



Benefits, Compensation and HR Consulting

University of California Retirement Plan
Special Interim Addendum Report

*Actuarial Valuation Results for
Los Alamos National Laboratory
as of June 1, 2006*

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February 15, 2007

*Ms. Judith W. Boyette
Associate Vice President, Human Resources and Benefits
University of California
1111 Franklin Street, 7th Floor
Oakland, California 94607-5200*

Dear Associate Vice President Boyette:

We are pleased to submit this Actuarial Valuation Report as of June 1, 2006 for the University of California Retirement Plan (“UCRP” or “Plan”). It summarizes the actuarial data used in the valuation, includes results both before and after reflecting the transfer elections and analyzes the preceding year’s experience for Los Alamos National Laboratory.


The census and unaudited financial information on which our calculations were based was provided by the UC HR/Benefits Staff. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion the assumptions as approved by the Regents are reasonably related to the experience of and future expectations for the Plan.

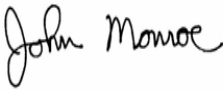
We look forward to reviewing this report and to answering any questions.

Sincerely,

THE SEGAL COMPANY

By: 

*Paul Angelo, FSA, EA, MAAA
Senior Vice President and Actuary*



*John Monroe, ASA, EA, MAAA
Associate Actuary*

JZM/hy

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SECTION 1: Executive Summary for the University of California Retirement Plan – Los Alamos National Laboratory

SECTION 1: Executive Summary for the University of California Retirement Plan – Los Alamos National Laboratory

Purpose

This special addendum report presents the results for Los Alamos National Laboratory (LANL) of the June 1, 2006 actuarial valuation of the University of California Retirement Plan (UCRP). Results from the prior valuation are shown for comparison. The report is published for the purpose of complying with the requirements of Contract No. W-7405-ENG-36 (Contract 36), Modification No. M602. The report is based on the procedures specified in Modification No. M602.

Contributions

The Department of Energy (DOE) has agreed to fund the employer cost of UCRP at the contribution rates established from time to time by the Regents, as long as the contributions do not exceed the full funding limit defined in the Internal Revenue Code, Section 412. This interim valuation report does not calculate recommended contributions.

Significant Issues in Valuation Year

LOS ALAMOS NATIONAL LABORATORY TRANSFER OF ASSETS AND LIABILITIES

- The University of California contract to manage the Los Alamos National Laboratory (LANL) expired on May 31, 2006. The Department of Energy (DOE) executed a new management and operations contract effective June 1, 2006 with Los Alamos National Security, LLC (LANS). Under the terms of the LANS contract, LANS will sponsor a defined benefit pension plan that is substantially equivalent to the provisions of the UCRP. Assets and liabilities will be transferred from UCRP to the LANS defined benefit plan for the LANL employees who elected to transfer to the new plan, provided the necessary and advisable rulings on the plans and proposed transactions are obtained from the appropriate regulatory agencies.
- There are 6,532 active members who elected to transfer to the LANS defined benefit plan. Their actuarial accrued liability as of June 1, 2006 is approximately \$1.4 billion, excluding the liability for their CAP benefits that will be retained by UCRP. This liability is reflected in our valuation results and included with the UCRP active member liabilities. This liability is based on the current UCRP actuarial assumptions, methods and plan provisions. The liability for these members as determined for the LANS defined benefit plan will almost certainly be different, as it will be based on the LANS benefit provisions and the actuarial assumptions and methods used by the LANS actuary.

Significant Issues in Valuation Year (continued)

- The LANL transfer elections reflected in this valuation are based on the transfer election data provided by the University as of August 24, 2006. There were minor changes to this information made later, but we do not believe these changes have a material impact on the valuation results.
- The amount of assets to be retained in UCRP for LANL members who have retired or are inactive, and the amount of the assets that will be transferred to the LANS defined benefit plan for the transitioning employees who elected to participate in the LANS defined benefit plan will follow the “A – B” formula listed in Contract 36, Clause H. “A” represents the market value of UCRP assets associated with UCRP members’ LANL service during the performance of Contract 36 and is \$4.449 billion. “B” represents the liability associated with those LANL members who are retired or inactive and retained by UCRP and is \$3.170 billion. The amount of assets as of June 1, 2006 to be transferred from UCRP to the LANS defined benefit plan is “A – B”, or \$1.279 billion. The amount to be transferred will be adjusted for investment return, allocable expenses and any other appropriate adjustments through the anticipated transfer date of early April 2007.
- While this valuation includes results reflecting the LANL transfer elections, it does not reflect the actual transfer of assets and liabilities to the LANS defined benefit plan. This means that the results of this valuation include liabilities even for members who have elected to transfer to the LANS defined benefit plan. As noted above, we have continued to value these members as active UCRP members and their liabilities are shown as active in the results. LANL employees **who elected not** to transfer to the LANS defined benefit plan are included in the valuation results either as terminated vested or nonvested members. Consistent with current practice, for those terminated members who were eligible for retirement, we have assumed a July 1, 2006 commencement date for their retirement benefits.

ASSETS

- During the July 1, 2005 through May 31, 2006 period, the rate of return on the unaudited market value of assets was 7.2%. Due to the recognition of prior investment losses, the rate of return on the actuarial value of assets was 5.5%, which is below the expected annual return of 7.5% (6.9% for an 11-month period).

FUNDED RATIO

- The funded ratio for LANL’s portion of the Plan on an actuarial basis decreased from 99% as of July 1, 2005 to 92% as of May 31, 2006 before reflecting elections and 94% as of May 31, 2006 after reflecting elections. The LANL portion of the Plan remains in an underfunded position as the actuarial accrued liability exceeds the actuarial value of assets by \$357 million as of June 1, 2006 before reflecting elections and \$261 million as of June 1, 2006 after reflecting the transfer elections.

Significant Issues in Valuation Year (continued)

FUTURE EXPECTATIONS

- No contributions were recommended for the 2005-2006 Plan Year. This was due to the application of the full funding policy that the Regents adopted in 1990. Member contributions are all currently being redirected to the UC Defined Contribution Plan. It is expected that UCRP's surplus will run out in the next few years and may run out as soon as July 1, 2008.

