

# HR/Benefits Review

News for University of California Faculty and Staff

December 2003

## Regents Approve Changes to the UC-Managed Funds

At their November meeting, the Regents approved significant changes in the UC-managed investment options available to participants in the UCRS Defined Contribution Plan and Tax-Deferred 403(b) Plan. These changes, to be effective April 2004, are intended to assure that an appropriate mix of investment options continues to be available both to employees saving toward retirement and to annuitants managing their accounts in retirement.

### Extended hours

#### UC Customer Service Center

In response to customer requests, the UC Customer Service Center will be open an extra hour, effective January 1, 2004.

**New business hours will be 8:30 a.m. to 4:30 p.m., Pacific Time.**

### Changes to be made April 2004

There will be three major changes to the UC-managed funds:

- The fund mix of the Multi-Asset Fund will be substantially changed, and the fund will be renamed the Balanced Growth Fund.
- A new fund option, called the Treasury Inflation-Protected Securities Fund (or TIPS Fund) will be offered both as a component of the new Balanced Growth Fund and as a stand-alone investment option.
- The Money Market Fund will be closed and merged into the Savings Fund.

#### Current UC-Managed Funds

Multi-Asset Fund  
Money Market Fund  
Equity Fund  
Bond Fund  
Savings Fund  
Insurance Company Contract Fund

#### UC-Managed Funds As of April 2004

Balanced Growth Fund  
TIPS Fund  
Equity Fund  
Bond Fund  
Savings Fund  
Insurance Company Contract Fund

### Balanced Growth Fund to replace Multi-Asset Fund

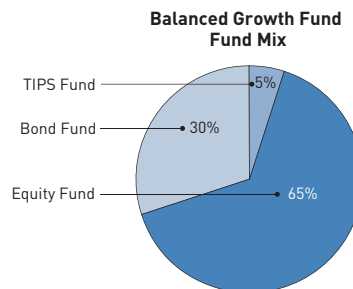
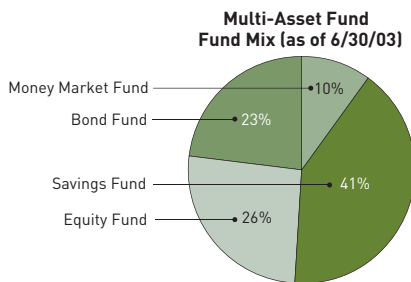
The Multi-Asset Fund is a blended fund currently composed of the four UC funds shown in the pie chart on page 2. The Fund is heavily weighted in conservative fixed-income funds and may not be appropriate for those participants with a longer time horizon who seek more growth potential to fund their retirement.

Beginning April 2004, the Treasurer's Office will replace the Multi-Asset Fund with a new option called the Balanced Growth Fund. The Balanced Growth Fund will mirror more closely the mix of UC-managed funds currently used in the University of California Retirement Plan (UCRP). The new fund mix substantially increases the Fund's Equity Fund allocation and introduces the new TIPS Fund as a component. The Savings Fund and the Money Market Fund will not be part of the new mix.

The Balanced Growth Fund will be rebalanced monthly. What this means is that whenever any of the three funds of which it is composed grows outside its allocation percentage, the Treasurer's

*continued on page 2*

Office will change the allocation to bring it back to its original percentage. For instance, if the Equity Fund, allocated at 65 percent of the total, were to grow to 70 percent, the Treasurer would sell some Equity and buy TIPS or Bond to reestablish the correct balance.



### TIPS Fund to be offered

The new Treasury Inflation-Protected Securities Fund (TIPS Fund) will be a stand-alone investment option as well as a component of the Balanced Growth Fund.

The TIPS Fund is primarily composed of United States Treasury Bonds whose principal is adjusted for changes in the Consumer Price Index. The use of Treasury Inflation-Protected Securities within an investment allocation is designed to serve as a hedge against inflation. UC's new TIPS Fund may be an attractive investment choice for participants with a long-term investment horizon who want protection from the effects of inflation. Note, however, that fluctuations in the market can cause the Fund's unit value to increase or decrease, and a period of sustained deflation could cause the Fund's value to fall.

### Money Market Fund to close

The Money Market Fund will be closed and its assets will be merged into the Savings Fund in April 2004. This action is being taken due to the low participation rate in the Money Market Fund outside of the Multi-Asset Fund, and in anticipation of the drop in the Fund's assets due to implementation of the new Balanced Growth Fund allocation adjustment.

