UCRP Employee Contributions Increased Effective July 1, 2011

This is a reminder that you may see a change in your next paycheck as both you and UC start contributing more to the UC Retirement Plan.

The higher contribution rates start with July earnings and will be reflected in paychecks issued between July 20th and Aug. 8th, depending on whether you are paid biweekly, monthly or on a different cycle.

Contributions for most faculty and staff increased 1.5 percentage points, going from roughly 2 percent of pay through June 30th to 3.5 percent of pay now. UC also increased its contribution from 4 percent to 7 percent.

In July 2012, employee contributions will rise to 5 percent and UC will pitch in 10 percent.

Every year, the plan incurs costs that are equivalent to about 17 percent of annual pay.

The increased contributions are part of UC’s strategy to ensure the long-term viability of the plan and to address a $14 billion unfunded liability.

The UC Board of Regents approved the contribution increases in September 2010 as part of a larger effort to put UC’s retirement benefits on financially sustainable footing.

The increased contribution rates apply to active members of the retirement plan, and are subject to collective bargaining for unionized employees.