DEMOGRAPHIC EXPERIENCE

- Prior to reflecting the LANL transfer elections, the number of UCRP active members considered LANL employees for valuation purposes decreased by 1.6% from 9,730 as of July 1, 2005 to 9,570 as of June 1, 2006. Total covered payroll increased by 3.0%, to a level of \$869.9 million. As of June 1, 2006, LANL has 4,552 members currently receiving benefits, an increase of 12.1% from 2005. Total annual benefits in pay status increased by 21.8%, to a level of \$161.1 million. There are also 1,780 terminated members who are entitled to future benefits. Within this group of terminated members, there are 992 terminated vested members who are entitled to a deferred or immediate vested monthly benefit and 788 terminated nonvested members who are entitled to a refund of member contributions or payment of their Capital Accumulation Provision (CAP) balance.
- The LANL transfer elections showed the following:
 - There were 6,532 active members who elected to transfer to LANS. As described earlier, we have continued to value these members as active UCRP members.
 - There were 1,239 active members who elected inactive status and were eligible to retire in UCRP. Consistent with current practice, we have assumed a July 1, 2006 commencement date for their retirement benefits.
 - There were 580 active members who elected inactive status and were vested in UCRP, but not yet eligible to retire. These members were valued as terminated vested members in this valuation.
 - There were 1,219 active members who were not vested in UCRP and did not elect to transfer to the LANS defined benefit plan. They are only eligible for a refund of member contributions and CAP balance payment. These members were valued as terminated nonvested members in this valuation due a refund of member contributions and CAP balance payment, if applicable.

SECTION 1: Executive Summary for the University of California Retirement Plan – Los Alamos National Laboratory

- There were also 20 members who terminated prior to the valuation date and elected to transfer to the LANS defined benefit plan. These members were valued as either terminated vested or nonvested members in this valuation, depending on each member's circumstance.

SECTION 1: Executive Summary for the University of California Retirement Plan – Los Alamos National Laboratory

Summary of Key Valuation Results

	June 1, 2006	June 1, 2006	July 1, 2005
	After Elections	Before Elections	
Contributions for year beginning:			
Recommended	N/A	N/A	\$ 0
Percentage of payroll	N/A	N/A	0.00%
Funding elements for year beginning:			
Market value of assets allocated to LANL*	\$4,448,574,090	\$4,448,574,090	\$4,327,036,857
Actuarial value of assets (AVA)	4,294,077,928	4,294,077,928	4,247,147,590
Actuarial accrued liability (AAL)**	4,554,843,062	4,650,957,531	4,301,476,920
Unfunded/(Overfunded) actuarial accrued liability	260,765,134	356,879,603	54,329,330
Funded ratio (AVA / AAL)	94.3%	92.3%	98.7%
Current liability	3,977,427,656	3,789,238,873	3,491,808,314
Covered payroll	584,285,764	869,861,722	844,826,372
Demographic data for year beginning:			
Number of retired members and beneficiaries	4,552	4,552	4,061
Number of vested terminated members***	4,818	1,780	1,669
Number of active members****	6,532	9,570	9,730
Average covered payroll	\$89,450	\$90,895	\$86,827

* The June 1, 2006 value represents the market value of UCRP assets associated with UCRP members' LANL service during the performance of Contract 36 ("A").

** As of June 1, 2006, after elections, the liability associated with those LANL members who are retired or inactive and retained by UCRP is \$3,169,811,239 ("B"). Following the Contract 36 formula of "A – B" yields \$1,278,762,851 as the amount to be transferred to the LANS defined benefit plan as of June 1, 2006. This amount will be adjusted for investment return, allocable expenses, benefit payments and any other appropriate adjustments through the anticipated transfer date of early April 2007.

*** Includes terminated nonvested members due a refund of member contributions or CAP balance payment and for 2006, includes members who terminated prior to the valuation date and elected to transfer to the LANS defined benefit plan.

**** After elections, this represents the active members transferring to the LANS defined benefit plan.

**SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan –
Los Alamos National Laboratory**

**SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan –
Los Alamos National Laboratory**

EXHIBIT A

Table of Plan Coverage

i. Active Members

Category	Year Beginning			Change From Prior Year*
	After Elections June 1, 2006	Before Elections June 1, 2006	July 1, 2005	
Active members with Social Security:				
Number	6,426	9,164	9,141	0.3%
Average age	43.4	43.9	44.0	N/A
Average service credit	8.9	9.6	9.8	-2.0%
Total compensation	\$574,438,250	\$830,882,802	\$790,428,327	5.1%
Average compensation	\$89,393	\$90,668	\$86,471	4.9%
Active members without Social Security:				
Number	106	406	589	-31.1%
Average age	52.9	53.0	53.6	N/A
Average service credit	27.1	25.7	26.4	-2.7%
Total compensation	\$9,847,514	\$38,978,920	\$54,398,045	-28.3%
Average compensation	\$92,901	\$96,007	\$92,357	4.0%
All active members:				
Number**	6,532	9,570	9,730	-1.6%
Average age	43.6	44.3	44.6	N/A
Average service credit	9.2	10.3	10.8	-5.3%
Total compensation	\$584,285,764	\$869,861,722	\$844,826,372	3.0%
Average compensation	\$89,450	\$90,895	\$86,827	4.7%

* Represents change between "Before Elections" and prior year columns.

** After elections, this represents the active members transferring to the LANS defined benefit plan.

**SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan –
Los Alamos National Laboratory**

EXHIBIT A

**Table of Plan Coverage
ii. Nonactive Members**

Category	Year Beginning			Change From Prior Year*
	After Elections June 1, 2006*	Before Elections June 1, 2006*	July 1, 2005	
Terminated vested members**:				
Number	2,811	992	969	2.4%
Average age	51.0	48.1	48.0	N/A
Total monthly benefit	\$6,751,523	\$830,764	\$785,871	5.7%
Average monthly benefit	\$2,402	\$837	\$811	3.2%
Terminated nonvested members**:				
Number	2,007	788	700	12.6%
Average member refund and CAP balance	\$1,294	\$2,484	\$2,389	4.0%
Retired members:				
Number in pay status	3,801	3,801	3,367	12.9%
Average age	68.0	68.0	68.5	N/A
Total monthly benefit	\$12,268,769	\$12,268,769	\$9,981,268	22.9%
Average monthly benefit	\$3,228	\$3,228	\$2,964	8.9%
Disabled members:				
Number in pay status	217	217	208	4.3%
Average age	54.2	54.2	54.2	N/A
Total monthly benefit	\$402,801	\$402,801	\$370,509	8.7%
Average monthly benefit	\$1,856	\$1,856	\$1,781	4.2%
Beneficiaries (includes Eligible Survivors, Contingent Annuitants, and Spouses/Domestic Partners):				
Number in pay status	534	534	486	9.9%
Average age	70.2	70.2	69.9	N/A
Total monthly benefit	\$752,628	\$752,628	\$669,145	12.5%
Average monthly benefit	\$1,409	\$1,409	\$1,377	2.3%

* Benefit amounts have been adjusted for the July 1, 2006 COLA. Represents change between "Before Elections" and prior year columns.

