (UCI MIND), which

explores new research and treatments for a spectrum of neurodegenerative diseases, including Alzheimer's and Parkinson's.

"Frances is a tireless promoter of HD research and care, and her enthusiasm is infectious," says Leslie Thompson, a UC Irvine professor of psychiatry & human behavior and neurobiology & behavior who's recognized as one of the world's pre-eminent HD researchers. "Her impact is profound."

Huntington's disease – a progressive, genetic brain disorder – causes the degeneration of neurons in certain areas of the brain. It's a familial disease passed from parent to child through a genetic mutation. Symptoms include uncontrolled movements, loss of intellectual capabilities and emotional disturbances. In the U.S. alone, at least 30,000 people have HD, and more than 150,000 others have a 50 percent risk of developing it.

Thompson was part of the UC Irvine team that helped identify the HD gene in 1993, and she met Saldaña 15 years ago when Saldaña's daughter Marie first showed signs of the disease.

Since then, they've been a dynamic duo. Thompson and her campus colleagues – including researchers J. Lawrence Marsh, Joan Steffan and Malcolm Casale – have made key discoveries revealing the underlying genetic mechanisms of HD, and she's currently using stem cells to explore treatments and cures. Driving them is Saldaña, who by some estimates has helped raise \$1 million to aid UC Irvine research over the years.

"Frances inspires me daily," says Thompson, who has a framed photo of Saldaña's children on her desk. "We in HD research are working for the families. We feel a sense of urgency."

Saldaña also assisted with the creation of the Huntington's Disease Clinic at UC Irvine's Gottschalk Medical Plaza. Directed by neurologist Dr. Neal Hermanowicz – who manages the movement disorders program for UC Irvine Health – the clinic is the only one in Orange County devoted exclusively to the neurological and psychological care and support of HD patients and their families.

HD CARE is hosting its inaugural event April 20 at Hotel Laguna in Laguna Beach. "Sounds by the Sea" will feature live jazz, fine chocolates, wine and small bites, but its purpose is to highlight the need to support UC Irvine's considerable efforts to combat and treat this disease. All proceeds from the event will go toward HD research and the HD clinic. For more information, visit the HD CARE website.

Saldaña hopes "Sounds by the Sea" will be a springboard for HD CARE's mission of advocacy and education. She plans to follow up by inviting attendees to campus to tour the laboratories in UCI MIND and the Sue & Bill Gross Stem Cell Research Center – showing them how far science has come in 20 years.

"I wouldn't have hope unless I knew how much the researchers here are doing," Saldaña says. "At HD CARE, we want a treatment, a cure and care for our patients. The researchers and physicians at UC Irvine have done so much, and they deserve more support."

Arming students with job-interviewing skills

By Katherine Tam

That first job interview on the brink of a new career can be one nerve-racking experience.



Attorneys at UC's systemwide headquarters in Oakland are pitching in to make the experience a little less daunting and offer law students advice to help land their first gig.

Several attorneys in the Office of the President's Office of General Counsel volunteer annually to conduct mock job interviews with law students through a workshop organized by the Bay Area law firm Hanson Bridgett.

"I remember how important it was for me to have mentors when I was starting," said Margaret Wu, managing counsel in litigation. "This is a good opportunity to help newer lawyers come along,

and to keep the pipeline of good lawyers coming."

Known as the 1L Interview Workshop, the program starts with a half-day seminar that covers topics such as how to prepare for a job search, finding the right job opportunities and preparing for an interview. Next, each student meets with two or three attorneys to practice their skills in mock interviews. A networking luncheon is the finale.

The law firm promotes its workshop to minority student organizations at law schools to reach an under-represented demographic and increase diversity in the legal profession.

"It's been my experience that a lot of law students in these groups might be the first to graduate from college in their families," said Mike Moye, a partner at Hanson Bridgett who started the workshop 10 years ago. "Many have no prior experience with lawyers or the legal field, or set foot in a law office before. If we can remove about 60 percent of the intimidation, we can help them develop a bit more confidence and succeed."

The UC attorneys have helped mentor close to 100 students since they began volunteering - not a surprise given the office's long-standing commitment and efforts to support diversity.

While the students already have impressive academic qualifications, a number are less studied at the art of interviewing.

"The biggest item is self-confidence," said Holly St. John, senior counsel at UC who also volunteers on OGC's Diversity Committee. "A lot of students know how to put their nose to the grindstone, but they may be at a loss when it comes to interviews."

St. John and other attorneys coach the students on how to best package their skills and present themselves as viable job candidates. This can range from maintaining eye contact during an interview to answering questions directly and clearly to tips on strengthening their resumes.

Some students, particularly those for whom law is a second career, are already polished and may not need a great deal of help. In those cases, the attorneys help the students talk through

what fields they are interested in and offer advice on making inroads in the profession.

