NEW ELIGIBILITY RULES FOR UC RETIREE HEALTH CARE

EFFECTIVE JULY 1, 2013

Changes are subject to the collective bargaining process for represented employees.
WHY ADD A NEW RETIREE HEALTH GROUP?

- FIND WAYS TO CONTROL COST AND CONTINUE TO PROVIDE COMPETITIVE RETIREMENT BENEFITS
- PROVIDE LONG-TERM SUSTAINABILITY OF RETIREE HEALTH CARE BENEFITS
- ENCOURAGE LONGER SERVICE
THE NEW RULES WILL AFFECT

• ALL UC EMPLOYEES (EXCEPT SAFETY MEMBERS) HIRED ON OR AFTER JULY 1, 2013

• AND, EMPLOYEES HIRED BEFORE JULY 1, 2013 WHO ARE NOT SUBJECT TO THE ‘GRANDFATHERING’ PROVISION
‘GRANDFATHERING’ PROVISION

• UC EMPLOYEES WILL REMAIN UNDER CURRENT RETIREE HEALTH CARE ELIGIBILITY RULES IF, BY JUNE 30, 2013, BOTH OF THE FOLLOWING CRITERIA IS MET:

  – HAVE FIVE YEARS OF UCRP SERVICE CREDIT

  – THEIR AGE (WHOLE YEARS ROUNDED UP) PLUS YEARS OF SERVICE CREDIT IS EQUAL TO, OR GREATER THAN, 50
EXAMPLE – UNDER ‘GRANDFATHERING’ PROVISION

• ON JUNE 30, 2013, EMPLOYEE HAS 5 YEARS OF SERVICE CREDIT AND EMPLOYEE’S AGE IS 44 YEARS AND 6 MONTHS (ROUND UP TO 45)

  – SERVICE CREDIT AND AGE EQUAL 50

EMPLOYEE IS ‘GRANDFATHERED’ AND WILL REMAIN UNDER THE CURRENT ELIGIBILITY RULES
EXAMPLE- UNDER NEW ELIGIBILITY RULES

• ON JUNE 30, 2013, UC EMPLOYEE HAS 5 YEARS OF SERVICE CREDIT, AND EMPLOYEE’S AGE IS 44 YEARS AND 5 MONTHS (DO NOT ROUND UP IF LESS THAN 6 MONTHS)

- SERVICE CREDIT AND AGE EQUALS 49

EMPLOYEE IS SUBJECT TO THE NEW ELIGIBILITY RULES, WHICH WILL AFFECT ABOUT HALF OF EXISTING UC EMPLOYEES, AND ALL NEW EMPLOYEES HIRED ON OR AFTER JULY 1, 2013.
UC RETIREE HEALTH PROGRAM – GROUPS 1, 2, & 3

UC CURRENTLY HAS TWO EXISTING RETIREE HEALTH GROUPS THAT ARE NOT CHANGING

- GROUP 1 (PRE-1990 GROUP), AND
- GROUP 2 (1990 GRADUATED ELIGIBILITY GROUP)

IN ADDITION, EFFECTIVE JULY 1, 2013

- GROUP 3 (THOSE WHO ARE UNDER THE NEW GRADUATED ELIGIBILITY FORMULA RULES)
UC RETIREE HEALTH – GROUPS 1, 2, & 3

GROUP 1 - (Pre-1990 GROUP)
Receives 100% of the UC maximum contribution if:

- Retiring between ages 50 – 55 with at least 10 years of UCRP service credit

- Retiring at 55 years or older with at least 5 years of UCRP service credit
GROUP 2 – (1990 Graduated Eligibility Group)
Receives a percentage of UC maximum contribution based on UCRP service credit (in whole years)

- 10 years of service credit, receives 50% of UC maximum contribution
- An additional 5% for each year of service credit thereafter
- 100% of UC maximum contribution with 20 years or more of service credit

Special feature:
5 – 9 years of service credit, receives 50% of UC maximum contribution if age plus service credit = 75 or more
- Retiring between the ages of 50 and 55, not eligible for UC contribution (can pay total premium if at least 10 years of service credit)

- The UC contribution will be based on the member’s age and service credit. At the time of retirement member must be:
  
  Age 56 or older, and have
  10 or more years of service credit

- 100% of UC maximum contribution at age 65 with 20 or more years of service credit
CURRENT RESOURCES

• UC Retirement Handbook –
  Includes information on Retiree Health Care under:
  Group 1 (Pre-1990 Group), and
  Group 2 (1990 Graduated Eligibility Group)

Future resources regarding Group 3 coming soon...
HAPPY HUMP DAY!!