** There are 7 vested members and 13 nonvested members who terminated prior to the valuation date and elected to transfer to the LANS defined benefit plan.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

EXHIBIT B

**Members in Active Service and Average Compensation as of June 1, 2006*
By Age and Service Credit**

i. All Active Members

Age	Total	Service Credit								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	352	345	7	--	--	--	--	--	--	--
	\$37,360	\$37,026	\$53,824	--	--	--	--	--	--	--
25 - 29	720	628	92	--	--	--	--	--	--	--
	59,858	60,135	57,968	--	--	--	--	--	--	--
30 - 34	1,003	720	246	36	1	--	--	--	--	--
	75,106	72,170	83,035	\$79,957	\$64,217	--	--	--	--	--
35 - 39	1,194	614	387	149	39	5	--	--	--	--
	86,928	76,566	98,789	99,316	87,317	\$69,199	--	--	--	--
40 - 44	1,484	517	388	274	171	122	12	--	--	--
	95,834	83,061	102,197	111,979	102,722	86,072	\$72,931	--	--	--
45 - 49	1,704	470	282	223	260	299	165	5	--	--
	96,339	82,673	101,551	111,785	109,627	99,972	78,357	\$83,217	--	--
50 - 54	1,518	383	194	146	178	275	237	103	2	--
	101,332	90,053	104,338	109,325	109,755	113,390	99,300	83,916	\$116,520	--
55 - 59	1,142	274	115	109	113	209	180	121	21	--
	106,480	90,065	106,155	101,431	107,889	117,642	119,530	110,274	96,259	--
60 - 64	357	97	49	37	51	56	37	25	5	--
	114,138	95,210	117,809	117,931	119,033	118,989	123,640	137,158	127,605	--
65 - 69	79	25	16	5	4	8	8	7	6	--
	124,791	101,740	119,929	128,501	158,128	122,021	129,104	167,104	157,060	--
70 & over	17	4	2	2	3	4	2	--	--	--
	122,436	84,062	127,282	188,130	133,670	105,183	146,298	--	--	--
Total	9,570	4,077	1,778	981	820	978	641	261	34	--
	\$90,895	\$74,220	\$97,330	\$107,733	\$107,768	\$106,920	\$101,020	\$103,453	\$112,790	\$0

Average Age: 44.3

Average Service Credit: 10.3

* Reflects data before LANL transfer elections are recognized.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

EXHIBIT B

**Members in Active Service and Average Compensation as of June 1, 2006*
By Age and Service Credit**

ii. Members with Social Security

Age	Service Credit									
	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	347	340	7	--	--	--	--	--	--	--
	\$37,191	\$36,849	\$53,824	--	--	--	--	--	--	--
25 - 29	699	607	92	--	--	--	--	--	--	--
	59,772	60,046	57,968	--	--	--	--	--	--	--
30 - 34	984	701	246	36	1	--	--	--	--	--
	75,100	72,081	83,035	\$79,957	\$64,217	--	--	--	--	--
35 - 39	1,188	608	387	149	39	5	--	--	--	--
	87,001	76,606	98,789	99,316	87,317	\$69,199	--	--	--	--
40 - 44	1,478	511	388	274	171	122	12	--	--	--
	95,872	83,020	102,197	111,979	102,722	86,072	\$72,931	--	--	--
45 - 49	1,695	470	282	223	260	297	159	4	--	--
	96,495	82,673	101,551	111,785	109,627	100,060	79,146	\$83,171	--	--
50 - 54	1,394	381	194	146	176	265	217	15	--	--
	102,951	90,043	104,338	109,325	109,849	114,406	101,183	93,082	--	--
55 - 59	978	274	113	107	106	190	168	20	--	--
	106,576	90,065	106,308	102,246	109,268	116,781	120,222	131,606	--	--
60 - 64	323	96	48	37	47	55	34	6	--	--
	113,467	94,974	118,699	117,931	120,765	118,520	124,808	172,203	--	--
65 - 69	62	22	15	5	4	7	8	--	1	--
	118,865	102,244	119,247	128,501	158,128	121,530	129,104	--	\$172,973	--
70 & over	16	4	2	2	3	3	2	--	--	--
	119,893	84,062	127,282	188,130	133,670	85,869	146,298	--	--	--
Total	9,164	4,014	1,774	979	807	944	600	45	1	--
	\$90,668	\$74,252	\$97,324	\$107,835	\$108,009	\$106,671	\$101,970	\$119,872	\$172,973	\$0

Average Age: 43.9

Average Service Credit: 9.6

* Reflects data before LANL transfer elections are recognized.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

EXHIBIT B

**Members in Active Service and Average Compensation as of June 1, 2006*
By Age and Service Credit**

iii. Members without Social Security

Age	Total	Service Credit								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	5	5	--	--	--	--	--	--	--	--
	\$49,062	\$49,062	--	--	--	--	--	--	--	--
25 - 29	21	21	--	--	--	--	--	--	--	--
	62,708	62,708	--	--	--	--	--	--	--	--
30 - 34	19	19	--	--	--	--	--	--	--	--
	75,434	75,434	--	--	--	--	--	--	--	--
35 - 39	6	6	--	--	--	--	--	--	--	--
	72,534	72,534	--	--	--	--	--	--	--	--
40 - 44	6	6	--	--	--	--	--	--	--	--
	86,511	86,511	--	--	--	--	--	--	--	--
45 - 49	9	--	--	--	--	2	6	1	--	--
	66,868	--	--	--	--	\$86,883	\$57,442	\$83,401	--	--
50 - 54	124	2	--	--	2	10	20	88	2	--
	83,135	91,853	--	--	\$101,453	86,451	78,872	82,354	\$116,520	--
55 - 59	164	--	2	2	7	19	12	101	21	--
	105,909	--	\$97,530	\$57,830	87,009	126,253	109,846	106,049	96,259	--
60 - 64	34	1	1	--	4	1	3	19	5	--
	120,515	117,861	75,062	--	98,693	144,826	110,402	126,092	127,605	--
65 - 69	17	3	1	--	--	1	--	7	5	--
	146,405	98,048	130,168	--	--	125,459	--	167,104	153,878	--
70 & over	1	--	--	--	--	1	--	--	--	--
	163,124	--	--	--	--	163,124	--	--	--	--
Total	406	63	4	2	13	34	41	216	33	--
	\$96,007	\$72,149	\$100,072	\$57,830	\$92,826	\$113,838	\$87,108	\$100,032	\$110,966	\$0

Average Age: 53.0

Average Service Credit: 25.7

* Reflects data before LANL transfer elections are recognized.

**SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan –
Los Alamos National Laboratory**

EXHIBIT C

Members and Beneficiaries in Pay Status and Average Monthly Benefit as of June 1, 2006*

Age	Years Since Retirement						
	Total	0-4	5-9	10-14	15-19	20-24	25 & Over
0 – 49	76	29	34	10	2	-	1
	\$1,440	\$1,706	\$1,328	\$1,342	\$714	-	\$17
50 – 59	719	540	128	44	5	1	1
	2,635	3,002	1,637	1,317	881	557	852
60 – 61	345	232	69	42	1	1	-
	3,930	4,984	2,253	951	4,068	160	-
62 – 63	494	303	94	91	6	-	-
	3,948	5,168	2,695	1,335	1,556	-	-
64 – 65	421	159	148	100	13	1	-
	3,494	4,822	3,505	1,758	706	593	-
66 – 67	425	75	188	135	26	1	-
	3,319	4,652	3,863	2,267	1,059	1,568	-
68 – 69	413	55	117	190	48	3	-
	3,229	5,446	3,359	2,963	1,602	487	-
70 – 71	323	13	43	188	79	-	-
	3,004	4,267	2,782	3,507	1,718	-	-
72 – 73	294	5	19	151	115	4	-
	2,699	4,698	2,222	3,286	1,975	1,110	-
74 & over	1,042	6	39	181	510	226	80
	1,768	3,310	1,556	2,897	1,933	897	617
Total	4,552	1,417	879	1,132	805	237	82
	\$2,885	\$4,169	\$2,871	\$2,613	\$1,840	\$893	\$612

Average Age: 67.6

Average Years Since Retirement: 9.9

* Excludes temporary Social Security Supplement and adjustment for July 1, 2006 COLA.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

EXHIBIT D

Members with Deferred Benefits and Average Monthly Benefits as of June 1, 2006*

Age	Years Since Termination						
	Total	0-4	5-9	10-14	15-19	20-24	25 & Over
25 – 29	6	4	2	--	--	--	--
	\$380	\$344	\$452	--	--	--	--
30 – 34	32	21	11	--	--	--	--
	519	536	488	--	--	--	--
35 – 39	103	37	57	9	--	--	--
	657	656	658	652	--	--	--
40 - 44	189	57	94	37	1	--	--
	616	733	622	394	\$1,725	--	--
44 – 49	274	59	101	93	20	1	--
	737	928	898	448	724	\$219	--
50 - 54	213	29	70	76	34	4	--
	923	1,448	1,049	776	613	364	--
55 – 59	134	5	25	59	36	9	--
	1,162	1,660	1,752	1,120	852	758	--
60 – 64	29	4	3	6	8	6	2
	1,199	903	2,052	705	1,422	1,189	\$1,127
65 – 69	10	1	1	--	1	4	3
	1,761	572	8,323	--	1,431	994	1,104
70 – 74	2	--	1	1	--	--	--
	2,600	--	4,002	1,198	--	--	--
75 & over	--	--	--	--	--	--	--
	--	--	--	--	--	--	--
Total	992	217	365	281	100	24	5
	\$821	\$866	\$901	\$685	\$805	\$817	\$1,113

Average Age: 48.1

Average Years Since Termination: 8.4

* Reflects data before LANL transfer elections are recognized. Excludes temporary Social Security Supplement.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

EXHIBIT E

Reconciliation of Member Data*

	Active Members	Terminated Vested Members**	Retired Members	Disabled Members	Beneficiaries	Total
Number as of July 1, 2005	9,730	1,669	3,367	208	486	15,460
New members	836	N/A	N/A	N/A	N/A	836
Terminations – with vested rights	-216	216	0	0	0	0
Termination – without vested rights***	-272	-23	0	0	0	-295
Retirements	-492	-24	495	21	N/A	0
Lump Sum Cashouts	-52	-31	0	0	N/A	-83
Return to work	37	-37	0	0	N/A	0
Died with or without beneficiary	-7	-1	-59	-10	47	-30
Net transfers from or to another location	4	0	0	0	0	4
Data adjustments	<u>2</u>	<u>11</u>	<u>-2</u>	<u>-2</u>	<u>1</u>	<u>10</u>
Number as of June 1, 2006	9,570	1,780	3,801	217	534	15,902

* Reflects data before LANL transfer elections are recognized.

** Includes terminated nonvested members due a refund of member contributions or CAP balance payment (700 for July 1, 2005 and 788 at June 1, 2006).

*** “Termination – without vested rights” includes those members who terminated and received a refund of member contributions or a distribution of their CAP balance.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

EXHIBIT F

Allocation of Administrative Expenses and Investment Return

	Year Ended May 31, 2006	Year Ended June 30, 2005
Administrative cost*:		
Total UCRP administrative expenses for the defined benefit plan	\$23,565,000	\$21,257,941
Total UCRP market value of assets at beginning of year	41,857,499,914	39,216,093,957
Administrative expenses as a percent of assets	<u>0.0563%</u>	<u>0.0542%</u>
Market value allocated to LANL as of beginning of year	4,327,036,857	4,066,190,566
Multiplied by administrative expenses ratio	<u>0.0563%</u>	<u>0.000542</u>
Administrative expenses allocated to LANL	\$2,436,122	\$2,203,875
Investment return**:		
Annualized compound total return for UCRP	7.2%	10.3%
Investment return allocated to LANL	304,944,010	\$411,080,563

**Administrative expenses are allocated in proportion to the market value of assets at the beginning of the year as specified by Modification No. M602.*

***The annualized compound total return for UCRP is applied to the market value of assets at the beginning of the year and to employer contributions, member contributions, benefit payments and administrative expenses assuming all payments are made in the middle of the plan year.*

**SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan –
Los Alamos National Laboratory**

**EXHIBIT G
Asset Values**

	Year Ended May 31, 2006	Year Ended June 30, 2005
Market value of assets:		
Market value at beginning of year	\$4,327,036,857	\$4,066,190,566
Employer contributions	0	0
Member contributions	340,037	194,247
Benefit payments	(181,310,692)	(148,224,644)
Administrative expenses	(2,436,122)	(2,203,875)
Investment return	<u>304,944,010</u>	<u>411,080,563</u>
Market value at end of year	\$4,448,574,090	\$4,327,036,857
Actuarial value of assets allocation:		
Total UCRP market value at end of year	\$43,576,734,000	\$41,857,499,914
Market value allocated to LANL at end of year	4,448,574,090	4,327,036,857
Ratio of LANL allocation to total	0.102086	0.103375
Total UCRP actuarial value at end of year	42,063,338,046	41,084,861,813
Multiplied by market value ratio	<u>0.102086</u>	<u>0.103375</u>
Actuarial value allocated to LANL at end of year	\$4,294,077,928	\$4,247,147,590

**SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan –
Los Alamos National Laboratory**

EXHIBIT H

Development of the Fund Through May 31, 2006

Year Ended June 30	Employer Contributions	Member Contributions	Investment Income	Benefit Payments	Administrative Expenses	Market Value of Assets at End of Year
1991	N/A	N/A	N/A	N/A	N/A	\$1,410,141,418
1992	\$27,582	\$1,788,557	\$213,646,831	\$(21,929,891)	\$(1,909,331)	1,601,765,166
1993	10,065	1,826,704	271,170,552	(25,578,519)	(2,317,754)	1,846,876,214
1994	182	556,776	(47,158,152)	(63,971,042)	(2,430,489)	1,733,873,489
1995	0	280,867	445,797,520	(53,296,928)	(1,834,438)	2,124,820,510
1996	0	240,584	446,057,713	(63,161,700)	(1,491,624)	2,506,465,483
1997	5,390	293,581	638,736,896	(64,163,429)	(1,355,998)	3,079,981,923
1998	2,908	220,121	657,204,831	(77,280,086)	(1,515,351)	3,658,614,346
1999	0	271,558	444,977,344	(82,413,789)	(2,125,655)	4,019,323,804
2000	24,015	334,957	504,664,174	(92,603,352)	(1,744,387)	4,429,999,211
2001	0	284,295	(240,404,969)	(114,193,054)	(2,445,360)	4,073,240,123
2002	0	215,347	(361,180,502)	(114,943,442)	(2,749,437)	3,594,582,089
2003	0	220,961	197,960,245	(118,074,273)	(2,947,557)	3,671,741,465
2004	0	207,720	523,076,990	(126,335,153)	(2,500,456)	4,066,190,566
2005	0	194,247	411,080,563	(148,224,644)	(2,203,875)	4,327,036,857
2006*	0	340,037	304,944,010	(181,310,692)	(2,436,122)	4,448,574,090

* As of May 31, 2006

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

EXHIBIT I

Actuarial Liabilities

Actuarial Accrued Liability	After Elections June 1, 2006	Before Elections June 1, 2006	July 1, 2005
Members in pay status:			
Retirees*	\$1,844,343,144	\$1,844,343,144	\$1,477,930,304
Beneficiaries	96,052,312	96,052,312	86,512,775
Disableds	<u>61,697,344</u>	<u>61,697,344</u>	<u>57,403,236</u>
Total in pay status	\$2,002,092,800	\$2,002,092,800	\$1,621,846,315
Active members**			
Non safety	\$1,384,215,868	\$2,515,775,748	\$2,550,023,801
Safety	<u>0</u>	<u>0</u>	<u>0</u>
Total Actives	\$1,384,215,868	\$2,515,775,748	\$2,550,023,801
Terminated members***			
Vested	\$1,165,938,269	\$131,131,232	\$127,934,208
Nonvested	<u>2,596,125</u>	<u>1,957,751</u>	<u>1,672,596</u>
Total terminated	\$1,168,534,394	\$133,088,983	\$129,606,804
Total actuarial accrued liability	\$4,554,843,062	\$4,650,957,531	\$4,301,476,920
Current Liability			
Members in pay status*	\$2,002,092,800	\$2,002,092,800	\$1,621,846,315
Active members**	806,800,462	1,654,057,090	1,740,355,195
Terminated members***	<u>1,168,534,394</u>	<u>133,088,983</u>	<u>129,606,804</u>
Total current liability	\$3,977,427,656	\$3,789,238,873	\$3,491,808,314
Actuarial Present Value of Projected Benefits			
Members in pay status*	\$2,002,092,800	\$2,002,092,800	\$1,621,846,315
Active members**	2,191,004,145	3,628,171,463	3,568,625,632
Terminated Members***	<u>1,168,534,394</u>	<u>133,088,983</u>	<u>129,606,804</u>
Total	\$5,361,631,339	\$5,763,353,246	\$5,320,078,751

*For June 1, 2006, includes a liability of \$9,036,934 for Lump Sum Cashouts, CAP balance payments and refunds of member contributions that were paid on or after June 1, 2006.

**In the "After Elections" column, the active members liability represents the non-CAP liability for those active members transferring to the LANS defined benefit plan.

***In the "After Elections" column, the terminated members liability includes a CAP liability of \$55,056,067 for members transferring to the LANS defined benefit plan. The non-CAP liability for members who terminated prior to the valuation date and are transferring to the LANS defined benefit plan is \$815,955.

**SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan –
Los Alamos National Laboratory**

**EXHIBIT J
Funded Status**

Funded Status (Contribution Basis)	After Elections	Before Elections	
	June 1, 2006	June 1, 2006	July 1, 2005
Actuarial accrued liability (AAL)	\$4,554,843,062	\$4,650,957,531	\$4,301,476,920
Actuarial value of assets (AVA)	<u>4,294,077,928</u>	<u>4,294,077,928</u>	<u>4,247,147,590</u>
Unfunded/(Overfunded) actuarial accrued liability	\$260,765,134	\$356,879,603	\$54,329,330
Funded ratio (AVA/AAL)	94.3%	92.3%	98.7%
Funded Status (Full Funding Basis)*			
Actuarial accrued liability (including normal cost)	\$4,648,651,197	\$4,785,290,539	\$4,429,710,763
150% of current liability (including normal cost)	6,124,761,839	5,949,391,358	5,478,147,563
Full funding liabilities (lesser of above liabilities)	4,648,651,197	4,785,290,539	4,429,710,763
Assets (lesser of actuarial value, market value)	<u>4,294,077,928</u>	<u>4,294,077,928</u>	<u>4,247,147,590</u>
Surplus/(deficit)	\$(354,573,269)	\$(491,212,611)	\$(182,563,173)

**Shown for illustration only.*

**SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan –
Los Alamos National Laboratory**

EXHIBIT K

Development of Unfunded/(Overfunded) Actuarial Accrued Liability

	Year Ended May 31, 2006
1. Unfunded/(Overfunded) actuarial accrued liability at beginning of year	\$ 54,329,330
2. Normal cost at beginning of year	117,547,689
3. Total contributions (employer and member)	(340,037)
4. Interest	
(a) For whole year on (1) + (2)	\$11,816,545
(b) For half year on (3)	<u>(11,689)</u>
(c) Total interest	<u>11,804,856</u>
5. Expected unfunded/(overfunded) actuarial accrued liability	\$183,341,838
6. Changes due to:	
(a) Actuarial loss	<u>\$173,537,765</u>
(b) Total changes	<u>173,537,765</u>
7. Unfunded/(Overfunded) actuarial accrued liability at end of year, before reflecting LANL transfer elections	<u>\$356,879,603</u>
8. Effect of reflecting LANL transfer elections	<u>(96,114,469)</u>
9. Unfunded/(Overfunded) actuarial accrued liability at end of year, after reflecting LANL transfer elections	<u>\$260,765,134</u>

** Results have been adjusted for the eleven month period as necessary.*

**SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan –
Los Alamos National Laboratory**

EXHIBIT L

Section 415 Limitations

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit indexed for inflation. That limit is \$170,000 for 2005 and \$175,000 for 2006. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, form of benefits chosen and after tax contributions.

The University pays benefits in excess of the limits through a 415(m) Restoration Plan.

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

EXHIBIT M

Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial

Assumptions:

The estimates on which the cost of the Plan is calculated including:

- (a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;
- (b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;
- (c) Retirement rates — the rate or probability of retirement at a given age;
- (d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Normal Cost:

The amount required to fund the level cost allocated to the current year of service.

