University of California Retirement Plan

ACTUARIAL VALUATION REPORT
AS OF JULY 1, 2013

Segal Consulting

Segal Consulting

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October 18, 2013

Mr. Dwaine B. Duckett
Vice President, Human Resources
University of California
1111 Franklin Street, 5th Floor
Oakland, California 94607

Dear Vice President Duckett:

We are pleased to submit this Actuarial Valuation Report as of July 1, 2013 for the University of California Retirement Plan ("UCRP" or "Plan"). It summarizes the actuarial data used in the valuation, determines total funding policy contribution rates for the 2014-2015 Plan Year and analyzes the preceding year's experience.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. The census and financial information on which our calculations were based was provided by the UC HR Staff. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for those measurements (such as the end of an amortization period); and changes in plan provisions or applicable law.

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. 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 at the November 2013 Regents meeting and to answering any questions.

Sincerely,

Segal Consulting, a Member of The Segal Group, Inc.

By:

Paul Angelo, FSA, MAAA, EA, FCA
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SECTION 1: Executive Summary of the Valuation for the University of California Retirement Plan

Purpose

This report has been prepared by Segal Consulting to present a valuation of the University of California Retirement Plan ("UCRP" or "Plan") as of July 1, 2013. The valuation was performed to determine if the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Plan,
- The characteristics of covered active members, terminated vested members, retired members, disabled members and beneficiaries as of July 1, 2013,
- The assets of the Plan as of June 30, 2013,
- The funding policy adopted by the Regents,
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding member terminations, retirement, death, etc.

Significant Issues in Valuation Year

CONTRIBUTIONS

Reference: Pg. 10

- The total funding policy contribution rate increased from 28.56% of covered payroll to 30.33% of covered payroll. The increase in the total funding policy contribution rate was mainly due to actual contributions for the 2012-2013 Plan Year being less than those expected under the funding policy and the investment loss on the actuarial value of assets. This total funding policy contribution rate is for the 2014-2015 Plan Year and applies to the non-laboratory segment of UCRP (i.e., campuses, medical centers and Hastings College of Law). Contributions for the laboratories are subject to the terms of the University's contracts with the Department of Energy. More information on the various UCRP segments can be found in Section 1, page viii. Unless otherwise noted, results shown in this report are for all of UCRP.

Reference: Pg. 51

- For the Plan Year beginning July 1, 2013, the University contribution rate is 12% of covered compensation while the rate for most members is 6.5% of covered compensation (less $19 per month). In July 2013, the Regents approved increases in these rates for the Plan Year beginning July 1, 2014. The University rate will increase to 14% of covered compensation while the rate for most members will increase to 8% of covered compensation (less $19 per month). The member rates shown are for 1976 Tier members. Member rates are subject to collective bargaining for represented employees.

Significant Issues in Valuation Year (continued)

- The Required Contributions for the Los Alamos National Laboratory (LANL) and Lawrence Livermore National Laboratory (LLNL) Retained Segments of UCRP are actuarially determined based upon contractual arrangements with the Department of Energy (DOE). The Required Contributions are calculated annually and use a methodology that targets 100% funding for those segments by amortizing actuarial gains and losses over a period of seven years.

  The contribution receivable for the year ended June 30, 2012 that was included in UCRP assets as of June 30, 2012 for the LANL and LLNL Retained Segments was $306 million and this amount was expected to be received from the DOE by February 28, 2013. However, during 2012/2013 only $226 million of this amount was paid by the DOE due to sequestration and continuing resolutions at the federal government, leaving an outstanding balance of $80 million. We understand that the DOE has identified a source of funds to pay the remaining balance; however, there are additional steps that the DOE must take (including obtaining authority from Congress to reprogram funds) before it has the authority to remit the balance of those funds to the University.

  Accordingly, as of June 30, 2013, the outstanding balance of $80 million was no longer included as a receivable for the LANL and LLNL Retained Segments and therefore is not included as an asset for this actuarial valuation. In addition, the contribution receivable of $373 million for the year ended June 30, 2013 that would be expected to be received from the DOE by February 28, 2014 and that would normally be included as an asset as of June 30, 2013 was also not reported as a receivable and therefore not included as an asset for this actuarial valuation.

  Reference: Pg. 6

  These changes result in a contribution loss to the LANL and LLNL Retained Segments of UCRP of about $453 million for the 2012/2013 year. The estimated impact of the $453 million contribution loss was to decrease UCRP's July 1, 2013 funded ratio by 0.8%. The contribution loss has been amortized over a period of seven years, consistent with the amortization period used for actuarial gains and losses for the Retained Segments. This means that this amount is expected to be funded by the DOE over a period of seven years, including interest at 7.5% per year. Therefore, the combined Required Contributions for the LANL and LLNL Retained Segments determined in this valuation have increased by about $85 million from $410 million to $495 million due to the contribution loss.

ASSETS

Reference: Pg. 4

- During the 2012-2013 Plan Year, the rate of return on the market value of assets was approximately 11.7%. Based on a partial recognition of this return as well as prior investment experience, the rate of return on the actuarial value of assets was 4.5%, which is less than the expected return of 7.5%.

Significant Issues in Valuation Year (continued)

Reference: Pgs. 7 and 8

- The total unrecognized investment gain as of July 1, 2013 is about $1.77 billion as compared to a $1.16 billion unrecognized loss in the previous valuation. This investment gain will be recognized in the determination of the actuarial value of assets for valuation purposes over the next few years. This means that, if the Plan earns the assumed rate of investment return of 7.50% per year (net of investment expenses) on a **market value** basis, then the deferred gains will be recognized over the next few years as shown in the footnote on Chart 6.
- This actuarial valuation report as of July 1, 2013 is based on financial information as of that date. Changes in the value of assets subsequent to that date, to the extent that they exist, are not reflected. Declines in asset values will increase the actuarial cost of the Plan, while increases will decrease the actuarial cost of the Plan.

FUNDED RATIO

Reference: Pgs. 12 and 23

- The Plan's funded ratio on an actuarial value basis decreased from 78.7% as of July 1, 2012 to 75.9% as of July 1, 2013. This decrease in funded ratio is mainly a result of actual contributions being less than those expected under the funding policy and the investment loss on the actuarial value of assets. On a market value basis, the Plan's funded ratio increased from 76.5% as of July 1, 2012 to 79.0% as of July 1, 2013 due to the investment gain on the market value of assets. The Plan is in an underfunded position as the actuarial accrued liability exceeds the actuarial value of assets by $13.8 billion. Information on the funded ratio and unfunded actuarial accrued liability for each UCRP segment can be found on page viii.

CHANGE IN PLAN PROVISIONS

Reference: Pg. 52

- In December 2010, the Regents approved a new tier ("2013 Tier") of UCRP benefits for employees hired (or in some cases rehired) on or after July 1, 2013, which would increase the earliest retirement age from 50 to 55, but retain many of the current features of UCRP. The 2013 Tier does not offer lump sum cashouts, inactive member cost-of-living adjustments (COLAs), or subsidized survivor annuities for spouses and domestic partners. The initial member rate for the 2013 Tier is 7% of covered compensation. The University rate is uniform across all tiers and is 12% of covered compensation, increasing to 14% beginning July 1, 2014. For represented employees, this change is subject to collective bargaining.

Reference: Pg. 43

- The 2013 Tier has been reflected in this valuation by including the plan provisions applicable to that new tier. However, the 2013 Tier has no impact on the valuation results since there were no 2013 Tier members as of July 1, 2013. Future valuations will include results for the 2013 Tier based on actual membership in that tier. The July 1, 2014 valuation will also include a change to the retirement rate assumptions due to both the 2013 Tier and retiree health eligibility changes brought about by the Post-Employment Benefits taskforce, after those assumptions are adopted by the Regents.

Significant Issues in Valuation Year (continued)

FUTURE EXPECTATIONS

- The unrecognized investment gains of $1.77 billion represent about 4% of the market value of assets. Unless offset by future investment losses or other unfavorable experience, the future recognition of the $1.77 billion in market gains is expected to have an impact on the Plan's future funded ratio and future total funding policy contributions. This potential impact may be illustrated as follows:
  - If the deferred gains were recognized immediately in the actuarial value of assets, the funded percentage would increase from 75.9% to 79.0%.
  - If the deferred gains were recognized immediately in the actuarial value of assets, the total funding policy contribution would decrease from 30.33% of covered payroll to 28.91% of covered payroll.
- Since the approved contributions are less than the total funding policy contributions, this will create additional future actuarial losses that will lead to further increases in future total funding policy contributions. Since the total funding policy contributions are currently reported as the Annual Required Contribution (ARC) under Governmental Accounting Standards (GAS) 25 and 27, the accumulated total of these contribution losses are also currently reported under GAS 27 as a Net Pension Obligation (NPO).

DEMOGRAPHIC EXPERIENCE

Reference: Pgs. 14 and 15

- Overall, the number of active members increased by 1.2% from 116,888 as of July 1, 2012 to 118,321 as of July 1, 2013. The Plan has 61,715 members currently receiving benefits, an increase of 4.7% from 2012. Total monthly benefits in pay status increased by 8.2%, to a level of $191 million. There are also 73,589 terminated members in the Plan who are entitled to future benefits. Within this group of terminated members there are 33,466 terminated vested members who are entitled to a deferred or immediate vested benefit and 33,524 terminated nonvested members who are entitled to a refund of member contributions or payment of their Capital Accumulation Provision (CAP) balance. There are also 6,599 members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate from employment with LANS or LLNS.
- The actual average increase in salary for UCRP members that were active in both this valuation and the previous valuation was 3.6%. When compared to the average assumed increase of approximately 5.1% (based on the 2012 valuation), this produced an actuarial gain due to salary increases less than expected.

Significant Issues in Valuation Year (continued)

DISCLOSURES AND REPORTING

Reference: Pg. 31

- The Governmental Accounting Standards Board (GASB) recently approved two new Statements affecting the reporting of pension liabilities for accounting purposes. Statement 67 replaces Statement 25 and is for plan reporting. Statement 68 replaces Statement 27 and is for employer reporting. It is important to note that the new GASB rules only redefine pension expense for financial reporting purposes, and do not apply to contribution amounts for actual pension funding purposes. Employers and plans can still develop and adopt funding policies under current practices. Because these new Statements are not effective until the fiscal year ending June 30, 2014 for Plan reporting and the fiscal year ending June 30, 2015 for employer reporting, the financial reporting information in this report continues to be prepared in accordance with Statements 25 and 27.

