



## Transition to begin in July 2005

## New services provider for Defined Contribution and 403(b) Plans

*In the next few months, participants in the University's Defined Contribution Plan (DC Plan) and Tax-Deferred 403(b) Plan (403(b) Plan) will receive information about important changes in account and recordkeeping services for the two plans.*

Beginning in July 2005, participant account and recordkeeping services for the DC and 403(b) plans will be provided by Fidelity Investments Tax-Exempt Services Company, which already provides these services for UC's Deferred Compensation 457(b) Plan.

The UC Office of the Treasurer will provide oversight responsibility for the assets and investment options of the DC and 403(b) plans.

This change will not affect existing UC in-house services and operations of the UC Retirement Plan (UCRP), which provides regular pension benefits.

### Enhanced services, expanded investment options

Recognizing that UC's own system resources are operating at capacity, last year the Board of Regents

approved partnering with an independent provider of account and recordkeeping services. The partnership is part of a long-term, multi-phased effort to improve services and the investment options available for DC Plan and 403(b) Plan participants.

"We are very pleased that with this transition, we will be able to offer a number of service enhancements and streamlined account management processes that faculty and staff have requested over the years," said Judy Boyette, UC associate vice president for Human Resources and Benefits. "We also now have the opportunity to explore a wider range of investment options for participants," she added.

Among the enhanced service features that participants can expect are the following:

- Daily valuation of the UC funds (which historically have been valued monthly)
- A single website designed to help participants manage all their investments
- A quarterly account statement showing all DC and 403(b) Plan activity

continued on page 2

## Health and welfare random audit for employees, retirees and their enrolled family members

Beginning in May, UC HR/Benefits will commence its annual random audit of UC employees, retirees, and their family members enrolled in UC-sponsored health and welfare plans. This audit is required by UC plan regulations and helps ensure that your family members enrolled in health and welfare plans are fully eligible for coverage as described in UC's *Group Insurance Eligibility Factsheet*.

### Verification of eligibility

The University incurs significant costs to provide group insurance coverage for retirees and their family members. To ensure that only those who are truly eligible for coverage are enrolled and to meet health contract obligations, UC must verify family member eligibility.

UC HR/Benefits will randomly select 20 percent of all UC members enrolled in medical plans and notify them in writing of the documentation required for each type of dependent.

continued on page 3

## Fidelity selected on rigorous criteria

Fidelity Investments Tax-Exempt Services Company was selected as the new services provider from a field of applicants in a competitive search process led by UC Human Resources and Benefits and the Office of the Treasurer. Bidding firms were evaluated on a number of criteria, notably long-term suitability, service level, and cost.

Fidelity demonstrated particular strength in its sophisticated consumer web-based tools, its commitment to state-of-the-art technology, and its dedication to providing quality customer service. A joint UC and Fidelity team is currently finalizing the transition plan.

Participants will receive detailed informational mailings about the

transition and service changes in the coming months.

## UC-managed investment funds for the plans

After the transition, the Treasurer's Office will review and update the overall investment choices, creating a set of prudently selected options within a range of asset classes called "Core Funds." These Core Funds will be available in the DC and 403(b) plans, and all communication and financial education efforts will focus on these funds.

Says UC Treasurer David Russ, "Our goal is to build and maintain a set of Core Funds which addresses the needs of all our participants. We see this as a natural role in our ongoing mission of serving the financial management needs of our community." Once the Core Funds

are selected, the Treasurer's Office will monitor them on an ongoing basis and will make changes if needed.

## Fidelity, Calvert

Participants in Fidelity Investments and the Calvert Group Socially Responsible Investment Funds will continue to have access to those investment options.

## More information

In the spring, DC Plan and 403(b) Plan participants will receive detailed transition information and service guides. As it becomes available, additional information will also be posted on the At Your Service website and announced in this newsletter. 📧

## Favorable conditions stabilize premiums 2005 medical plans

The October 2004 issue of this newsletter reported that UC retirees would see relief in health plan costs for 2005 and explained that future costs increases were anticipated. Fortunately, as you know, most medical plan premiums did not increase for 2005, and the premiums for retirees with Medicare decreased.

You may have wondered what contributed to these favorable rates, so this article will provide some answers.

Medical plan rates for 2005 have remained generally stable because of circumstances unique to 2004:

- UC medical plan premium increases were not as dramatic as in previous years.