For participants seeking a very safe fixed-income option, the UC-managed Savings Fund is an alternative investment option with a comparable historical rate of return. ▲

### More information

Implementation procedures and information about the funds are currently being finalized by Human Resources/Benefits and the Treasurer's Office. Over the next several months you will hear more about these changes. If you currently have a balance in the Multi-Asset Fund or the Money Market Fund, you will receive a letter explaining the new fund choices in more detail and outlining your options. More detailed information will also be appearing on our At Your Service website and in forthcoming editions of this newsletter.

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## Printed UC Semi-Annual Statements discontinued

Information available online (<http://atyourservice.ucop.edu>) and on [bencom.fone](http://bencom.fone)

**As** announced in the July 2003 edition of *News for your Benefit*, the University will no longer send semi-annual retirement account statements to employees, retirees and inactive members.

The decision to discontinue these mailings was based on the increased popularity and utilization of UC's Internet applications and to curb the significant costs of programming, printing, and mailing the statements. During the past few years, UC HR/Benefits has dedicated increasing resources to supporting and enhancing retirement plan account information online. We hope that you'll enjoy the flexibility of automation to retrieve your secure personalized account information at any time.

### Secure access to your individual account data online.

Go to the At Your Service website, select "Your Benefits Online," (right of the screen) and sign in for self-service applications and information specific to your UC retirement accounts, including:

- At "View UCRS Account Balances" you can access your University of California Retirement Plan (UCRP), Capital Accumulation Provision (CAP), Defined Contribution Plan (DC Plan), and Tax-Deferred 403(b) Plan (403(b) Plan) balances, as well as UCRP Service Credit totals. Under "Details" you can see transaction details. The July—December details will be available through early February 2004.
- At "Transfer UC Fund Balances," you may move 403(b) and DC Plan balances to other UC-managed funds.
- At "Performance for UC-managed funds," you can see annualized and cumulative returns.

At Your Service contains online links for Fidelity Investments and the Calvert Group Mutual funds so you may check on your UCRS account balances invested with them, if applicable.

### Telephone system statements

To request a personalized account statement from [bencom.fone](http://bencom.fone), call 1-800-888-8267 and follow the prompts for the automated system. Then select the "Personal Accounts and Transactions" option and follow the prompts for Statement on Demand. You can have a statement mailed to your address of record or faxed to you within an hour of your call. [Bencom.fone](http://bencom.fone) is available 24 hours a day, seven days a week. ▲

## Announcing a new web application

Review and change your beneficiaries

**UC** is pleased to announce that in early 2004, a new online feature to name your beneficiaries for your UC retirement and insurance plans will be available on the At Your Service website. Once this new feature is available, it will be announced on the At Your Service website, in this newsletter, and in local media.

### Designate beneficiaries online

The online beneficiary feature will allow you to designate/change beneficiaries for the following plans:

- University of California Retirement Plan (UCRP)/CAP
- Defined Contribution Plan Pretax and After-Tax Accounts (including Fidelity Investments mutual funds)
- Tax-Deferred 403(b) Plan (not including Fidelity Investments or Calvert Group mutual funds)
- Basic and Core Life Insurance
- Supplemental Life Insurance
- Senior Management Life Insurance
- Accidental Death and Dismemberment Insurance (AD&D)
- Employee Travel Accident Insurance

### New paper forms

If you do not have Internet access, you may complete paper forms to update your records. New beneficiary forms will be available from your local Benefits Office in early 2004. ▲

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Este boletín informativo estará disponible en **español** a partir de hoy.

Nos complace anunciar que el boletín *HR/Benefits Review* estará disponible en español. Visite "At Your Service" en la Internet (<http://atyourservice.ucop.edu/>) . Cuando llegue a la página web haga clic en "Forms and Publications" y seleccione "Newsletters". Normalmente, la traducción al español del boletín estará disponible dos semanas después de la publicación de la versión impresa en inglés.

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- **Regents Approve Changes to the UC-Managed Fund**
- **Printed UC Semi-Annual Statements Discontinued**

By authority of The Regents, University of California Human Resources and Benefits, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by The Regents. Source documents are available for inspection upon request (1-800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, annuitants, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. Contact your Human Resources Office for more information. In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Director Mattie Williams, University of California Office of the President, 300 Lakeside Drive, Oakland, CA 94612 and for faculty to Executive Director Sheila O'Rourke, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.