Summary of Key Valuation Results

	2013 ($ in 000s)	2012 ($ in 000s)
Total funding policy contributions:		
Percentage of payroll[(1)]	30.33%	28.56%
Estimated annual dollar amount[(2)]	$2,703,113	$2,475,295
Funding elements for Plan Year beginning July 1:		
Normal cost (beginning of year)	$1,563,366	$1,499,751
Percentage of payroll (beginning of year)	17.70%	17.44%
Percentage of payroll (middle of year)	18.35%	18.09%
Market value of assets (MVA)	$45,340,727	$41,806,485
Actuarial value of assets (AVA)	43,572,353	42,965,028
Actuarial accrued liability (AAL)	57,380,961	54,619,620
Unfunded/(Overfunded) actuarial accrued liability on AVA basis	13,808,608	11,654,592
Unfunded/(Overfunded) actuarial accrued liability on MVA basis	12,040,234	12,813,135
Funded ratio on actuarial value basis (AVA / AAL)	75.9%	78.7%
Funded ratio on market value basis (MVA / AAL)	79.0%	76.5%
Governmental Accounting Standard (GAS) 25 for Plan Year beginning July 1:		
Annual required contributions (ARC)[(3)]	N/A	$2,266,634
Actual contributions	- -	810,056
Percentage contributed	N/A	35.7%
Net Pension Obligation (as of June 30)	- -	$3,357,337
Demographic data for Plan Year beginning July 1:		
Number of retired members and beneficiaries[(4)]	61,715	58,934
Number of vested terminated members[(5)]	73,589	67,318
Number of active members	118,321	116,888
Average covered compensation (actual dollars)	$83,396	$81,637

(1) *Total funding policy contributions are for the Plan Year starting one year after the date of the actuarial valuation. The total funding policy contributions shown are for the non-laboratory segment of UCRP and exclude contributions for the Lawrence Berkeley National Laboratory Segment, the Lawrence Livermore National Laboratory Retained Segment and the Los Alamos National Laboratory Retained Segment of UCRP. Page viii shows those contributions by each segment. The Normal Cost plus interest on the July 1, 2013 UAAL represents 28.26% of covered payroll.*

(2) *Based on estimated covered payroll of $8,912,340 (also in thousands) for the 2014-2015 Plan Year and $8,667,001 for the 2013-2014 Plan Year. Actual contributions are set by the Regents and will be made based on actual payroll.*

(3) *If necessary, the ARC for the Plan Year ending June 30, 2014 will be determined at the end of that year based on actual covered payroll.*

(4) *Excludes deferred beneficiaries who are entitled to future benefits.*

(5) *Includes terminated nonvested members due a refund of member contributions or CAP balance payment and members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate from employment with LANS or LLNS.*

FIVE-YEAR HISTORY OF TOTAL FUNDING POLICY CONTRIBUTIONS AND FUNDED STATUS

Effective with the July 1, 2008 valuation, a funding policy was adopted that determines total funding policy contributions based on the Plan's normal cost adjusted by an amortization of any surplus or underfunding.

The total funding policy contribution rate is effective for the Plan Year starting one year after the date of the actuarial valuation and applies to the non-laboratory segment of UCRP. The total funding policy contribution rate for the 2014-2015 Plan Year is based on this valuation and is 30.33% of payroll.

For the Plan Year beginning July 1, 2013, the University contribution rate is 12% of covered compensation while the rate for most members is 6.5% of covered compensation (less $19 per month). In July 2013, the Regents approved increases in these rates for the Plan Year beginning July 1, 2014. The University rate will increase to 14% of covered compensation while the rate for most members will increase to 8% of covered compensation (less $19 per month).

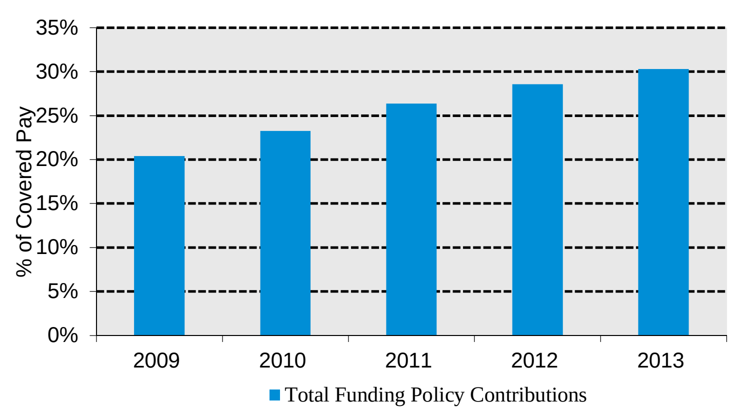
The Plan's funded percentage (actuarial value of assets divided by actuarial accrued liability) over the past five years is shown below:

Plan Year Beg. 7/1	AAL $ in Billions	AVA $ in Billions	Funded Percentage
2009	$45.2	$42.8	95%
2010	47.5	41.2	87
2011	51.8	42.8	82
2012	54.6	43.0	79
2013	57.4	43.6	76

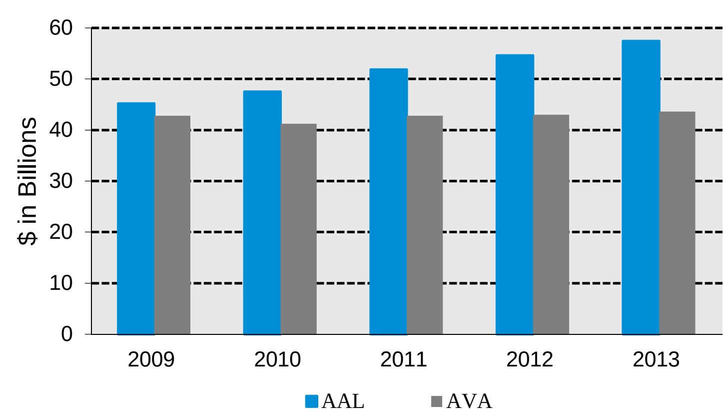
The actuarial accrued liability has shown a steady increase while the actuarial value of assets has remained relatively level as prior investment losses are recognized over a five-year period and contributions have recently restarted.

The first graph shows a five-year history of the total funding policy contributions (non-laboratory segment of UCRP). The second graph shows the five-year history of the funded status – actuarial accrued liability versus the actuarial value of assets.

Five-Year History of Total Funding Policy Contributions Based on July 1 Actuarial Valuation Date



Five-Year History of Actuarial Accrued Liability and Actuarial Value of Assets for Plan Years Beginning July 1



Summary of UCRP July 1, 2013 Valuation Results by Segment ($ in 000s)

	Total UCRP	Campus and Medical Centers[1]	Lawrence Berkeley National Laboratory (LBNL)	Lawrence Livermore National Laboratory (LLNL)	Los Alamos National Laboratory (LANL)
Normal Cost (beginning of year)	$1,563,366	$1,516,568	$46,798	$0	$0
Market value of assets	45,340,727	38,175,788	1,802,046	2,844,449	2,518,445
Actuarial value of assets (AVA)	43,572,353	36,686,832	1,731,783	2,733,512	2,420,226
Actuarial accrued liability (AAL)	57,380,961	48,433,892	1,907,545	3,847,442	3,192,083
Unfunded/(Overfunded) actuarial accrued liability on AVA basis	13,808,608	11,747,060	175,762	1,113,930	771,857
Unfunded/(Overfunded) actuarial accrued liability on MVA basis	12,040,234	10,258,104	105,499	1,002,993	673,638
Funded Ratio on AVA basis (AVA/AAL)	75.9%	75.7%	90.8%	71.0%	75.8%
Funded Ratio on MVA basis (MVA/AAL)	79.0%	78.8%	94.5%	73.9%	78.9%
Estimated Covered Payroll for 2013-2014 Plan Year	$8,836,498	$8,569,558	$266,940	$0	$0
Estimated Covered Payroll for 2014-2015 Plan Year	9,189,958	8,912,340	277,618	0	0
Total funding policy contributions[2]					
Percent of payroll[3]		30.33%	30.33%	N/A	N/A
Estimated dollar amount in 000s		$2,703,113	$84,202	N/A	N/A
Required Contractual Contributions[4]					
Estimated dollar amount in 000s		N/A	N/A	$306,990	$188,352

(1) *Includes Hasting College of Law*

(2) *All total funding policy contributions are based on valuation results as of July 1, 2013. Please see Section 2, page 10 for more detailed information on this calculation.*

(3) *The total funding policy contributions shown for the campus and medical centers and LBNL segments are for the Plan Year beginning July 1, 2014. Actual contributions for these two segments will be set by the Regents.*

(4) *The contributions shown for the LLNL and LANL Retained Segments are required for the Plan Year beginning July 1, 2013 under the terms of the University's contracts with the Department of Energy, and are due by February 28, 2015.*

Note: Results may not add due to rounding.

SECTION 2: Valuation Results for the University of California Retirement Plan

A. MEMBER DATA

The Actuarial Valuation and Review considers the number and demographics of covered members, including active members, vested terminated members, retired members, disabled members and beneficiaries.

This section presents a summary of significant statistical data on these participant groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B and C.

A historical perspective of how the participant population has changed over the past ten valuations can be seen in this chart.

CHART 1

Member Population: 2004 – 2013

Year Beginning July 1	Active Members	Terminated Vested Members*	Retired Members, Disabled Members and Beneficiaries**	Ratio of Retirees to Actives
2004	123,717	39,874	39,738	0.32
2005	124,642	47,123	41,477	0.33
2006	122,317	52,548	45,442	0.37
2007	118,885	59,056	47,682	0.40
2008	114,242	64,566	50,171	0.44
2009	115,745	54,883	51,653	0.45
2010	114,928	55,037	53,902	0.47
2011	115,568	60,903	56,296	0.49
2012	116,888	67,318	58,934	0.50
2013	118,321	73,589	61,715	0.52

* *Includes terminated nonvested members due a refund of member contributions or CAP balance payment and members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate from employment with LANS or LLNS.*

** *Excludes deferred beneficiaries who are entitled to future benefits.*

Active Members
Plan costs and liabilities are affected by the age, service credit and covered compensation of active members. In this year's valuation, there are 118,321 active members with an average age of 45.0 years, average service credit of 9.6 years and average covered compensation of $83,396.

Inactive Members
In this year's valuation, there were 73,589 terminated members. Within this group of terminated members there are 33,466 members with a vested right to a deferred or immediate vested benefit and 33,524 terminated nonvested members who are entitled to a return of their member contributions or a distribution of their CAP balance. There are also 6,599 members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate from employment with LANS or LLNS.

These graphs show a distribution of active members by age and by service credit. In Chart 3 there are 282 members who have 40 or more years of service credit.