*In short, while UC is paying more in employer premiums for 2005, the retiree portion of the premiums did not increase.*

- The Centers for Medicare & Medicaid Services, a federal agency which administers the Medicare Program, provided higher reimbursements to the Medicare Advantage plans: Seniority Plus (Health Net), Secure Horizons

(PacifiCare of California), Senior Advantage (Kaiser Permanente—California), and WHA Care+.

- The Medicare claims under Blue Cross of California and the UnitedHealthcare plans were more favorable than expected.
- The University was able to increase contributions to medical plan premiums sufficiently to hold most retiree costs steady at 2004 levels, or close to them. *In short, while UC is paying more in employer premiums for 2005, the retiree portion of the premiums did not increase.*

This newsletter will include more information about benefits for 2006 as information becomes available. 📧

Examples of documentation include marriage or birth certificates, verification of same-sex domestic partnerships, adoption records, and tax records.

## De-enrollment period

The result of a retiree enrolling ineligible individuals, failing to respond to the University's eligibility verification, or failing to provide the required documentation when requested is a permanent de-enrollment (cancellation of coverage) of the ineligible individual. In addition, the retiree and all other family members will be de-enrolled for 12 months from any plan in which an ineligible individual is enrolled.

For example, if it is determined through the audit process that an ineligible individual is enrolled in a UC-sponsored medical plan such as Health Net, the retiree, the ineligible individual and all other family members will be de-enrolled from Health Net.

In previous years, the de-enrollment period was 18 months. This year, UC has decided to reduce the period to ease the financial burden on retirees whose only option to continue health and welfare coverage would be to purchase non-UC (COBRA) coverage during the de-enrollment period.

## Review eligibility of enrolled family members

Before the verification process starts, we ask that you review your health and welfare plan enrollments to ensure that your enrolled family members are eligible for UC-sponsored coverage as defined by UC's eligibility rules.

If you have ineligible family members enrolled, such as a child who recently married or an ex-spouse you forgot to de-enroll, complete a *Retiree Continuation, Enrollment, or Change* form (UBEN 100) and return it to the address on the form. This form is available online through the At Your Service website. Changes made during the audit will be subject to the penalties of the audit.

**Eligibility rules:** You can review eligibility rules for family members by going online (<http://atyourservice.ucop.edu>) and selecting the article under "Current News" called "UC HR/Benefits Audit of UC-sponsored Health and Welfare Coverage."

## Eligible family members for UC-sponsored coverage include:

- **Legal spouse**
- **Domestic partner** (same-sex or opposite-sex; if opposite sex either the retiree or the domestic partner must be age 62 or older and eligible to receive Social Security benefits based on age.)
- **Natural or adopted child**
- **Stepchild, grandchild, or step-grandchild** (must be dependent on the retiree or spouse for at least 50% of their support and a tax dependent of the retiree or the retiree's spouse)
- **Domestic partner's child or grandchild** (must be dependent on the retiree or domestic partner for at least 50% of their support and a tax dependent of the retiree or the retiree's domestic partner)
- **Legal ward** (enrolled 1/1/95 or after and dependent on the retiree for at least 50% of their support and a tax dependent of the retiree)
- **Overage disabled child** (except a legal ward) (must be approved by the carrier)
- **Newly acquired disabled child** (except for legal wards) (must be approved by the carrier and enrolled during the child's Period of Initial Eligibility)
- **Adult Dependent Relative** (enrolled prior to 1/1/04 and a tax dependent of the retiree) 🏠

# Review your health and welfare enrollment

**T**ake a few moments today to familiarize yourself with your UC-sponsored health and welfare plans. You will find it time well spent.



If you made any changes during Open Enrollment, including coverage changes, you and your family members should have received your new plan member packets and/or medical plan ID cards.

If/when you receive your new ID cards, confirm the information on the card(s); if any information is incorrect, notify the UC Customer Service Center immediately for updating.

If applicable, your HMO plan often includes your Primary Care Physician (PCP) information on your ID card. Contact your plan if the PCP information is incorrect on your ID card. A listing of plan telephone numbers is available on the At Your Service website (<http://atyourservice.ucop.edu>) under "Contact List."