**Actuarial Accrued Liability
for Actives:**

The accumulated value of normal costs allocated to the years before the valuation date.

**Actuarial Accrued Liability
for Pensioners:**

The single sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and of the interest that the sum is expected to earn before it is entirely paid out in benefits.

**Unfunded (Overfunded) Actuarial
Accrued Liability:**

The extent to which the actuarial accrued liability of the Plan exceeds (or is exceeded by) the assets of the Plan. There are many approaches to recognizing the unfunded or overfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

**SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan –
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**Amortization of the Unfunded
(Overfunded) Actuarial
Accrued Liability:**

Payments made over a period of years equal in value to the Plan's unfunded or overfunded actuarial accrued liability.

Investment Return:

The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return reflects a smoothing of market gains and losses to avoid significant swings in the value of assets from one year to the next.

Current Liability:

The actuarial present value of accumulated plan benefits.

Beneficiary:

Used for statistical purposes only; includes Eligible Survivors, Contingent Annuitants and Spouses/Domestic Partners

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

EXHIBIT I

Actuarial Assumptions and Methods

Demographic Assumptions

Post – Retirement Mortality Rates:

Healthy: 1994 Group Annuity Reserving Mortality Table unloaded, projected with scale AA to 2002. Ages are set back two years for males (from the male table) and set back one year for females (from the female table).

Disabled: Based upon 1987 Group Long Term Disability Table (composite select and ultimate rates).

Sample Termination Rates Before Retirement:

Age	Rate (%)					
	Healthy Mortality		Disabled Mortality*		Disability Incidence	
	Male	Female	Male	Female	Male	Female
20	0.04	0.03	19.60	15.10	0.14	0.06
25	0.06	0.03	18.18	13.81	0.15	0.08
30	0.08	0.03	11.49	7.88	0.16	0.10
35	0.09	0.04	7.86	5.48	0.18	0.16
40	0.10	0.06	5.26	4.13	0.22	0.26
45	0.13	0.09	3.89	3.15	0.28	0.38
50	0.20	0.12	3.30	2.66	0.37	0.57
55	0.33	0.21	3.02	2.84	0.51	0.80
60	0.60	0.40	3.14	3.75	0.78	1.12
65	1.10	0.79	4.28	5.07	1.24	1.45

* Assumed to apply only while receiving a disability benefit.

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

Sample Termination Rates Before Retirement (continued):

Age	Rate (%)			
	Withdrawal – Faculty*			
	Less than one Year of Service	At least one, but less than two Years of Service	At least two, but less than three Years of Service	Three or more Years of Service
	Unisex	Unisex	Unisex	Unisex
20	24.00	22.00	21.00	21.00
25	24.00	20.00	18.00	16.00
30	21.00	10.00	9.00	9.00
35	12.00	8.00	5.00	4.00
40	12.00	6.00	5.00	4.00
45	12.00	5.00	5.00	2.00
50	12.00	3.00	3.00	2.00
55	12.00	3.00	3.00	2.00
60	12.00	3.00	3.00	2.00

* Withdrawal rates are assumed to be zero for those participants eligible for retirement.

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

Sample Termination Rates Before Retirement (continued):

Age	Rate (%)			
	Withdrawal – Staff*			
	Less than one Year of Service	At least one, but less than two Years of Service	At least two, but less than three Years of Service	Three or more Years of Service
	Unisex	Unisex	Unisex	Unisex
20	27.00	20.00	16.00	16.00
25	25.00	20.00	16.00	15.00
30	23.00	18.00	12.00	10.00
35	18.00	15.00	10.00	7.00
40	15.00	10.00	8.00	5.00
45	15.00	7.00	6.00	3.00
50	12.00	7.00	6.00	3.00
55	12.00	7.00	4.00	2.00
60	12.00	7.00	4.00	2.00

* Withdrawal rates are assumed to be zero for those participants eligible for retirement.

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

Sample Termination Rates Before Retirement (continued):

Age	Rate (%)							
	Withdrawal – Safety*							
	Less than one Year of Service		At least one, but less than two Years of Service		At least two, but less than three Years of Service		Three or more Years of Service	
	Male	Female	Male	Female	Male	Female	Male	Female
20	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
25	20.00	20.00	20.00	20.00	20.00	19.00	18.00	18.00
30	15.00	20.00	15.00	20.00	15.00	16.00	10.00	11.00
35	10.00	19.00	10.00	19.00	10.00	15.00	6.00	7.00
40	10.00	16.00	10.00	16.00	10.00	10.00	4.00	6.00
45	10.00	14.00	10.00	14.00	10.00	10.00	3.00	6.00
50	10.00	10.00	10.00	10.00	10.00	10.00	2.00	5.00
55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* *Withdrawal rates are assumed to be zero for those participants eligible for retirement.*

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

Retirement Rates:

Age	Retirement Probability – Unisex		
	Faculty	Staff	Safety
50	3.00%	8.00%	20.00%
51	2.00%	5.00%	5.00%
52	2.00%	5.00%	5.00%
53	2.00%	5.00%	5.00%
54	2.00%	6.00%	5.00%
55	2.00%	6.00%	25.00%
56	2.00%	6.00%	25.00%
57	2.00%	6.00%	25.00%
58	2.00%	8.00%	25.00%
59	4.00%	20.00%	25.00%
60	5.00%	20.00%	25.00%
61	5.00%	20.00%	25.00%
62	5.00%	20.00%	50.00%
63	5.00%	20.00%	50.00%
64	5.00%	30.00%	75.00%
65	6.00%	30.00%	100.00%
66	6.00%	25.00%	100.00%
67	10.00%	25.00%	100.00%
68	10.00%	25.00%	100.00%
69	15.00%	30.00%	100.00%
70	100.00%	100.00%	100.00%

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

Retirement Age and Benefit for Deferred Vested Members:

Deferred vested members are assumed to retire at age 50.

Form of Payment:

Life annuity for single members;
25% contingent annuity for members with Social Security in a relationship for at least one year;
50% contingent annuity for members without Social Security in a relationship for at least one year;
50% contingent annuity for Safety members in a relationship for at least one year.

Future Benefit Accruals:

1.0 year of service per year for the full-time employees. Part-time employees are assumed to earn full-time service for all future years.

Definition of Active Members:

All members of UCRP who are not separated from active employment as of the valuation date or have not started receiving a monthly pension on or before the valuation date.

The results of this valuation include liabilities even for members who have elected to transfer to the LANS defined benefit plan. These members are still valued as active UCRP members and their liabilities are shown as active in the results.

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Percent with Eligible Dependents (Samples):

Age	Male	Female
20	58.00%	66.50%
25	85.00	89.50
30	91.50	92.50
35	93.00	94.00
40	93.50	93.50
45	94.00	92.50
50	95.00	91.00
55	94.50	89.00
60	94.00	85.00
65	93.00	80.00

Spouse/Domestic Partner Ages: Members assumed to have an opposite sex spouse or domestic partner, with females three years younger than males.