CHART 2

Distribution of Active Members by Age as of July 1, 2013

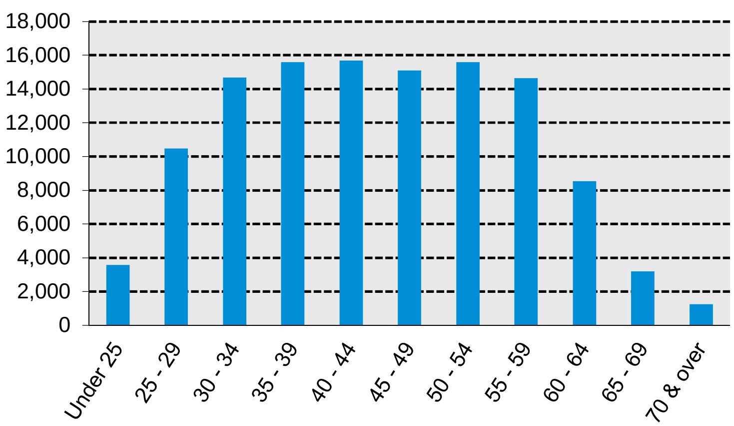
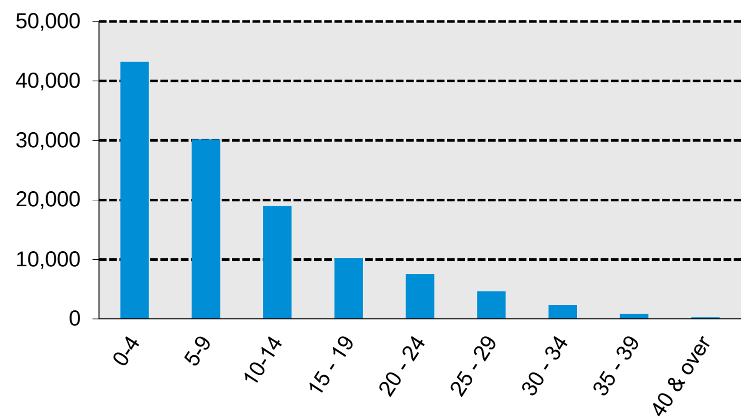


CHART 3

Distribution of Active Members by Service Credit as of July 1, 2013



Retired Members, Disabled Members and Beneficiaries

As of July 1, 2013, 52,300 retired members, 1,897 disabled members and 7,518 beneficiaries (excludes 106 deferred beneficiaries) were receiving total monthly benefits of $191,149,447.

These graphs show a distribution of the current retired members, disabled members and beneficiaries based on their monthly benefit and age.

CHART 4

Distribution of Retired Members, Disabled Members and Beneficiaries by Monthly Benefit as of July 1, 2013

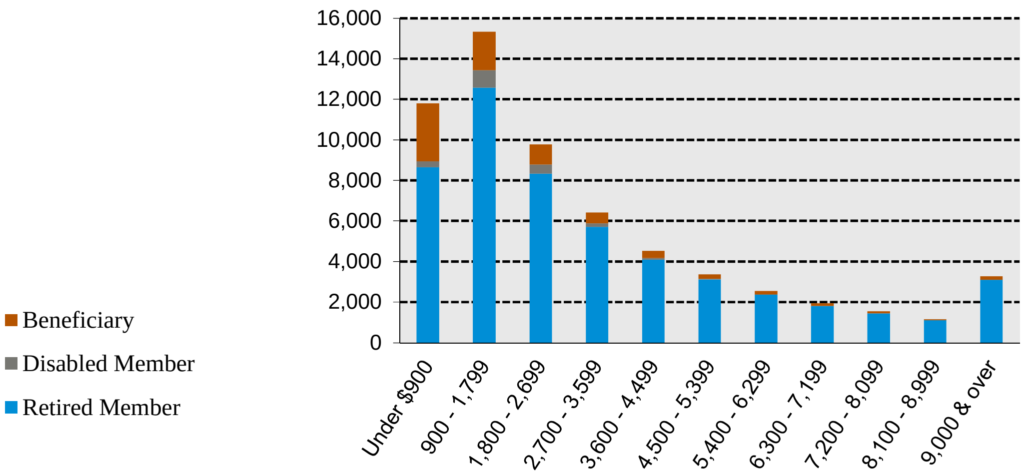
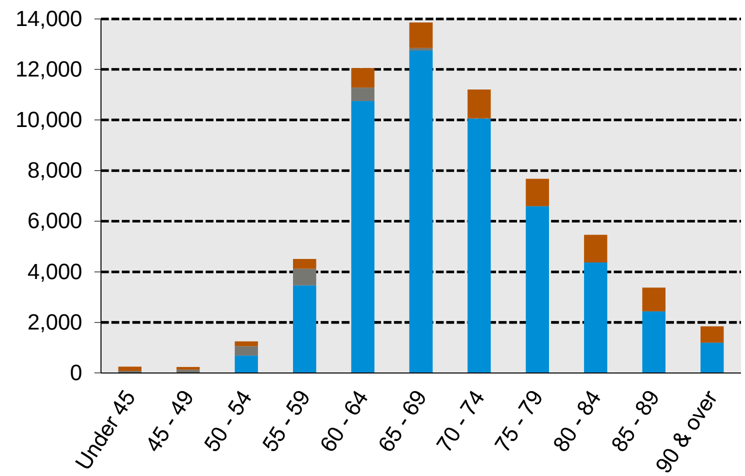


CHART 5

Distribution of Retired Members, Disabled Members and Beneficiaries by Age as of July 1, 2013



B. FINANCIAL INFORMATION

Retirement plan funding anticipates that, over the long term, both contributions (net of administration expenses) and investment earnings (net of investment fees) will be needed to cover benefit payments.

Retirement plan assets change as a result of the net impact of these income and expense components. Additional financial information for UCRP, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D and E.

It is desirable to have level and predictable plan costs from one year to the next. For this reason, The Regents have approved an asset valuation method for UCRP that smoothes market value investment gains and losses over a five-year period. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset values and the plan costs are more stable.

The chart shows the determination of the actuarial value of assets as of the valuation date.

CHART 6

Determination of Actuarial Value of Assets for Year Ended June 30, 2013

	Original Amount*	Deferral Percentage	Unrecognized Return**	($ in 000s)
1. Market value of assets				$45,340,727
2. Calculation of unrecognized return*				
(a) Year ended June 30, 2013	$1,746,569	80%	$1,397,255	
(b) Year ended June 30, 2012	(3,017,759)	60%	(1,810,655)	
(c) Year ended June 30, 2011	4,552,513	40%	1,821,005	
(d) Year ended June 30, 2010	1,803,846	20%	360,769	
(e) Year ended June 30, 2009	(10,986,902)	0%	0	
(f) Total unrecognized return***				1,768,374
3. Actuarial value of assets: (1) - (2f)				$43,572,353
4. Actuarial value as a percentage of market value: (3) ÷ (1)				96.1%

* *Total return minus expected return on a market value basis*

** *Recognition at 20% per year over 5 years*

****Deferred return as of June 30, 2013 recognized in each of the next four years:*

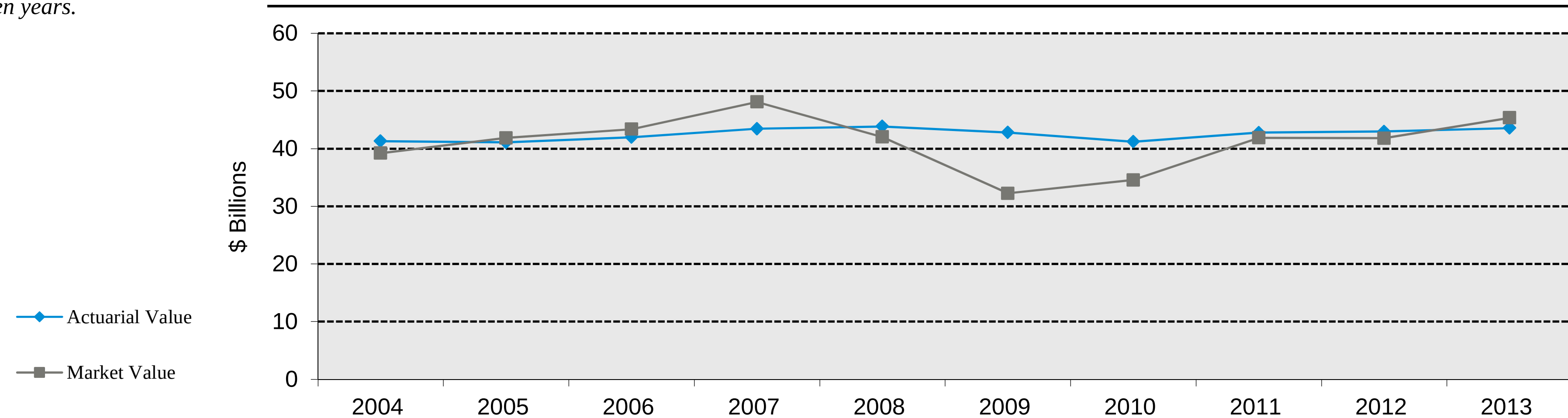
(a)	*Amount recognized during 2013/2014*	*1,017,034*
(b)	*Amount recognized during 2014/2015*	*656,264*
(c)	*Amount recognized during 2015/2016*	*(254,238)*
(d)	*Amount recognized during 2016/2017*	*349,314*
	Total	*$1,768,374*

Both the actuarial value and market value of assets are representations of the Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial value of assets is significant because UCRP's liabilities are compared to the actuarial value of assets to determine what portion, if any, remains unfunded or overfunded. Amortization of any unfunded or overfunded liability is an important element in determining future contribution rates.

This chart shows the change in the actuarial value of assets versus the market value over the past ten years.

CHART 7

Actuarial Value of Assets vs. Market Value of Assets for Years Ended June 30, 2004 – 2013



C. ACTUARIAL EXPERIENCE

To calculate contribution rates, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution rate will decrease from the previous year. On the other hand, the contribution rate will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution rates to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution rate is adjusted to take into account a change in experience anticipated for all future years.

The components of the total loss of $2.7 billion are shown below. The net experience gain from sources other than investments and contributions was 0.6% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

This chart provides a summary of the actuarial experience during the past year.

CHART 8

Actuarial Experience for Year Ended June 30, 2013

		($ in 000s)
1.	Net (loss) from contributions less than expected under funding policy	($1,298,147)
2.	Net (loss) from contributions less than required contractual contributions*	(453,161)
3.	Net (loss) from investments**	(1,267,237)
4.	Net gain from salary increases less than assumed	299,834
5.	Net gain from other experience***	28,053
6.	Net experience (loss): (1) + (2) + (3) + (4) + (5)	($2,690,658)

* *Represents the combined impact of excluding $80 million in contributions that were expected, but not received during 2012/2013 and of not including in UCRP assets the $373 million that would normally have been included as a contribution receivable as of June 30, 2013.*

** *Details in Chart 9.*

*** *See Section 3, Exhibit F. Does not include the effect of Plan or assumption changes, if any.*

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on UCRP's investment policy. For valuation purposes, the assumed rate of return is 7.50%. As shown below, the actual rate of return on the actuarial value of assets for the 2012-2013 Plan Year was 4.51%.

Since the actual return for the year was less than the assumed return, the Plan experienced an actuarial loss during the year ended June 30, 2013 with regard to its investments, when measured based on the actuarial value of assets. The amount of this loss is derived below.

This chart shows the gain/(loss) due to investment experience.

