



Jim Chalfant
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Chair of the Assembly of the Academic Senate
Faculty Representative to the Regents
University of California
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

March 28, 2017

DWAINE DUCKETT, VICE PRESIDENT
HUMAN RESOURCES

Re: UC Retirement Savings Program Administrative and Record Keeping Fee Allocation

Dear Dwaine:

At its March 22 meeting, the Academic Council endorsed the attached plan recommended by the University Committee on Faculty Welfare (UCFW) for changing the administrative and record keeping fee assessment structure for the University Retirement Savings Program.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Jim Chalfant".

Jim Chalfant, Chair
Academic Council

Encl: UCFW Recommendation

Cc: Academic Council
Associate Chief Investment Officer Guimaraes
Executive Director Schlimgen
Senate Director Baxter
Senate Executive Directors



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)
Lori Lubin, Chair
lmubin@ucdavis.edu

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March 16, 2017

**JIM CHALFANT, CHAIR
ACADEMIC COUNCIL**

RE: UC Retirement Savings Program (RSP) Administrative and Record Keeping Fee Allocation

Dear Jim,

The University Committee on Faculty Welfare (UCFW), on the recommendation of its Task Force on Investment and Retirement (TFIR), has endorsed the proposed plan to change the administrative and record keeping fee assessment for the University's Retirement Savings Program. As you will recall, UC has contracted with Fidelity to administer its RSP offerings. Fidelity has dedicated staff to answer inquiries from UC employees, and they offer various education programs throughout the year in-person and on-line. To pay for these dedicated services, UC participants are currently charged a fee based on the assets held in certain funds. This previous fee assessment structure is inequitable and may be subject to legal challenges. Therefore the Office of the Chief Investment Officer and the systemwide office of Human Resources developed various alternative assessment options.¹ After consultation with TFIR and the University of California Retirement System Advisory Board, it was decided to adopt a flat, per-user fee, rather than a percentage of balance or combination fee. The Advisory Board asserted, and we concur, that the flat fee structure is easy to explain and administer, and thus should be adopted.

We understand that this change will be enacted on June 1, 2017, and TFIR is planning to review communications associated with it.

Sincerely,

Lori Lubin, UCFW Chair

Copy: UCFW
Hilary Baxter, Executive Director, Academic Senate

¹ <http://ucnet.universityofcalifornia.edu/compensation-and-benefits/retirement-benefits/uhrsab/docs/20170224-agenda.pdf> (Note Item F)