

## Office of the President Task Force to hold forums on future of UC retirement benefits

### Learn about the issues facing UC post-employment benefits at local forum on November 2, 2009

UC offers employees very competitive pension and retiree health benefits as part of its efforts to attract and retain outstanding faculty and staff, as well as to reward employees for their years of career service. But the cost of those benefits has increased substantially, a trend that is projected to continue.

The President's Task Force on Post-Employment Benefits is holding forums at the University of California Santa Barbara on November 2, 2009, to give faculty, staff and retirees the opportunity to ask questions and learn about the immediate and long-term effects of fiscal pressures on the University's pension and retiree health programs. The forums include a presentation on the issues, followed by time for participants to ask questions.

The UCSB Listening Forums will be held on Monday, November 2<sup>nd</sup> at the Multicultural Center. Directions can be found at : <http://mcc.sa.ucsb.edu/About/Directions.aspx>

There will be three sessions.

Time	Audience
10:00am-11:30am	Emeriti and Staff Retirees *
Noon -1:30pm	Faculty and Staff
2:30pm -4:00pm	Faculty and Staff

\*This session is intended specifically for staff retirees and emeriti. The panel will respond to questions about retiree health benefits. If you are a retiree or emeritus and can not attend the first session, you are welcome to attend either the second or the third general session. The second and third session are intended for general audiences of both faculty and staff.

The Task Force has been charged with developing options for balancing the long-term costs of these benefits with the need to provide competitive total compensation to faculty and staff. The Task Force will study the issues, weigh input from the UC community, and then make recommendations to UC President Mark Yudof on ways to change the funding and policies for post-employment benefits.

Executive Director Randy Scott and Director Gary Schlimgen from the Office of the President Human Resources department will make the presentation and be joined by a panel comprised of several representatives from the Task Force who will answer questions and listen to your input.

#### **By the numbers**

UC spends roughly \$1.5 billion annually in pension benefits, and the retirement plan accrues an additional \$1.3 billion in pension liability each year for its current employees. The funded status of the UC Retirement Plan is expected to decline from 95 percent to 61 percent by 2013, even with the restart of contributions in April, 2010.

In 2010, the University will pay approximately \$250 million for retiree health benefits. That expense, which is paid for from operating revenue, is projected to increase by about \$37 million per year. By 2013, UC will be spending \$373 million annually and by 2018, the figure will have climbed to an estimated \$610 million.

The University's long-term liability for retiree health benefits for current and future retirees is also projected to increase, from \$13 billion today to nearly \$26 billion by 2018. In other words, the liability is increasing at a rate of more than \$1.5 billion per year. Governmental accounting regulations now require UC and other employers to include this liability in their financial statements. Such a significant liability could affect UC's credit rating when borrowing money for campus buildings, hospitals and other projects.

To learn more about the mission and charge of the Task Force, visit the Future of UC Retirement Benefits website ([http://www.universityofcalifornia.edu/news/ucrpfuture/emp\\_task.html](http://www.universityofcalifornia.edu/news/ucrpfuture/emp_task.html)).

If you have any questions about the UCSB local forums, please contact Cynthia Cronk, Director of Human Resources, at [Cynthia.cronk@hr.ucsb.edu](mailto:Cynthia.cronk@hr.ucsb.edu) or by phone at 893.8137.