UNIVERSITY OF CALIFORNIA

Choices are good.

There has been a lot of confusion about UC's Retirement Choice program, so let's clear it up. UC offers new employees a choice of two retirement plan options — Pension Choice (a traditional pension) and Savings Choice (a 401(k)-style plan) — and employees choose the one they believe suits them best.

THE TRUTH ABOUT WHAT YOU'VE BEEN HEARING

1. **Savings Choice was created to replace the existing pension plan.**	**FALSE.** UC has no plans to eliminate pension benefits. While many employers no longer offer a pension, it remains a very important benefit for UC. Savings Choice was added in 2016 to give new employees an additional retirement option.
2. **New employees are being encouraged to abandon the pension plan.**	**FALSE.** No one is being encouraged to choose one option over another. New employees are simply being given a choice. If a new employee prefers a traditional pension plan, they can choose it. If they want something more portable, they can select the Savings Choice plan. They decide.
3. **Savings Choice is a better deal for younger employees.**	**MAYBE, MAYBE NOT.** It depends on their career plans. Savings Choice may be a better option if they plan to work at UC for only a few years. Pension Choice could be better if they're here for more than five years. Ultimately, that's for them to decide.
4. **UC only contributes to the Pension Choice option – employees who choose Savings Choice are completely on their own.**	**FALSE.** In most cases, UC and employees contribute the same amount regardless of which retirement option the employee chooses. Both Pension Choice and Savings Choice are funded by UC and mandatory contributions from employees.
5. **UC will still fund the pension plan, even if every new employee chooses Savings Choice.**	**TRUE.** UC is committed to keeping the pension plan financially strong, regardless of which retirement option new employees choose.