Employee Pension Contributions Will Not Increase This Year

Contributions to the University of California Retirement Plan (UCRP) will not increase this year, as they have in recent years.

University leadership recently confirmed that no additional increase in employee contributions is needed at this time. UC, as the employer, now contributes 14 percent of pay and faculty and staff contribute 7 to 9 percent, depending on their pension tier and/or collective bargaining agreement.

“The Post-Employment Benefits Task Force recommendations were a great step forward and put the plan on a solid path,” said Dwaine Duckett, vice president of human resources. “Contribution levels have been established for various segments of our participant populations.” UCRP contribution amounts are set by the Regents or by collective bargaining agreement.

Because of the reforms the Post-Employment Benefits Task Force recommended, which the Regents approved in 2010, employer and employee contributions now cover the annual cost of the plan. Additional steps, such as internal borrowing, are also beginning to address the plan’s unfunded liability.

The reforms approved in 2010 included increasing employer and employee contributions to UCRP and a new pension tier that applies to all new hires, effective July 2013. The reforms established a long-term plan to improve the funded status of UCRP, which is now at 80 percent.

See more information about UCRP and your contributions.