## Verify family members

If you did not make any changes during Open Enrollment, your coverage and enrollment for 2005 is the same as it was for 2004. Although your plan information may be correct, you should also verify that your enrolled family member information is accurate. You may have someone covered who is no longer eligible, such as a divorced spouse, an ineligible domestic partner, or a child who is no longer supported by you. Ineligible family members should be de-enrolled as soon as possible. See the article on page 1 for more details about the random audit for 2005.

## Check your plan materials

Be certain that you understand how your plans work. Note important facts about your medical plan: pre-authorization requirements, deductible charges, emergency and urgent care procedures, and prescription drug plan and mail order drug service. Take a few minutes to thumb through your plan materials. You may learn about services you don't think you will need, but may require at a later date. If you have Internet access, visit our website for additional information about your plans (<http://atyourservice.ucop.edu>).

If you need clarification about your benefits, contact your plan directly. It is best to understand your options and costs before you or a family member requires services. If you run into a problem with a medical plan, make an appointment with your Health Care Facilitator to help resolve it.

You will find that the UC's medical plans are one of our most valuable benefits. All of our medical plans are first quality and a great value. But the true value of your plan is how well it works for you. By taking a few minutes now, you will be more prepared to derive the full benefit of your coverage. 🍀



# Federal occupational illness benefits for energy employees

## LBL, LLNL, LANL employees may be eligible

[www.dol.gov/esa/regs/compliance/owcp/eeoicp/main.htm](http://www.dol.gov/esa/regs/compliance/owcp/eeoicp/main.htm)

*Federal occupational illness compensation and payment of medical expenses may be available to individuals, and their eligible survivors, who have become ill as a result of work at federal atomic weapons facilities.*

This includes employees and eligible survivors of employees of the University's Department of Energy (DOE) Laboratories who have become ill as a result of exposure to radioactive and toxic substances in their work. UC's DOE laboratories include the Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory.

Two kinds of payments and benefits are provided under the Energy Employees Occupational Illness Compensation Program Act (EEOICPA), Parts B and E.

Applications for benefits undergo a rigorous review by a physician panel to determine that the medical condition exists and is likely to have been caused by the workplace exposure.

### Part B benefits

EEOICPA Part B provides a lump-sum payment of \$150,000 to qualified employees, or their survivors, who have beryllium disease, silicosis, or radiation-induced cancer. Medical benefits for covered illnesses may also be payable.

### Part E benefits

EEOICPA Part E provides compensation payments that vary based on the type of illness, and medical benefits, for employees with qualified illnesses caused by exposure to any toxic substance while working at a DOE facility. Qualified survivors may also be eligible for compensation.

### To get help

For additional information, or if you have been diagnosed with an illness and wish to file a claim, visit the website listed at left, or contact an Energy Employees Compensation Resource Center listed below:

#### Resource Centers in California, New Mexico, and Nevada

##### California Resource Center

2600 Kitty Hawk Road, Suite 101  
Livermore, CA 94551  
(866) 606-6302

##### Espanola Resource Center

412 Paseo De Onate, Suite "D"  
Espanola, NM 87532  
(866) 272-3622

##### Las Vegas Resource Center

##### Flamingo Executive Park

1050 East Flamingo Road, Suite W-156  
Las Vegas, NV 89119  
(866) 697-0841 

## Special Wellness Letter Offer

- Will a low-carb diet help me lose weight?
- Will taking Echinacea cure a cold?
- How much exercise should I do every day?
- What's the best way to lower my cholesterol and blood pressure?


The University of California, Berkeley Wellness Letter covers a wide range of topics and offers practical advice for daily living that can affect everybody's health and quality of life.

Experts from the School of Public Health sift through the latest research (and fads), evaluate it and provide honest, evidence-based information you can use to keep yourself healthy.

The monthly newsletter deals with some of the confusion that exists in daily newspapers, on television and the Internet. Readers trust the information in the *Wellness Letter* because it does not accept advertising, nor does it answer to special interest groups.

If you subscribe, each month

you'll receive eight pages packed full of useful advice for your physical, mental and emotional well-being.

To learn more about the newsletter and to subscribe at the special rate (**12 monthly issues of the *Wellness Letter* for just \$15.00**—nearly half off the regular price of \$28.00), visit the CalMarketplace website ([www.calmarketplace.org/well.html](http://www.calmarketplace.org/well.html)) or call: 800-829-9170 and ask for the special offer 55CWNE. 

