



Robert C. May
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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*

January 29, 2019

DWAINE DUCKETT
VICE PRESIDENT, HUMAN RESOURCES

Re: Request to add Roth Plans to the UCRS DC Plan Options

Dear Dwaine,

At its January 23, 2019 meeting, the Academic Council unanimously endorsed the attached request from UCFW and its Task Force on Investment and Retirement (TFIR) that the University add Roth 403(b) and 457(b) plans as investment options for the Defined Contribution (DC) Plan in the UC Retirement Savings program.

Council agrees that Roth plans offer significant benefits to UC employees, particularly the exemption of taxes on withdrawals, and are an easy way for the University to help employees enhance their overall retirement planning strategy, at no cost to the University.

Thank you for your willingness to look into this matter. Please do not hesitate to contact me if you have additional questions.

Sincerely,

A handwritten signature in brown ink that reads "R. C. May".

Robert C. May, Chair
Academic Council

cc: TFIR Chair Brownstone
Executive Director Schlimgen
Academic Council
Senate Directors



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)
Sean Malloy, Chair
smalloy@ucmerced.edu

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January 4, 2019

**ROBERT MAY, CHAIR
ACADEMIC COUNCIL**

RE: Adding Roth 403(b) and 457(b) to the University of California Retirement System Defined Contribution Plan Options

Dear Robert,

The University Committee on Faculty Welfare (UCFW) has agreed unanimously with the Task Force on Investment and Retirement's (TFIR's) unanimous recommendation to add Roth 403(b) and Roth 457(b) plans to the University of California Retirement System (UCRS) defined contribution (DC) plan. TFIR notes that these plans may offer tax advantages for many participants vis-à-vis the current 403(b) and 457(b) plans. In particular, any participant who believes that their current tax rate is less than their tax rate will be in retirement will do better in the Roth plans: Roth plans require that taxes be paid on all money contributed to the plan at the (present) time of deposit, but all (future) earnings and withdrawals are tax free.

TFIR also notes that the Academic Senate made a similar request in 2012, but UCOP responded that they needed to wait until UC Path was completely operational (then forecast to occur in 2015).¹ Since UC Path will likely not be fully operational on all campuses until sometime in 2020, we further urge UCOP to look into other ways of establishing Roth 403(b) and 457(b) plans.

Finally, although adding these plans will clearly benefit many participants (especially younger ones beginning their careers), there is no additional cost to UC.

Thank you for helping to advance our shared goals.

¹ <https://ucnet.universityofcalifornia.edu/compensation-and-benefits/retirement-benefits/ucrsab/docs/11-16-12-minutes.pdf> (Item J, page 6)

Sincerely,

Sean Malloy, UCFW Chair

Copy: UCFW
Hilary Baxter, Executive Director, Academic Senate