Number of Dependents (Samples):

Age	Number of Eligible Dependents per Active Member with Dependents	
	Male	Female
20	1.0	1.0
25	1.8	2.3
30	2.3	3.2
35	3.0	3.1
40	3.5	2.5
45	3.0	2.0
50	2.5	1.5
55	2.0	1.3
60	1.5	1.1
65	1.3	1.1

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

Economic Assumptions

Net Investment Return: 7.50% (including 4.00% for inflation)

Consumer Price Index: Increase of 4.00% per year.

Salary Increases (Samples):

<u>Annual Rate of Compensation Increase</u>	
The sum of 4.00% inflation (at all ages) plus the following Merit and Longevity increases:	
<u>Age</u>	
20	2.50%
25	2.50%
30	2.10%
35	1.70%
40	1.50%
45	1.30%
50	1.20%
55	1.10%
60	0.90%

The assumed salary increases will be 2.0% lower overall for the period June 1, 2006 through June 30, 2007.

Administrative Expenses: 0.5% of payroll added to normal cost.

Actuarial Methods

Actuarial Value of Assets: The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and the expected returns on a market value basis and is recognized over a five-year period.

For assets allocated to LANL, this is approximated as the total UCRP actuarial value multiplied by the ratio of market value of LANL allocated assets to the total UCRP market value.

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

Actuarial Cost Method: Entry Age Normal Actuarial Cost Method. Entry Age is calculated as the valuation date minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salaries, as if the current benefit accrual rate has always been in effect.

Other Actuarial Assumptions

Lump Sum Assumptions:

<i>Discount Rate:</i>	7.50%
<i>COLA:</i>	2.00%
<i>Take-rate:</i>	None assumed.
<i>Mortality:</i>	1994 Group Annuity Reserving Mortality Table unloaded for males set back three years, projected with scale AA to 2002.

Approximations:

<i>Guaranteed Survivor and Disability Benefits</i>	Liability and normal cost for guaranteed survivor and disability benefits for members who elected Social Security was estimated as 10% of their basic liability and normal cost.
<i>Sick Leave</i>	Service has been increased by 0.2% for faculty, 1.4% for staff, and 2.5% for safety members to account for unused sick leave.

Changes in Assumptions: There have been no changes in actuarial assumptions since the previous valuation.

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Los Alamos National Laboratory

**EXHIBIT II
Summary of Plan Provisions**

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Effective Date:	April 24, 1954. Includes amendments through June 1, 2006.
Covered Employees:	Generally all employees who are not members of another retirement system to which the Regents contribute, and who: a. Are appointed to work 50% time or more for one year or longer or b. Have generally accumulated at least 1,000 hours in a 12-month period.
Highest Average Plan Compensation (HAPC):	Highest average monthly full-time-equivalent base compensation rate received during any period of 36 consecutive months.

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Age Factor: Percentage of HAPC per year of service credit (interpolated for fractional ages).

Nonsafety Members

Age	Factor	Age	Factor
50	1.10%	56	1.94%
51	1.24	57	2.08
52	1.38	58	2.22
53	1.52	59	2.36
54	1.66	60+	2.50
55	1.80		

Safety Members

3.0% at all ages 50 and above.

Tier II Members

Equal to one-half of the Age Factor for Nonsafety Members.

Benefit Percentage: Age Factor multiplied by years of service credit; not to exceed 100%.

Basic Retirement Income (BRI):

Members without Social Security

Benefit Percentage x HAPC.

Members with Social Security

Benefit Percentage x HAPC in excess of \$133 per month.

Safety Members

Benefit Percentage x HAPC.

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Service Retirement:

<i>Eligibility</i>	Age 50 with 5 years of service credit, or Age 62 regardless of service credit if membership began on or before July 1, 1989, or Retirement on Normal Retirement Date.
<i>Benefit</i>	BRI.
<i>Form of Payment</i>	Single Life Annuity.
<i>Payment Options</i>	Full continuance to contingent annuitant; two-thirds continuance to contingent annuitant; one-half continuance to contingent annuitant; one-half continuance (including post-retirement survivor continuance) to surviving spouse or domestic partner (for members with Social Security only).
<i>Lump Sum Cashout</i>	May be elected in lieu of monthly retirement income.

Temporary Social Security Supplement:

<i>Eligibility</i>	For members with Social Security only and retirement must occur before age 65.
<i>Benefit</i>	Temporary annuity payable to age 65 in the amount of \$133 per month multiplied by Benefit Percentage.
<i>Form of Payment</i>	Single Life Annuity.
<i>Payment Options</i>	None.

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Disability:

<i>Eligibility</i>	Disablement after five years of service credit; safety members are eligible for duty disability without regard to years of service credit. Service credit continues to accrue during disabled period.
<i>Benefit</i>	
<i>Member without Social Security</i>	25% of final salary, plus 5% of final salary per year of service credit greater than two, total not to exceed 40% of final salary, plus 5% of final salary for each eligible child, total not to exceed 20% of final salary.
<i>Member with Social Security</i>	15% of final salary, plus 2.5% of final salary per year of service credit greater than two, total not to exceed 40% of final salary, less \$106.40 per month.
<i>Safety Members(Non-duty)</i>	Same as for members without Social Security; includes eligible child's benefit.
<i>Safety Members(Duty)</i>	50% of HAPC, or non-duty disability benefit if greater.
<i>Form of Payment</i>	Single life annuity payable until end of disability income period or retirement date if earlier.
<i>Disability Income Period</i>	
<i>Members disabled before November 5, 1990</i>	To earliest of: Date member is eligible to retire and retirement income equals or exceeds disability income; Age 62 (age 67 for members without Social Security); or Date member retires.
<i>Members disabled on or after November 5, 1990</i>	If under age 65 at disablement: Members with Social Security: to age 65 or five years if longer. Members without Social Security: to age 67 or five years if longer. If age 65 or older at disablement: to age 70 or 12 months if longer. Disability income ends if member is no longer disabled.

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Vested Termination:

<i>Eligibility</i>	Five years of service credit, or age 62 regardless of service credit if membership began on or before July 1, 1989.
<i>Benefit</i>	BRI beginning at age 50 or later, calculated using HAPC at termination date, adjusting for CPI changes (see Cost-of-Living Adjustment), and benefit formula in effect when benefits commence.
<i>Form of Payment</i>	As for retirement.
<i>Payment Options</i>	As for retirement.
<i>Refund Option</i>	Member may elect a refund of contributions with interest, thereby forfeiting all other benefits.
<i>Lump Sum Cashout</i>	May be elected in lieu of retirement income, available only if at least age 50 with five years service credit at date of termination.