CHART 9

Market and Actuarial Value Investment Experience for Year Ended June 30, 2013

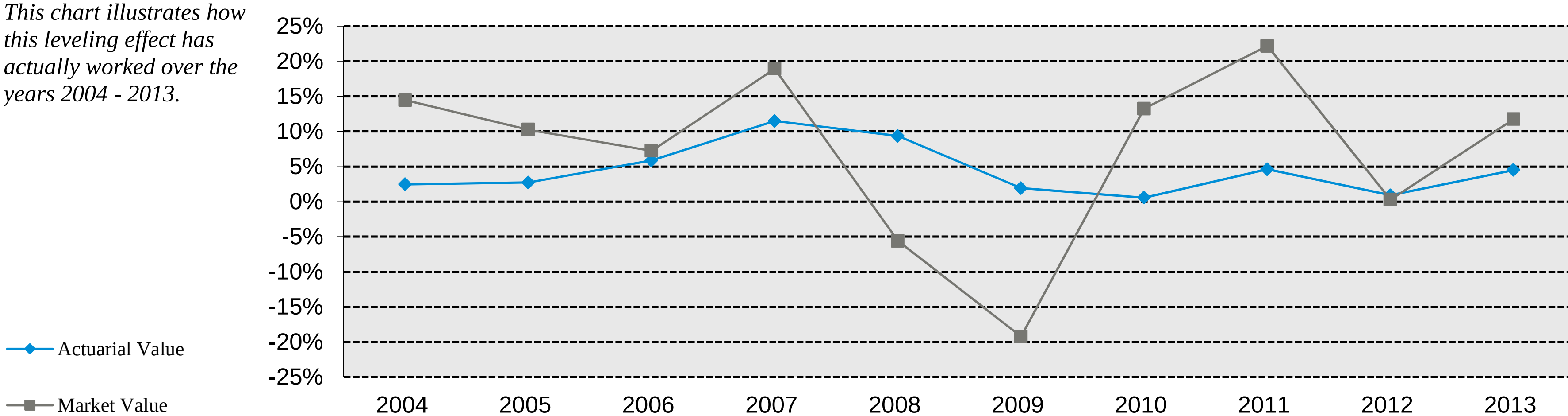
	Market Value ($ in 000s)	Actuarial Value ($ in 000s)
1. Actual return	$4,833,340	$1,906,424
2. Average value of assets	41,156,937	42,315,479
3. Actual rate of return: (1) ÷ (2)	11.74%	4.51%
4. Assumed rate of return	7.50%	7.50%
5. Expected return: (2) x (4)	3,086,771	$3,173,661
6. Actuarial gain/(loss): (1) – (5)	$1,746,569	($1,267,237)

In the preceding subsection B we described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this method is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs. This effect is clear in the chart below, where the year-to-year returns on actuarial value are less volatile than the returns on market value.

CHART 10

Market and Actuarial Rates of Return for Years Ended June 30, 2004 - 2013

This chart illustrates how this leveling effect has actually worked over the years 2004 - 2013.



Other Experience
There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among the members,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

The net gain from this other experience for the year ended June 30, 2013 amounted to $328 million which is 0.6% of the actuarial accrued liability. Of this amount, $300 million was due to salary increases less than assumed.

D. TOTAL FUNDING POLICY CONTRIBUTION

Effective with the July 1, 2008 valuation, a funding policy was adopted that determines total funding policy contributions based on the Plan's normal cost adjusted by an amortization of any surplus (overfunding) or underfunding, with contributions starting for the Plan Year beginning July 1, 2009.

The total funding policy contribution is based on various amortization periods for different components of the UAAL as of July 1, 2013 as shown in Section 3, Exhibit H.

The calculation of the total funding policy contribution rates for the current and prior valuation are shown below. These rates do not reflect the 2013 Tier as there are no members in that tier as of July 1, 2013. The 2013 Tier will have a lower normal cost, but the same UAAL amortization rate.

This total funding policy contribution rate applies to the non-laboratory segment of UCRP (i.e., campuses, medical centers and Hastings College of Law). Contributions for the laboratories are subject to the terms of the University's contracts with the Department of Energy. For more information on the various UCRP segments please see Section 1, page viii. For more details on the UCRP funding policy please see Section 4, Exhibit VII.

The chart shows the calculation of the total funding policy contribution for the non-laboratory segment of UCRP.

CHART 11
Total Funding Policy Contribution (Non-Laboratory Segment of UCRP)

	Actuarial Valuation Date			
	July 1, 2013 ($ in 000s)		July 1, 2012 ($ in 000s)	
	Amount	% of Payroll	Amount	% of Payroll
1. Normal cost (beginning of year)	$1,516,568	17.70%	$1,453,604	17.44%
2. Actuarial value of assets	36,686,832		35,728,600	
3. Actuarial accrued liability	48,433,892		45,762,640	
4. Unfunded/(Overfunded) actuarial accrued liability	11,747,060		10,034,040	
5. Amortization of Unfunded/(Overfunded) actuarial accrued liability*	989,615	11.55%	842,619	10.11%
6. Total funding policy contribution rate, before timing adjustment: (1) + (5)		29.25%		27.55%
7. Total funding policy contribution rate, adjusted for timing**		30.33%		28.56%
8. Estimated total funding policy contribution amount***	$2,703,113		$2,475,295	

* *Layered amortization of unfunded actuarial accrued liability (UAAL). See Section 3, Exhibit H for more details.*

** *Total funding policy contribution includes an adjustment to account for contributions being made throughout the year. No additional adjustment is included to account for contributions not starting until the beginning of the next Plan Year.*

*** *The total funding policy contributions shown are for the non-laboratory segment of UCRP and are based on estimated covered payroll of $8,912,340 (also in thousands) for the 2014-2015 Plan Year and $8,667,001 for the 2013-2014 Plan Year. Actual contributions are set by the Regents and will be made based on actual payroll.*

The chart reconciles the total funding policy contribution rate from the prior valuation to the rate determined in this valuation.

The total funding policy contribution rates as of July 1, 2013 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4 and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

Reconciliation of Total Funding Policy Contribution Rate

The chart below details the changes in the total funding policy contribution rate from the prior valuation to the current year's valuation.

CHART 12

Reconciliation of Total Funding Policy Contribution Rate from July 1, 2012 to July 1, 2013

Total Funding Policy Contribution Rate as of July 1, 2012	28.56%
Effect of contributions less than those determined under funding policy	1.20%
Effect of investment loss	1.00%
Effect of gains on individual salary experience less than assumed	-0.27%
Effect of increase in total payroll on UAAL amortization rate	-0.29%
Effect of other experience*	0.13%
Total change	1.77%
Total Funding Policy Contribution Rate as of July 1, 2013	30.33%

* *Includes effect of differences in actual versus expected experience including mortality, disability, withdrawal and retirement experience.*

E. INFORMATION REQUIRED BY THE GASB

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of governmental pension plans. The information required is set forth in Governmental Accounting Standards (GAS) 25 and 27. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

Critical information to the GASB is the historical comparison of the GASB required contributions to the actual contributions. This comparison demonstrates whether a plan is being funded on an actuarially sound basis and in accordance with the GASB funding requirements. Chart 13 below presents a graphical representation of this information for the Plan.

The other critical piece of information regarding the Plan's financial status is the funded ratio. This ratio compares the assets of the Plan to the liabilities of the Plan as calculated under GASB Standards. High ratios indicate a well-funded plan with assets sufficient to cover the Plan's accrued liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other changes. This information is shown in Chart 14.

The details regarding the calculations of these values and other GASB numbers may be found in Section 4, Exhibits II through IV.

These graphs show key elements of the GASB information.

CHART 13

Required Versus Actual Contributions

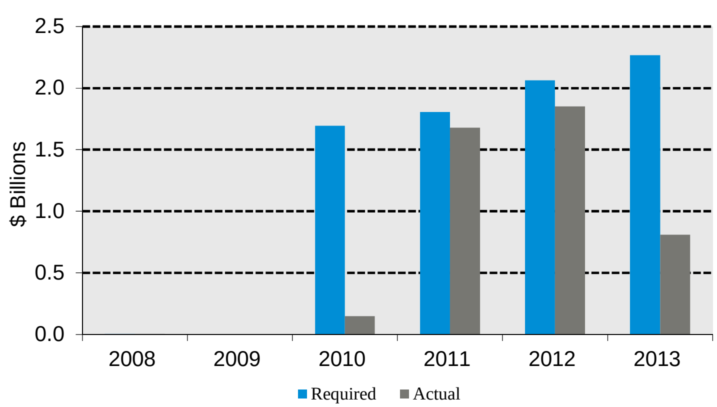
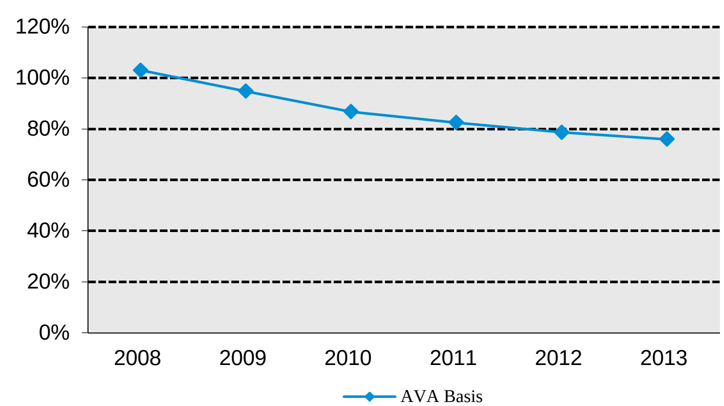


CHART 14

Funded Ratio (Plan Year Beginning July 1)



F. VOLATILITY RATIOS

Retirement plans are subject to volatility in the level of total funding policy contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total payroll, provides an indication of the potential funding policy contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of funding policy contribution volatility. This is a current measure since it is based on the current level of assets.

For UCRP, the current AVR is about 5.1. This means that a 1% asset gain/(loss) (relative to the assumed investment return) translates to about 5.1% of one-year's payroll. Since UCRP amortizes actuarial gains and losses over a period of 30 years, there would be a 0.4% of payroll decrease/(increase) in the total funding policy contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in assumptions.

For UCRP, the current LVR is about 6.5. This is about 27% higher than the AVR. Therefore, we would expect that funding policy contribution volatility will increase over the long-term.

This chart shows how the asset and liability volatility ratios have varied over time.