The above offer was submitted by the editors of the *University of California, Berkeley Wellness Letter*.

## Don't forget to sign up for Medicare Part B enrollment

If you have Medicare Part A (hospital insurance) but not Part B (medical insurance), you can enroll in Part B during Medicare's General Enrollment Period which runs from January 1 through March 31 of each year. UC requires retirees and their eligible family members who are

enrolled in a UC-sponsored medical plan to enroll in Medicare Part B when they become eligible for premium-free Medicare Part A.

If you are eligible for premium-free Medicare Part A and do not enroll in Medicare Part B, you will be permanently de-enrolled from UC-sponsored medical coverage. A plan member or enrolled family member who signs up for Medicare Part B and then cancels their Part B coverage will be permanently de-enrolled from their UC-sponsored medical plan coverage.

Medicare Part B coverage must be continuous.

The cost for Medicare increases if you delay your enrollment. The cost for your Part B may increase by 10 percent for each 12-month period during which you could have had Part B but did not enroll. You will be required to pay this extra amount as long as you have Part B.

To enroll in Medicare Part B, sign up at your local Social Security office or call 1-800-772-1213 for additional information. 🐼



## Medicare Part D (prescription drugs)

In 2006, Medicare will begin offering coverage for prescriptions drugs. As previously emphasized, UC coordinates retiree medical coverage with Medicare. This coordination will help sustain retiree health benefits into the future. The University is currently evaluating a number of options for working with Medicare on the new prescription drug coverage.

Please watch for more information in future issues on how UC's prescription coverage will work with the new Medicare coverage. 🐼

### Officers and Board Members of the UC Davis Retirees' Association 2004–2005

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## New Dimensions

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In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Director of Diversity and Employee Programs, University of California Office of the President, 300 Lakeside Drive, Oakland, CA 94612 and for faculty to Director of Academic Affirmative Action, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

# Comments or questions?

Write *New Dimensions* at:

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P.O. Box 24570, Oakland, CA 94623-1570  
Email: steven.ong@ucop.edu

## For Benefits questions:

UC Customer Service Center: 1-800-888-8267

Website address: <http://atyourservice.ucop.edu>

## Retiree Association Contacts

Use this listing if you're interested in joining an association, or to inform your association of an address change. If you have questions about your retirement benefits, call the UC Customer Service Center at 1-800-888-8267.

	<b>Emeriti</b>	<b>Retirees</b>
Berkeley	UCB Retirement Center 510-642-5461	UCB Retirement Center 510-642-5461
Davis	Charles E. Hess 530-758-0671 cehess@ucdavis.edu	Charles Lacy 530-756-4372, calacy@ucdavis.edu
Irvine	Lyman Porter 949-824-6204, emeriti@uci.edu	Emeriti/Retiree Office 949-824-6204
LANL	N/A	Mary Mariner 505-672-1950 Chuck Mansfield 505-662-2115
LBNL	N/A	Bud Larsh 510-724-1202, almonlarsh2@juno.com
LLNL	N/A	Lawrence Livermore Employee Services Association 925-422-9402
Los Angeles	Emeriti/Retiree Relations Center 310-825-7456 emeriti@humnet.ucla.edu	Emeriti/Retiree Relations Center 310-825-7456
OP & Regents	N/A	Karl Droese 925-376-0468, kdroese@comcast.com
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Note to associations: To update a listing, write to Steven Ong at *New Dimensions* (email: steven.ong@ucop.edu).



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## Inside:

- ✿ Health and welfare random audit for employees, retirees and their enrolled family members—page 1
- ✿ New services provider for Defined Contribution and 403(b) Plans—page 1
- ✿ Review your health and welfare enrollment—page 4
- ✿ Don't forget to sign up for Medicare Part B enrollment—page 6
- ✿ and more...

## Retiree Newsletter on Audio Cassette

**T**his newsletter is available on audio cassette tape for visually impaired and disabled retirees. If you are interested, call *New Dimensions* at 1-800-239-4002, extension 79836, and leave your name, address, and phone number. Please indicate that you want to receive *New Dimensions* on tape and future *New Dimensions* recordings will be sent to you. Please note that audio cassette tapes are generally mailed four weeks after each *New Dimensions* mailing.