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Pre-retirement Survivor Income:

Eligibility Eligible survivor of deceased active or disabled member with two or more years of service credit; no service requirement for duty-related death of Safety member.

Benefit

Member without Social Security

Percent of final salary as follows:

<u>Eligible Survivors</u>	<u>Percent</u>	<u>Minimum Benefit</u>
1	25%	\$200
2	35	\$300
3	40	\$300 plus 5% of final salary
4	45	\$300 plus 10% of final salary
5+	50	\$300 plus 15% of final salary

Member with Social Security

25% of final salary less \$106.40 per month.

Safety Members, non-duty death

As for members without Social Security.

Safety Members, duty death

Percentage of HAPC as follows, but not less than benefit for non-duty death.

<u>Eligible Survivors</u>	<u>Percent of HAPC</u>
1	50.0%
2	62.5
3	70.0
4+	75.0

Death while eligible to retire

Eligibility

Eligible surviving spouse or domestic partner of active, disabled or inactive member who dies while eligible to retire.

Benefit

Greater of benefit described above or monthly benefit to surviving spouse or domestic partner assuming member had retired on date of death and elected full continuance option with spouse or domestic partner as contingent annuitant.

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Post-retirement Survivor Continuance:

<i>Eligibility</i>	Eligible survivor of deceased retired member.
<i>Benefit</i>	
<i>Member without Social Security</i>	50% of BRI including COLA.
<i>Member with Social Security</i>	25% of BRI including COLA, plus 25% of Temporary Social Security Supplement (ends when member would have reached age 65).
<i>Safety Members</i>	50% of BRI including COLA.

Lump Sum Death Benefit:

<i>Eligibility</i>	Active, inactive, disabled, or retired member.
<i>Basic Benefit</i>	
<i>Active member who became a member before October 1, 1990</i>	Greater of : \$1,500 plus one month's final salary, or \$7,500.
<i>All others</i>	\$7,500
<i>Residual Benefit</i>	Refund of member contributions plus interest, reduced by a portion of benefits received (100% of retirement income, 50% of pre-retirement survivor income or disability income) payable to beneficiary if no survivor, surviving spouse, domestic partner, or contingent annuitant.

Normal Retirement Date: Attainment of age 60 with five years of service credit.

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Eligible Survivor:

Eligible Spouse or Domestic Partner

Spouse or domestic partner of deceased active or disabled member in relationship for at least one year before date of death and who is:

Responsible for care of eligible child, disabled, or age 60 (age 50 if spouse of member without Social Security and in Plan prior to October 19, 1973).

Eligible Child

Child that is either under age 18, under age 22 and full-time student, or disabled, if disability occurred prior to age 18 or age 22 if a full-time student.

Eligible Dependent Parent

Parent of deceased active, disabled or retired member, supported by 50% or more by member for one year prior to earliest of death, disablement or retirement.

Inactive Member:

Former UCRP member who retains right to vested benefits.

Cost-of-Living Adjustment:

Basic

100% of annual Consumer Price Index (CPI) increase up to 2% per year.

Supplemental

Greater of: 75% of annual CPI increase above 4%, or accumulated increment.

Accumulated increment: 2% compounded annually from the member's COLA eligibility date through the current date, less 2%.

The sum of the Basic and Supplemental COLA's cannot exceed 6% in a year.

COLA applies to:

Retired members, survivors, disabled members, and contingent annuitants receiving retirement income

Benefits in pay status one or more years on July 1.

Inactive members

HAPC (used to calculate retirement income) adjusted for COLA up to 2% per year from separation date to retirement date; retirement income adjusted using COLA formula.

Disabled members receiving disability income since before November 5, 1990

HAPC (used to calculate retirement income) adjusted for COLA up to COLA formula above for years from disablement to retirement date.

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Capital Accumulation Provision(CAP):

<i>Eligibility</i>	Active member on specified date; benefits immediately vested.
<i>Allocation Dates</i>	
<i>April 1, 1992</i>	Active member from December 31, 1991 through April 1, 1992: 5.0% of 1991 calendar year covered compensation.
<i>July 1, 1992</i>	Active member on July 1, 1992: 2.5% of 1991-1992 fiscal year covered compensation.
<i>July 1, 1993</i>	Active member on July 1, 1993: 2.5% of 1992-1993 fiscal year covered compensation.
<i>November 1, 1993</i>	Active member on October 1, 1993 and subject to 1993-1994 salary plan: 5.26% of July through October 1993 covered compensation. Not applicable for laboratory members.
<i>July 1, 1994</i>	Active member on June 1, 1994 and subject to 1993-1994 salary plan: 2.67% of November 1993 through June 1994 covered compensation. Not applicable for laboratory members.
<i>May 1, 2002</i>	Active member on April 1, 2002: 3.0% of April 2001 through March 2002 covered compensation.
<i>May 1, 2003</i>	Active member on April 1, 2003: 5.0% of April 2002 through March 2003 covered compensation.
<i>Interest Credit</i>	Regent's approved interest rate; currently 8.5% per year for pre-2002 CAPs and 7.5% for 2002 and later CAPs (CAP II).
<i>Payment</i>	Lump sum payment upon termination, retirement or death.

University Contributions:

Determined by the Entry-Age Normal Cost method. Beginning with the 1990 plan year, the Regents adopted a full funding policy. Under that policy, the University will suspend contributions when the smaller of the market value or the actuarial value of plan assets exceeds the lesser of:

The actuarial accrued liability (including normal cost), or
150% of the estimated current liability (including normal cost).

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Member Contributions:	Member contributions are currently being redirected to the UC Defined Contribution Plan.
<i>Members without Social Security</i>	3.0% of covered compensation, less \$19 per month.
<i>Members with Social Security</i>	2.0% of covered compensation up to the Social Security wage base, plus 4.0% of excess covered compensation, minus \$19 per month.
<i>Safety Members</i>	3.0% of covered compensation, less \$19 per month.
<i>Interest Credit</i>	Regent’s approved interest rate; currently 6.0% per year.
Changes in Plan Provisions:	<p>There have been no changes in plan provisions since the last valuation that have a material impact on Plan liabilities and normal cost.</p> <p>Active members at the Los Alamos National Laboratory made an election to either become inactive in UCRP or to transfer to a defined benefit plan that begins effective June 1, 2006 for the Los Alamos National Security LLC (LANS). This valuation includes results reflecting the LANL transfer elections. However, it does not reflect the actual transfer of assets and liabilities to the LANS defined benefit plan. This means that the results of this valuation include liabilities even for members who have elected to transfer to the LANS defined benefit plan. These members are still valued as active UCRP members and their UCRP liabilities are shown as active in the results. LANL members who elected not to transfer to the LANS defined benefit plan are included in the valuation results either as terminated vested or nonvested members. Consistent with current practice, for those terminated members who were eligible for retirement, we have assumed a July 1, 2006 commencement date for their retirement benefits.</p>

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