The attorneys encourage students to call with additional questions or advice after the workshop.

Because Hanson Bridgett does not track the students after they complete the workshop, it is unclear how many are able to use the skills they've learned to successfully navigate job searching.

Word of mouth though has certainly spread. The Interview Workshop has grown dramatically since it launched a decade ago, when it served just 10 students and all the attorneys were from Hanson Bridgett. Word spread and demand climbed. Last year's program brought together 115 students and 50 attorneys representing both the public and private sectors.

"Margaret was one of the first people outside the firm to participate and the first to respond when I send out the message to take part in the program," Moye said. "I've gotten very good feedback and rave reviews from the student participants, whenever I've mentioned the UC attorneys."

UC attorney Stella Ngai was the first attorney in her family, and sees an information gap between students who are familiar with lawyers and others who have had little or no exposure. Ngai did not participate in a program like the Interview Workshop when she was in law school; she said she was fortunate to have met people kind enough to offer good advice.

"I remember people who helped me then, so I try to give back," Ngai said.

Katherine Tam is a communications coordinator in Internal Communications at UC's Office of the President.

HR Briefs



Want to get healthier? There's an app for that

Whether you want to lose weight, quit smoking or sleep better, there's now a mobile app to help you.

In fact, there are more than 15,000 mobile apps to help people improve their health. So how do you know which one to choose?

Julie Chobdee, wellness program coordinator at UC Riverside, has put together a list of wellness apps, many recommended by UCR faculty and staff.

"Many employees have said they love using MyFitnessPal," she said. The free app lets you track the food you eat to help you lose or manage your weight.

"Apps make it convenient to organize, manage and track healthy habits," Chobdee said. "They provide on-the-go access to health information anytime, anywhere."

UC's health and insurance plans also offer apps to their members, including:

Kaiser Permanente has several apps including:

An app that gives health plan members the tools to access their medical records, make appointments, refill prescriptions, view most lab test results, send non-urgent messages to their doctors and more. In addition, members and nonmembers alike can find any Kaiser Permanente medical facility. Available for iPhone and Android phones.

Every Body Walks! turns your smartphone into a pedometer

HealthNet's app lets members access their information, a mobile ID card and plan information, doctor directory and more. Available for iPhone and Android phone users.

Liberty Mutual offers:

ReportABirth app for expectant mothers on disability leave to report the date and type of delivery of their child

An app that allows employees to view their disability claim status on their smartphone

Visit the iTunes store or Google Play to download most of these apps.

Get your walking shoes on for UC Walks

This year's UC Walks will take place on Wednesday, May 22, at locations throughout the UC system.

The event, now in its fourth year, brings UC faculty, staff, retirees and students together for a 30-minute walk and related events that promote wellness and an active lifestyle. Most locations will have guided group walks around their locale and some also will hold wellness fairs.

UC Walks is a systemwide UC Living Well program, coordinated by the local Wellness Programs, aimed at raising awareness of the importance of a healthy lifestyle. It's also an opportunity for employees and students to take a break, get some exercise, and meet fellow walkers.

Last year, more than 5,300 people took part in walks at UC's campuses and medical centers, racking up 8,771 miles among them. That's equivalent to walking between Davis and San Diego 17 times.

All participants in UC Walks will receive a free T-shirt provided by StayWell and Kaiser Permanente (while supplies last). For employees and retirees eligible for the StayWell program, participation in UC Walks qualifies as a follow-up activity to their health assessment and will earn them 25 points towards the \$100 incentive award.

To earn the incentive, the employee must take the StayWell health assessment by June 15 and earn an additional 50 points by attending certain campus-based wellness programs or taking advantage of StayWell's personal coaching and online programs.

Find links to information about routes and activities at your location on the UC Living Well website at <http://uclivingwell.ucop.edu>.

New retirement estimator lets you model retirement scenarios

When you sign in to your personal account on At Your Service, you can see retirement estimates for different ages based on your current salary. But what effect will a new job at a higher salary have on your pension?

Or what if you are considering reducing your work schedule?

Now you can model these scenarios and others.

Previously, the Retirement Estimator provided estimates based on your current salary and service credit. Now you can change your anticipated Highest Average Plan Compensation — that is, your salary averaged over the consecutive 36 months during which it is highest — and your service credit to produce new estimates.

You can also:

- Model scenarios in which you take a smaller benefit in order to provide a lifetime benefit to a person of your choosing
- Estimate your benefit based on the age at which you want to retire or on a specific date.

To use the estimator, go to At Your Service and select “Sign In to My Accounts.” After you sign in, choose “Retirement Estimator” in the Retirement & Savings section. Then select “View More Monthly Income Options” in the middle of the chart and enter your data.