CHART 15

Volatility Ratios for Years Ended June 30, 2009 – 2013

Year Ended June 30	Asset Volatility Ratio	Liability Volatility Ratio
2009	4.1	5.7
2010	4.3	5.9
2011	5.1	6.3
2012	4.9	6.4
2013	5.1	6.5

SECTION 3: Supplemental Information for the Valuation of the University of California Retirement Plan

EXHIBIT A

Table of Plan Coverage

i. Active Members

Category	Year Beginning July 1 2013	Year Beginning July 1 2012	Change From Prior Year
Active members with Social Security:			
Number	116,855	115,214	1.4%
Average age	44.9	44.9	N/A
Average service credit	9.5	9.4	1.1%
Total covered compensation	$9,706,251,094	$9,359,895,426	3.7%
Average covered compensation	$83,062	$81,239	2.2%
Active members without Social Security:			
Number	1,076	1,278	-15.8%
Average age	55.4	56.4	N/A
Average service credit	24.4	25.5	-4.3%
Total covered compensation	$123,693,696	$144,550,907	-14.4%
Average covered compensation	$114,957	$113,107	1.6%
Safety members:			
Number	390	396	-1.5%
Average age	42.2	42.1	N/A
Average service credit	9.9	10.0	-1.0%
Total covered compensation	$37,555,564	$37,893,696	-0.9%
Average covered compensation	$96,296	$95,691	0.6%
All active members:			
Number	118,321	116,888	1.2%
Average age	45.0	45.0	N/A
Average service credit	9.6	9.6	0.0%
Total covered compensation	$9,867,500,354	$9,542,340,029	3.4%
Average covered compensation	$83,396	$81,637	2.2%

EXHIBIT A

Table of Plan Coverage
ii. Nonactive Members

Category	Year Beginning July 1[1] 2013	Year Beginning July 1[1] 2012	Change From Prior Year
Terminated vested members:			
Number	33,466	32,873	1.8%
Average age	49.3	49.1	N/A
Total monthly benefit[2]	$47,171,177	$46,135,560	2.2%
Average monthly benefit	$1,410	$1,403	0.5%
Terminated nonvested members:[3]			
Number	40,123	34,445	16.5%
Average member refund and CAP balance	$5,398	$5,631	-4.1%
Retired members:			
Number in pay status	52,300	49,675	5.3%
Average age	70.6	70.4	N/A
Total monthly benefit	$172,394,943	$158,920,367	8.5%
Average monthly benefit	$3,296	$3,199	3.0%
Disabled members:			
Number in pay status	1,897	2,000	-5.2%
Average age	57.4	57.1	N/A
Total monthly benefit	$3,419,980	$3,453,874	-1.0%
Average monthly benefit	$1,803	$1,727	4.4%
Beneficiaries (includes Eligible Survivors, Contingent Annuitants, and Spouses/Domestic Partners):			
Number in pay status[4]	7,518	7,259	3.6%
Average age	74.1	73.9	N/A
Total monthly benefit	$15,334,523	$14,224,334	7.8%
Average monthly benefit	$2,040	$1,960	4.1%

Note: Monthly benefits shown include temporary Social Security Supplement

(1) *CAP balances total $1.28 billion as of July 1, 2013 and $1.28 billion as of July 1, 2012 for all members.*

(2) *Benefit is calculated based on assumed retirement age (age 59 for 1976 Tier and Safety, age 64 for 2013 Tier) or current age if later.*

(3) *For July 1, 2013, includes 6,599 members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate employment with LANS or LLNS. For July 1, 2012, 6,863 members were included.*

(4) *Excludes 106 deferred beneficiaries as of July 1, 2013 who are entitled to future benefits. For July 1, 2012, 97 deferred beneficiaries were excluded.*

EXHIBIT B

Members in Active Service and Average Covered Compensation as of July 1, 2013
By Age and Service Credit

i. All Active Members

		Service Credit								
Age	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	3,580	3,554	26	- -	- -	- -	- -	- -	- -	- -
	$43,626	$43,663	$38,486	- -	- -	- -	- -	- -	- -	- -
25 - 29	10,466	8,876	1,587	3	- -	- -	- -	- -	- -	- -
	56,992	57,298	55,294	$50,394	- -	- -	- -	- -	- -	- -
30 - 34	14,680	8,906	5,015	749	10	- -	- -	- -	- -	- -
	69,594	70,542	69,045	62,007	$68,342	- -	- -	- -	- -	- -
35 - 39	15,586	7,142	5,509	2,484	444	7	- -	- -	- -	- -
	79,121	79,536	82,191	72,691	70,445	$72,107	- -	- -	- -	- -
40 - 44	15,684	4,979	5,435	3,622	1,362	281	5	- -	- -	- -
	84,183	80,733	87,133	87,017	79,398	75,208	$67,410	- -	- -	- -
45 - 49	15,094	3,332	4,223	3,806	2,158	1,232	334	9	- -	- -
	87,065	81,028	83,363	91,395	97,848	87,070	75,077	$86,318	- -	- -
50 - 54	15,593	2,770	3,337	3,354	2,455	2,077	1,245	335	20	- -
	89,054	83,341	80,636	87,509	100,641	99,517	90,296	82,366	$69,925	- -
55 - 59	14,648	2,028	2,657	2,673	2,107	2,252	1,727	970	230	4
	95,347	88,322	82,185	89,843	100,777	108,042	108,629	99,774	81,027	$84,052
60 - 64	8,548	1,132	1,647	1,623	1,198	1,205	902	618	201	22
	101,993	93,767	88,544	89,690	98,957	113,370	121,948	132,837	125,063	86,422
65 - 69	3,201	351	575	534	398	386	323	297	268	69
	119,679	100,791	89,829	100,409	109,900	124,201	138,966	164,295	170,924	163,415
70 & over	1,241	160	159	148	120	135	90	107	135	187
	149,358	114,316	110,148	119,617	137,896	151,975	162,045	189,169	182,787	188,662
Total	118,321	43,230	30,170	18,996	10,252	7,575	4,626	2,336	854	282
	$83,396	$71,751	$80,075	$86,372	$96,518	$103,497	$106,982	$118,271	$135,429	$173,025

Average Age: 45.0

Average Service Credit: 9.6

EXHIBIT B

Members in Active Service and Average Covered Compensation as of July 1, 2013
By Age and Service Credit

ii. Members with Social Security

		Service Credit								
Age	**Total**	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & over**
Under 25	3,546	3,520	26	- -	- -	- -	- -	- -	- -	- -
	$43,606	$43,644	$38,486	- -	- -	- -	- -	- -	- -	- -
25 - 29	10,323	8,740	1,580	3	- -	- -	- -	- -	- -	- -
	57,045	57,388	55,164	$50,394	- -	- -	- -	- -	- -	- -
30 - 34	14,512	8,789	4,970	743	10	- -	- -	- -	- -	- -
	69,606	70,690	68,866	61,735	$68,342	- -	- -	- -	- -	- -
35 - 39	15,456	7,065	5,476	2,466	442	7	- -	- -	- -	- -
	79,156	79,703	82,150	72,546	70,283	$72,107	- -	- -	- -	- -
40 - 44	15,575	4,939	5,412	3,599	1,343	277	5	- -	- -	- -
	84,138	80,779	87,110	86,955	79,019	74,497	$67,410	- -	- -	- -
45 - 49	15,008	3,316	4,205	3,786	2,144	1,219	329	9	- -	- -
	87,007	81,027	83,354	91,343	97,758	86,890	74,464	$86,318	- -	- -
50 - 54	15,533	2,751	3,328	3,351	2,448	2,067	1,236	332	20	- -
	88,997	83,225	80,593	87,492	100,667	99,495	90,084	81,960	$69,925	- -
55 - 59	14,524	2,016	2,649	2,671	2,106	2,247	1,709	952	173	1
	95,437	88,264	82,107	89,798	100,797	108,110	108,799	99,792	84,216	$122,078
60 - 64	8,388	1,129	1,642	1,615	1,195	1,196	884	591	132	4
	101,663	93,740	88,408	89,515	98,928	113,315	122,078	133,437	122,999	106,291
65 - 69	2,975	351	575	529	395	379	306	273	149	18
	116,766	100,791	89,829	100,091	109,768	124,435	138,921	164,582	178,639	156,838
70 & over	1,015	159	157	146	118	130	89	85	72	59
	142,171	114,432	110,545	118,944	139,322	151,152	163,002	187,076	186,902	193,758
Total	116,855	42,775	30,020	18,909	10,201	7,522	4,558	2,242	546	82
	$83,062	$71,854	$80,017	$86,288	$96,480	$103,427	$106,856	$117,165	$132,377	$180,513

Average Age: 44.9

Average Service Credit: 9.5

EXHIBIT B

Members in Active Service and Average Covered Compensation as of July 1, 2013
By Age and Service Credit

iii. Members without Social Security

		Service Credit								
Age	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	28	28	- -	- -	- -	- -	- -	- -	- -	- -
	$42,620	$42,620	- -	- -	- -	- -	- -	- -	- -	- -
25 - 29	115	115	- -	- -	- -	- -	- -	- -	- -	- -
	47,905	47,905	- -	- -	- -	- -	- -	- -	- -	- -
30 - 34	99	99	- -	- -	- -	- -	- -	- -	- -	- -
	55,684	55,684	- -	- -	- -	- -	- -	- -	- -	- -
35 - 39	71	66	5	- -	- -	- -	- -	- -	- -	- -
	62,810	61,476	$80,415	- -	- -	- -	- -	- -	- -	- -
40 - 44	37	27	6	3	1	- -	- -	- -	- -	- -
	70,258	65,176	80,307	$98,378	$62,795	- -	- -	- -	- -	- -
45 - 49	16	7	4	5	- -	- -	- -	- -	- -	- -
	78,232	78,201	72,418	82,925	- -	- -	- -	- -	- -	- -
50 - 54	9	4	1	- -	- -	3	1	- -	- -	- -
	99,292	94,485	92,032	- -	- -	$109,383	$95,510	- -	- -	- -
55 - 59	98	- -	1	- -	1	5	15	16	57	3
	78,506	- -	47,262	- -	58,953	77,447	88,948	$99,049	$71,350	$71,376
60 - 64	152	1	2	7	3	8	17	27	69	18
	118,307	40,700	150,778	111,420	110,786	124,463	113,093	119,697	129,013	82,007
65 - 69	225	- -	- -	4	3	7	17	24	119	51
	157,993	- -	- -	125,560	127,206	111,515	139,769	161,034	161,265	165,736
70 & over	226	1	2	2	2	5	1	22	63	128
	181,635	95,850	79,039	168,734	53,757	173,360	76,929	197,254	178,083	186,313
Total	1,076	348	21	21	10	28	51	89	308	200
	$114,957	$54,868	$84,406	$110,924	$94,324	$119,946	$113,830	$146,303	$140,840	$169,954

Average Age: 55.4

Average Service Credit: 24.4

EXHIBIT B

Members in Active Service and Average Covered Compensation as of July 1, 2013
By Age and Service Credit

iv. Safety Members

		Service Credit								
Age	**Total**	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & over**
Under 25	6	6	- -	- -	- -	- -	- -	- -	- -	- -
	$59,865	$59,865	- -	- -	- -	- -	- -	- -	- -	- -
25 - 29	28	21	7	- -	- -	- -	- -	- -	- -	- -
	74,787	71,522	$84,581	- -	- -	- -	- -	- -	- -	- -
30 - 34	69	18	45	6	- -	- -	- -	- -	- -	- -
	87,089	79,892	88,820	$95,697	- -	- -	- -	- -	- -	- -
35 - 39	59	11	28	18	2	- -	- -	- -	- -	- -
	89,708	80,065	90,545	92,472	$106,134	- -	- -	- -	- -	- -
40 - 44	72	13	17	20	18	4	- -	- -	- -	- -
	101,013	95,532	96,953	96,553	108,554	$124,438	- -	- -	- -	- -
45 - 49	70	9	14	15	14	13	5	- -	- -	- -
	101,434	83,320	89,158	107,377	111,648	103,971	$115,390	- -	- -	- -
50 - 54	51	15	8	3	7	7	8	3	- -	- -
	104,689	101,742	97,223	106,958	91,267	101,976	122,454	$127,344	- -	- -
55 - 59	26	12	7	2	- -	- -	3	2	- -	- -
	108,380	98,126	116,621	150,199	- -	- -	110,011	96,797	- -	- -
60 - 64	8	2	3	1	- -	1	1	- -	- -	- -
	137,799	135,587	121,261	219,909	- -	90,033	157,493	- -	- -	- -
65 - 69	1	- -	- -	1	- -	- -	- -	- -	- -	- -
	167,731	- -	- -	167,731	- -	- -	- -	- -	- -	- -
70 & over	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total	390	107	129	66	41	25	17	5	- -	- -
	$96,296	$85,482	$92,857	$102,868	$106,541	$106,130	$120,241	$115,126	- -	- -

Average Age: 42.2

Average Service Credit: 9.9

EXHIBIT C
Reconciliation of Member Data

	Active Members	Terminated Vested Members*	Retired Members	Disabled Members	Beneficiaries**	Total
Number as of July 1, 2012	116,888	67,318	49,675	2,000	7,259	243,140
New members	14,195	0	0	0	606	14,801
Terminations – with vested rights	(9,548)	9,548	0	0	0	0
Terminations – without vested rights***	(857)	(930)	0	0	0	(1,787)
Retirements	(2,730)	(759)	3,660	(171)	0	0
Disabilities	(90)	(28)	(12)	130	0	0
Lump Sum Cashouts	(473)	(478)	(2)	(19)	(21)	(993)
Return to work	1,040	(1,011)	(29)	0	0	0
Died with or without beneficiary	(107)	(74)	(1,004)	(38)	(322)	(1,545)
Data adjustments	3	3	12	(5)	(4)	9
Number as of July 1, 2013	118,321	73,589	52,300	1,897	7,518	253,625

* *Includes terminated nonvested members due a refund of member contributions or CAP balance payment and members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate employment with LANS or LLNS.*

** *Excludes deferred beneficiaries who are entitled to future benefits.*

*** *Includes those members who terminated and received a refund of member contributions or a distribution of their CAP balance.*

EXHIBIT D
Summary Statement of Income and Expenses (Actuarial Value Basis)

	Year Ended June 30, 2013 ($ in 000s)		Year Ended June 30, 2012 ($ in 000s)	
Contribution income:				
Employer contributions	$810,056		$1,851,459	
Members contributions	415,641		272,421	
Less administration expense	(37,427)		(32,839)	
Net contribution income		$1,188,270		$2,091,041
Investment income:				
Interest and dividends	$809,227		$862,453	
Recognition of capital appreciation	1,066,155		(509,605)	
Securities lending income	40,049		45,488	
Securities lending fees and rebates	(9,008)		(8,549)	
Net investment income		1,906,423		389,787
Other income		0		0
Total income available for future benefits		$3,094,693		$2,480,828
Less benefit payments		($2,487,368)		($2,273,071)
Change in assets available for future benefits		$607,325		$207,757

EXHIBIT E
Summary Statement of Assets

	Year Ended June 30, 2013 ($ in 000s)		Year Ended June 30, 2012 ($ in 000s)	
Cash equivalents		$419,974		$235,689
Accounts receivable:				
Contributions	$111,395		$354,975	
Interest and dividends	63,675		65,579	
Investment of cash collateral	4,229,966		5,409,671	
Securities sales and other	68,826		704,856	
Total accounts receivable		$4,473,862		$6,535,081
Investments:				
Equity securities	$15,589,517		$16,315,483	
Fixed income securities	9,679,985		9,564,785	
Real estate	2,407,865		2,257,061	
Commingled funds	17,758,428		13,647,792	
Derivative investments	38,656		45,485	
Total investments at market value		45,474,450		41,830,608
Total assets		$50,368,286		$48,601,376
Less accounts payable:				
Payable for securities purchased	($552,898)		($1,345,658)	
Member withdrawals, refunds and other payables	(244,963)		(41,550)	
Collateral held for securities lending	(4,229,698)		(5,407,683)	
Total accounts payable		($5,027,559)		($6,794,891)
Net assets at market value		$45,340,727		$41,806,485
Net assets at actuarial value (for comparison purposes)		$43,572,353		$42,965,028

EXHIBIT F

Development of Unfunded/(Overfunded) Actuarial Accrued Liability ($ in 000s)

		Year Ended June 30, 2013
1. Unfunded/(Overfunded) actuarial accrued liability at beginning of year		$11,654,592
2. Normal cost at beginning of year		1,499,751
3. Expected total funding policy and required contractual contributions		(2,927,200)
4. Interest		
(a) For whole year on (1) + (2)	$986,576	
(b) For partial year on (3)	(95,769)	
(c) Total interest		890,807
5. Expected Unfunded/(Overfunded) actuarial accrued liability		$11,117,950
6. Changes due to:		
(a) Loss from contributions less than expected under funding policy	$1,298,147	
(b) Loss from contributions less than required contractual contributions*	453,161	
(c) Loss from investments	1,267,237	
(d) Gain from salary increases	(299,834)	
(e) Gain from other experience	(28,053)	
(f) Total changes		2,690,658
7. Unfunded/(Overfunded) actuarial accrued liability at end of year		$13,808,608

* *Represents the combined impact of excluding $80 million in contributions that were expected, but not received during 2012/2013 and of not including in UCRP assets the $373 million that would normally have been included as a contribution receivable as of June 30, 2013.*

EXHIBIT G
Actuarial Liabilities

	July 1, 2013 ($ in 000s)	July 1, 2012 ($ in 000s)
Actuarial Accrued Liability		
Members in pay status		
Retirees*	$24,129,705	$22,364,888
Beneficiaries**	1,739,670	1,627,997
Disableds	714,088	732,192
Total in pay status	$26,583,463	$24,725,077
Active members		
With Social Security	$24,942,226	$24,034,111
Without Social Security	879,814	1,033,334
Safety	139,184	142,595
Total actives	$25,961,224	$25,210,040
Terminated members		
Vested	$4,619,691	$4,490,534
Nonvested	216,583	193,969
Total terminated	$4,836,274	$4,684,503
Total actuarial accrued liability	$57,380,961	$54,619,620
Actuarial Present Value of Projected Benefits		
Members in pay status*	$26,583,463	$24,725,077
Active members	39,287,323	38,094,860
Terminated members	4,836,274	4,684,503
Total present value of projected benefits	$70,707,060	$67,504,440

* *For July 1, 2013, includes a liability of $73.8 million for Lump Sum Cashouts, CAP balance payments and refunds of member contributions that were paid on or after July 1, 2013. For July 1, 2012, includes a liability of $58.5 million for Lump Sum Cashouts, CAP balance payments and refunds of member contributions that were paid on or after July 1, 2012.*

** *Includes liability for deferred beneficiaries.*

EXHIBIT H

Table of Amortization Bases as of July 1, 2013 (Non-Laboratory Segment of UCRP - $ in 000s)

Type	Date Established	Initial Years	Initial Amount	Annual Payment*	Years Remaining	Outstanding Balance
Actuarial Loss**	07/01/2010	30	$5,389,886	$424,529	27	$5,221,484
Actuarial Loss	07/01/2011	30	905,208	71,298	28	887,042
Change in Assumptions	07/01/2011	15	1,513,127	159,459	13	1,392,915
Plan Amendment	07/01/2011	15	(59,179)	(6,236)	13	(54,477)
Actuarial Loss	07/01/2012	30	2,457,582	193,569	29	2,433,814
Actuarial Loss	07/01/2013	30	1,866,282	146,996	30	1,866,282
Total				$989,615		$11,747,060

* *Level dollar amount. Payment shown is as of beginning of year. The amounts shown are based on results for the non-laboratory segment of UCRP (i.e., campuses, medical centers and Hastings College of Law). They are used in the determination of the total funding policy contribution shown in Section 2, Chart 11, page 10. For more details on the UCRP funding policy please see Section 4, Exhibit VII.*

** *The July 1, 2010 amortization bases were combined into a single amortization base and amortized over 30 years as a level dollar amount.*

EXHIBIT I
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 $200,000 for 2012 and $205,000 for 2013. 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. These costs are excluded in this valuation.

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

EXHIBIT J
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; and

(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 which the sum is expected to earn before it is entirely paid out in benefits.

Unfunded (Overfunded) Actuarial Accrued Liability: The extent that the actuarial accrued liability of the Plan exceeds (or is exceeded by) the actuarial value of assets of the Plan.

Actuarial Value of Assets: The dollar amount of assets for purposes of calculating the total funding policy contribution determined under the actuarial asset valuation method adopted by the Regents.

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

SECTION 4: Reporting Information for the Valuation of the University of California Retirement Plan

EXHIBIT I
Summary of Actuarial Valuation Results as of July 1, 2013 ($ in 000s)

The valuation was made with respect to the following data supplied to us:			
1.	Retired members as of the valuation date (including 7,518 beneficiaries in pay status)*		61,715
2.	Members inactive during year ended June 30, 2013 with vested rights**		73,589
3.	Members active during the year ended June 30, 2013		118,321
The actuarial factors as of the valuation date are as follows:			
1.	Normal cost (beginning of year)		$1,563,366
2.	Present value of future benefits		70,707,060
3.	Present value of future normal costs		13,326,099
4.	Actuarial accrued liability		57,380,961
	Retired members and beneficiaries***	$26,583,463	
	Inactive members with vested rights**	4,836,274	
	Active members	25,961,224	
5.	Actuarial value of assets ($45,340,727 at market value as reported by the UCOP)		43,572,353
6.	Unfunded actuarial accrued liability		$13,808,608

* *Excludes deferred beneficiaries who are entitled to future benefits.*

** *Includes terminated nonvested members due a refund of member contributions or CAP balance payment and members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate from employment with LANS or LLNS.*

*** *Includes liability for deferred beneficiaries.*

EXHIBIT I (continued)
Summary of Actuarial Valuation Results as of July 1, 2013 ($ in 000s)

The determination of the normal cost (non-laboratory segment of UCRP) is as follows:	**Dollar Amount***	**% of Payroll****
1. Total normal cost (beginning of year)	$1,516,568	17.70%
2. Expected employee contributions	-531,926	-6.21%
3. Employer normal cost: (1) + (2)	$984,642	11.49%

* *Based on estimated covered payroll of $8,569,558 (also in thousands) for the 2013-2014 Plan Year.*

** *For Safety members, the total normal cost as a percentage of payroll is 24.59%.*

EXHIBIT II

Supplementary Information Required by GAS 25 – Schedule of Employer Contributions ($ in 000s)

Plan Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2008	$2,657	$2,657	100.00%
2009	454	454	100.00%
2010	1,695,137	148,445	8.76%
2011	1,806,205	1,677,921	92.90%
2012	2,062,022	1,851,459	89.79%
2013	2,266,634	810,056	35.74%

The Annual Required Contribution (ARC) shown for Plan Years ending June 30, 2010 and later includes interest until the end of the Plan Year. This interest includes interest on actual employer contributions made throughout the year.

EXHIBIT III
Supplementary Information Required by GAS 25 – Schedule of Funding Progress ($ in 000s)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Projected Covered Payroll* (c)	UAAL as a Percentage of Projected Covered Payroll [(b) - (a)] / (c)
07/01/2008	$43,840,272	$42,576,822	($1,263,450)	103.0%	$7,468,809	(16.9%)
07/01/2009	42,798,773	45,160,525	2,361,752	94.8%	7,873,694	30.0%
07/01/2010	41,195,318	47,504,309	6,308,991	86.7%	7,995,421	78.9%
07/01/2011	42,757,271	51,831,306	9,074,035	82.5%	8,163,021	111.2%
07/01/2012	42,965,028	54,619,620	11,654,592	78.7%	8,598,114	135.5%
07/01/2013	43,572,353	57,380,961	13,808,608	75.9%	8,836,498	156.3%

* *Covered payroll is reduced to anticipate members who leave active status during the year.*

EXHIBIT IV
Supplementary Information Required by GAS 25

Valuation Date	July 1, 2013
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level dollar, Closed
Remaining Amortization Period	The July 1, 2010 amortization bases were combined into a single amortization base and amortized over 30 years. Any changes in UAAL due to actuarial experience gains or losses after July 1, 2010 will be separately amortized over a fixed (closed) 30-year period effective with that valuation. Any changes in UAAL due to a change in actuarial assumptions or plan provisions will be separately amortized over a fixed (closed) 15-year period.
Asset Valuation Method	The market value of asset 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.
Actuarial Assumptions:	
Investment Rate of Return*	7.50%
Projected Salary Increases*	4.30% to 6.75%
Cost of Living Adjustments	2.00%
Membership of the Plan	
Retirees, disableds and beneficiaries receiving benefits**	61,715
Terminated Plan members entitled to, but not yet receiving benefits***	73,589
Active Plan members	118,321
Total	253,625

* *Includes inflation at 3.50%*

** *Excludes 106 deferred beneficiaries who are entitled to future benefits.*

*** *Includes terminated nonvested members due a refund of member contributions or CAP balance payment and members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate employment with LANS or LLNS.*

EXHIBIT V
Actuarial Assumptions and Methods

Demographic Assumptions

Post – Retirement Mortality Rates:

Healthy: RP-2000 Combined Healthy Mortality Table projected with scale AA to 2025. Ages are set back two years for males (from the male table) and females (from the female table).

Disabled: RP-2000 Disabled Retiree Mortality Table projected with scale AA to 2025. Ages are set back two years for males (from the male table).

The RP-2000 mortality tables projected with Scale AA to 2015 and adjusted by a two-year set back reasonably reflects the projected mortality experience as of the measurement date. The additional projection to 2025 is a provision for future mortality improvement.

Sample Termination Rates Before Retirement:

	Rate (%)					
	Healthy Mortality*		Disabled Mortality**		Disability Incidence***	
Age	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
20	0.02	0.01	N/A	N/A	0.02	0.02
25	0.03	0.01	1.55	0.52	0.03	0.03
30	0.03	0.02	1.99	0.58	0.06	0.06
35	0.06	0.03	1.99	0.57	0.09	0.09
40	0.08	0.04	1.94	0.51	0.13	0.16
45	0.10	0.06	1.71	0.50	0.18	0.26
50	0.12	0.09	1.76	0.75	0.29	0.36
55	0.18	0.16	1.98	1.35	0.35	0.46
60	0.35	0.35	2.63	1.93	0.35	0.50
65	0.70	0.67	3.27	2.47	0.23	0.32

* *All pre-retirement deaths are assumed to be non-duty related.*
** *Assumed to apply only while receiving UCRP Disability Income.*
*** *All disabilities are assumed to be non-duty related.*

Sample Termination Rates Before Retirement (continued):

	Rate (%) Withdrawal*	
Years of Service	**Faculty**	**Staff and Safety**
Less than 1	19.00	21.00
1	12.00	17.00
2	8.00	14.00
3	7.00	11.00
4	6.00	9.00
5	5.75	8.00
6	5.50	7.50
7	5.25	7.00
8	5.00	6.50
9	4.75	6.00
10	4.50	5.50
11	4.25	5.25
12	4.00	5.00
13	3.75	4.75
14	3.50	4.50
15	3.25	4.25
16	3.00	4.00
17	2.75	3.75
18	2.50	3.50
19	2.25	3.25
20 & over	2.00	3.00

* *The greater of a refund of member contributions and a deferred annuity or lump sum is valued when a member withdraws. No withdrawal is assumed after a member is first assumed to retire.*

Retirement Rates:

Retirement Probability – Unisex

Age	Faculty	Staff*	Safety
50	2.00%	4.00%	20.00%
51	1.00	3.00	10.00
52	1.00	3.00	10.00
53	1.00	3.00	10.00
54	1.00	4.00	10.00
55	2.00	4.00	20.00
56	2.00	5.00	20.00
57	2.00	6.00	25.00
58	2.00	7.00	25.00
59	3.00	10.00	25.00
60	5.00	14.00	25.00
61	5.00	16.00	30.00
62	5.00	18.00	40.00
63	5.00	18.00	50.00
64	7.00	20.00	60.00
65	9.00	25.00	100.00
66	10.00	22.00	100.00
67	11.00	22.00	100.00
68	12.00	22.00	100.00
69	15.00	22.00	100.00
70	15.00	20.00	100.00
71	12.00	20.00	100.00
72	12.00	20.00	100.00
73	12.00	20.00	100.00
74	12.00	20.00	100.00
75	100.00	100.00	100.00

* *These rates apply for those with ten to twenty years of service. For ages under 65, 60% of these rates will be used for those with less than ten years of service and 150% of these rates will be used for those with twenty or more years of service.*

Members with Tier Two Benefits:	Assumptions specific to the 1976 Tier are also applied to Members with Tier Two Benefits.
Retirement Age for Deferred Vested Members:	1976 Tier and Safety deferred vested members are assumed to retire at age 59.
Benefit for Terminated Nonvested Members:	Immediate refund of member contribution and CAP balance.
Disability Income Cross Over Age:	Members receiving Disability Income are assumed to "cross over" at age 65 for those coordinated with Social Security or age 67 for those not coordinated with Social Security.
Form of Payment:	For those members not electing a Lump Sum Cashout: Life annuity for members without an Eligible Survivor; 25% contingent annuity for 1976 Tier members with Social Security who have an Eligible Survivor; 50% contingent annuity for 1976 Tier members without Social Security who have an Eligible Survivor; 50% contingent annuity for Members with Safety Benefits who have an Eligible Survivor. It is also assumed that some members elect a Lump Sum Cashout (see Lump Sum Assumptions).
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 membership as of the valuation date or have not started receiving a monthly pension on or before the valuation date.

Percent with Eligible Survivors: 85% of male members and 65% of female members are assumed to have Eligible Survivors at time of decrement.

Eligible Survivor Ages: Members assumed to have an opposite sex Eligible Spouse or Eligible Domestic Partner, with females three years younger than males.

Number of Survivors (Samples):

	Number of Survivors per Active Member with Survivors	
Age	Male	Female
20	1.0	1.0
25	1.8	2.1
30	2.2	2.7
35	2.7	2.8
40	3.0	2.4
45	2.8	2.1
50	2.5	1.7
55	2.0	1.4
60	1.5	1.2
65	1.3	1.1

Economic Assumptions

Net Investment Return: 7.50% (including 3.50% for inflation)

Consumer Price Index: Increase of 3.50% per year; COLA increases are assumed to be 2.00% per year.

Administrative Expenses: 0.50% of payroll added to normal cost.

Salary Increases:

Annual Rate of Compensation Increase

Inflation: 3.50% per year, plus "across the board" salary increases of 0.50% per year, plus the following merit and promotional increases:

Years of Service	Faculty	Staff and Safety
Less than 1	2.75%	2.75%
1	2.75	2.50
2	2.75	2.30
3	2.75	2.10
4	2.75	1.90
5	2.70	1.70
6	2.65	1.50
7	2.60	1.40
8	2.50	1.30
9	2.40	1.20
10	2.30	1.10
11	2.20	1.00
12	2.10	0.90
13	2.00	0.80
14	1.90	0.70
15	1.80	0.60
16	1.70	0.50
17	1.60	0.45
18	1.50	0.40
19	1.30	0.35
20 & over	1.10	0.30

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.
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 (i.e., “replacement life”).
Covered Payroll:	Covered compensation for a Plan Year is determined by annualizing actual payroll for the prior Plan Year increased by the assumed rate of salary growth. Covered payroll is covered compensation reduced to anticipate members who leave active status during the year.

Other Actuarial Assumptions

Increase in 401(a)(17) Compensation Limit:	Increase of 3.5% per year from the valuation date.
Increase in 415 Dollar Limit:	Increase of 3.5% per year from the valuation date.

Lump Sum Assumptions:

Conversion Basis:

Discount Rate: 7.50%

COLA: 2.00%

Mortality: RP-2000 Combined Healthy Mortality Table projected with scale AA to 2025 set back two years; weighted 40% male and 60% female.

Take-rate for Non-2013 Tier Members:

Non-2013 Tier Members Terminating From Active Membership and Eligible to Retire

Years of Service	Percentage Electing Lump Sum Cashout
Less than 10	30.0%
10 – 14	15.0%
15 – 19	12.5%
20 – 24	7.5%
25 & over	5.0%

For those non-2013 Tier Members who were receiving a disability income and now “crossing over”, we are assuming that 13% elect a Lump Sum Cashout. For those non-2013 Tier Members who are leaving inactive (deferred vested) status, we are assuming that 45% elect a Lump Sum Cashout.

Approximations:

Sick Leave Only for purposes of determining projected benefits, service has been increased by 0.13% for Faculty, 1.45% for Staff, and 2.00% for Safety members to account for unused sick leave. This assumption applies only for members retiring from active membership and not electing a Lump Sum Cashout. For all other benefits there is assumed to be no conversion of unused sick leave to service credit.

Changes in Actuarial Assumptions and Methods:	There were no changes in actuarial assumptions or methods since the prior valuation.

EXHIBIT VI
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 July 1, 2013.
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.
Membership Classification:	Members are divided into four classes: (1) Members with Coordinated Benefits (covered under Social Security); (2) Members with Noncoordinated Benefits (not covered under Social Security); (3) Members with Tier Two Benefits; and (4) Members with Safety Benefits. The classes of Members with Coordinated Benefits and Members with Noncoordinated Benefits have two member tiers: the 1976 Tier and the 2013 Tier. Generally, members hired before July 1, 2013 accrue service under the 1976 Tier. Members hired (or rehired after a break in service) on or after July 1, 2013 accrue future service under the 2013 Tier. A member who has service credit in both the 1976 and 2013 Tiers is referred to as a multi-tier member. Unless otherwise noted, the Plan provisions for Members with Tier Two Benefits are the same as those shown for 1976 Tier Members.
Highest Average Plan Compensation (HAPC):	Highest average monthly full-time-equivalent base compensation rate received during any period of 36 consecutive months.

Compensation Limit: Annual compensation is limited based on Internal Revenue Code Section 401(a)(17). The limit for the Plan Year beginning July 1, 2013 is $255,000 for employees who became members on or after July 1, 1994. The limit is $380,000 for those active members who became employees before July 1, 1994. The compensation limit is indexed for inflation on an annual basis.

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

1976 Tier Service

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		

2013 Tier Service

Age	Factor	Age	Factor
55	1.10%	61	1.94%
56	1.24	62	2.08
57	1.38	63	2.22
58	1.52	64	2.36
59	1.66	65+	2.50
60	1.80		

Safety Service 3.0% at all ages 50 and above.

Tier Two Service Equal to one-half of the Age Factor for 1976 Tier Service.

Benefit Percentage: Age Factor multiplied by years of service credit.

Basic Retirement Income (BRI):	
1976 Tier Members without Social Security	Benefit Percentage x HAPC.
1976 Tier Members with Social Security	Benefit Percentage x HAPC in excess of $133 per month.
Members with Safety Benefits	Benefit Percentage x HAPC.
2013 Tier Members	Benefit Percentage x HAPC.
Multi-Tier Members	The applicable benefit percentages from the 1976 Tier and the 2013 Tier are multiplied by HAPC or HAPC - $133, if applicable. These benefits are subject to a limit of 100% of HAPC or HAPC - $133, if applicable.
Service Retirement:	
Eligibility	Age 50 (age 55 for 2013 Tier) 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.
Benefit	BRI.
Form of Payment	Single Life Annuity.
Payment Options	Full continuance to contingent annuitant; two-thirds continuance to contingent annuitant; one-half continuance to contingent annuitant; one-half continuance (including postretirement survivor continuance) to surviving spouse or domestic partner (for 1976 Tier Members with Social Security only).
Lump Sum Cashout	May be elected in lieu of non-2013 Tier monthly retirement income.
Temporary Social Security Supplement:	
Eligibility	For 1976 Tier Members with Social Security only and retirement must occur before age 65.
Benefit	Annuity in the amount of $133 per month multiplied by 1976 Tier Benefit Percentage.
Form of Payment	Temporary Single Life Annuity payable to age 65.
Payment Options	None.

Disability Income:

Eligibility	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.
Benefit	
1976 Tier Members without Social Security	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.
1976 Tier Members with Social Security	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.
2013 Tier Members	13.1% of final salary, plus 1.7% of final salary per year of service credit greater than five, total not to exceed 25% of final salary.
Multi-Tier Members	Benefit calculated for each tier is multiplied by the ratio of service credit accrued under that tier to total service. Not less than the result under the 1976 Tier benefit formula using 1976 Tier service only.
Members with Safety Benefits (Non-duty)	Same as for members without Social Security; includes eligible child's benefit.
Members with Safety Benefits (Duty)	50% of HAPC, or non-duty disability benefit if greater.
Form of Payment	Single life annuity payable until end of disability income period or retirement date if earlier.

Disability Income Period	
Members disabled before November 5, 1990	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.
Members disabled on or after November 5, 1990	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.
Vested Termination:	
Eligibility	Five years of service credit, or age 62 regardless of service credit if membership began on or before July 1, 1989.
Benefit	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. 2013 Tier benefit cannot commence earlier than age 55. HAPC for 2013 Tier benefit is not adjusted for CPI changes.
Form of Payment	Same as for service retirement.
Payment Options	Same as for service retirement.
Refund Option	Member may elect a refund of contributions with interest, thereby forfeiting all other benefits.
Lump Sum Cashout	May be elected in lieu of non-2013 Tier retirement income, available only if at least age 50 with five years service credit at date of termination.

Preretirement 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

1976 Tier Members without Social Security — Percent of final salary as follows:

Eligible Survivors	Percent	Minimum Benefit
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

1976 Tier Members with Social Security — 25% of final salary less $106.40 per month.

2013 Tier Members — 15% of final salary

Multi-Tier Members — Benefit calculated for each tier is multiplied by the ratio of service credit accrued under that tier to total service.

Members with Safety Benefits, non-duty death — As for 1976 Tier members without Social Security.

Members with Safety Benefits, duty death — Percentage of HAPC as follows, but not less than benefit for non-duty death.

Eligible Survivors	Percent of HAPC
1	50.0%
2	62.5
3	70.0
4+	75.0

Death while eligible to retire	
Eligibility	Surviving spouse or surviving domestic partner of active, disabled or inactive member who dies while eligible to retire.
Benefit	Greater of benefit described above or monthly benefit to eligible spouse or eligible domestic partner assuming member had retired on date of death and elected full continuance option with spouse or domestic partner as contingent annuitant.

Postretirement Survivor Continuance:

Eligibility	Eligible surviving spouse, eligible surviving domestic partner, eligible children or eligible dependent parent of deceased retired member. Not applicable for 2013 Tier benefit for multi-tier members or 2013 Tier Members.
Benefit	
1976 Tier Members without Social Security	50% of BRI including COLA.
1976 Tier Members with Social Security	25% of BRI including COLA, plus 25% of Temporary Social Security Supplement (ends when member would have reached age 65).
Members with Safety Benefits	50% of BRI including COLA.

Lump Sum Death Benefit:

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

Normal Retirement Age:	
Members with Safety Benefits	Attainment of age 50 with five years of service credit.
All Other Members	Attainment of age 60 (age 65 for 2013 Tier) with five years of service credit.
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 a 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	Generally 75% of annual CPI increase above 4%. 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. For multi-tier members, separate dates apply to 1976 and 2013 Tier benefits based on the dates those benefits start.
Non-2013 Tier 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.

Capital Accumulation Provision (CAP):	
Eligibility	Various UCRP nonretired members have CAP balances from allocations made periodically in the past. These balances are all vested.
Interest Credit	Regents' approved interest rate; currently 8.5% per year for pre-2002 CAPs and the assumed rate of investment return used in the actuarial valuation (currently 7.5%) for 2002 and later CAPs (CAP II).
Payment	Lump sum payment upon termination, retirement or death.
University Contributions:	Each year the Regents will determine the actual total contributions and the split between Member Contributions and University Contributions based on the total funding policy contribution and various other factors, including the availability of funds, the impact of employee contributions on the competitiveness of UC's total remuneration package, and collective bargaining. In no event would the University Contributions be lower than the Member Contributions. The total funding policy contribution is based on the Regents' funding policy as described in Exhibit VII. The Regents approved an employer contribution rate of 12% of covered compensation starting July 1, 2013. This rate will increase to 14% of covered compensation on July 1, 2014.
Member Contributions:	
1976 Tier Members	6.5% of covered compensation from July 1, 2013 through June 30, 2014; 8.0% of covered compensation starting July 1, 2014.
Members with Safety Benefits	7.5% of covered compensation from July 1, 2013 through June 30, 2014; 9.0% of covered compensation starting July 1, 2014.
Members with Tier Two Benefits	None.
Offset	All contributions for non-2013 Tier members are reduced by $19 per month.
Members with 2013 Tier Benefits	7.0% of covered compensation.
Interest Credit	Regents' approved interest rate; currently 6.0% per year.

Changes in Plan Provisions:	The following changes in Plan provisions have been recognized since the prior valuation: ➤ Members with Coordinated Benefits and Members with Noncoordinated Benefits hired (or rehired after a break in service) on or after July 1, 2013 accrue service under the 2013 Tier. There were none of these members as of July 1, 2013 and therefore, this change has no impact on this valuation. ➤ The Regents approved rates for University and Member contributions to UCRP for the Plan Year beginning July 1, 2014. These rates are shown on the prior page.

EXHIBIT VII
UCRP Funding Policy

UCRP Funding Policy:

Effective with the July 1, 2008 valuation, a funding policy was adopted that determines total funding policy contributions based on the Plan's Normal Cost adjusted by an amortization of any surplus or underfunding. The funding policy was amended in September 2010, effective with the July 1, 2010 actuarial valuation.

The UCRP funding policy has the following structure and parameters:

(1) The funding policy is effective with the July 1, 2008 actuarial valuation and determines total funding policy contributions starting with the Plan Year beginning July 1, 2009.

(2) Each year the funding policy contributions would be effective for the Plan Year starting one year after the date of the actuarial valuation.

(3) Each year the Regents will determine the actual total contributions and the split between Member Contributions and University Contributions based on the total funding policy contributions and various other factors, including the availability of funds, the impact of employee contributions on the competitiveness of UC's total remuneration package, and collective bargaining. In no event shall the University Contributions be lower than the Member Contributions.

(4) The funding policy determines total funding policy contribution rates based on an actuarial valuation of the non-laboratory segment of UCRP (i.e., campuses, medical centers and Hastings College of the Law). The Lawrence Berkeley National Laboratory contributes on the same basis as determined for the non-laboratory segment of UCRP, subject to the terms of the University's contract with the Department of Energy. The Lawrence Livermore National Laboratory and Los Alamos National Laboratory Retained Segments in UCRP are subject to the funding policies outlined in the University's contracts with the Department of Energy. Throughout this funding policy, the term "UCRP" refers to the non-laboratory segment of UCRP.

(5) The total funding policy contributions to UCRP consists of the Normal Cost plus an amortization charge for any Unfunded Actuarial Accrued Liability (UAAL) or minus an amortization credit for any surplus.

(6) The Regents' Consulting Actuary conducts an annual actuarial valuation of UCRP. The Normal Cost and the Actuarial Accrued Liability (AAL) in each actuarial valuation is determined under the Entry Age Normal Actuarial Cost Method, using actuarial assumptions adopted by the Regents.

(7) The asset smoothing method used to determine the Actuarial Value of Assets is based on the Market Value of Assets adjusted for "unrecognized returns" in each of the last five years. Unrecognized return is the difference between actual and expected returns on a market value basis and is recognized over a five-year period.

(8) As of the effective date of this policy, any initial surplus as of that date is amortized as a level dollar amount over a period of three years.

a. Any changes in surplus after the effective date due to actuarial gains and losses (including contribution gains and losses) would be amortized as a level dollar amount over 15 years.

b. Any change in surplus due to a change in actuarial assumptions, cost method or asset smoothing method would be amortized as a level dollar amount over 15 years.

c. Any change in surplus due to a Plan amendment would be amortized as a level dollar amount over 15 years.

d. In the first year after the effective date when UCRP has a UAAL all amortization bases would be considered fully amortized and contributions would be determined under the remaining provisions of this policy.

(9) For any year when UCRP has a UAAL, the calculation of the UAAL would be maintained by source (as listed below) and each new portion of or change in UAAL would be amortized as a level dollar amount over a fixed amortization period.

a. Any initial UAAL (after a period of surplus) or change in UAAL due to actuarial gains and losses (including contribution gains and losses) would be amortized over 30 years.

b. Any change in UAAL due to a change in actuarial assumptions, cost method or asset smoothing method would be amortized over 15 years.

c. Any change in UAAL due to a Plan amendment would be amortized over 15 years, unless a shorter period is adopted by the Regents reflecting the nature of the Plan amendment.

(10) For any year in which UCRP has a surplus, such surplus would be amortized as a level dollar amount over 30 years, and all prior UAAL amortization bases would be considered fully amortized.

(11) Effective July 1, 2010, all UAAL amortization bases as of July 1, 2010 will be combined and the combined base will be amortized as a level dollar amount over 30 years.

(12) This funding policy supersedes any previous funding policies.

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