Lunch-n-Learn: Benefit Plan Accounting

Presented By: David Olson, Director
November 15, 2011
Agenda

1. Org Chart
2. Where We’re Located
3. Our Background
4. What We Do
5. Some Examples
6. How You Can Help!
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Org Chart

Peggy

David

Benjamin

Vicky
Cathy
Tony
Fanny
Kin
Maggie

Sandra

Christine
Pom
Nancy
Teresa
Kimberly

H&W Program activities

UCRS activities

Cross flow
Agenda

1. Org Chart / Reporting Lines
2. Our Background and Evolution
3. Where We’re Located
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Unit background and evolution

UCRS Accounting
1980’s

Benefits Dept. era

1990’s

Financial Services & Plan Disbursements

Financial Services
2000’s

2010’s

Benefit Plan Accounting

CFO Division era

HR Dept. era

Financial Mgmt. era
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Where we are located

- Kaiser Center Building
- 10th floor
- Southeast section
- Come visit!

Quiz question #1: Why is the Kaiser Center building curved?

Quiz question #2: What magnitude earthquake is the Kaiser Center building designed to withstand?
Answer to quiz questions

Quiz question #1: Why is the Kaiser Center building curved?

Answer:
Henry J. Kaiser used to vacation at this Miami hotel made famous in the James Bond film “Goldfinger” and liked it so much he had Kaiser Center reflect its design

Fontainebleau Miami Beach
Answer to quiz questions

Quiz question #2: What magnitude earthquake is the Kaiser Center building designed to withstand?

Answer: 9.0 on the Richter Scale
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What we do...

Accounting

Fiscal Operations

Financial Reporting
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Accounting

- We make journal entries to the UCRS & H&W Program general ledger accounts
- We reconcile the related general ledger and bank accounts
- We perform other financial transactions as necessary

Financial Scope (cash flow in billions)

- UCRS Contributions
- H&W Premiums Collected
- H&W Premiums Disbursed
- UCRS Benefit Payments

$- $1.0 $2.0 $3.0 $4.0
Fiscal Operations

- We wire rollover distributions to Fidelity Investments
- We oversee four checkwrites per month
- We collect H&W premiums from the campuses
- We wire H&W plan premiums to insurance carriers
- We setup direct deposits for benefit payments to UCRP and the 415(m) plan retirees
- We make tax deposits based on withholdings on distributions
Financial Reporting
Past Projects

- Consolidated billing of H&W Program premiums
- Outsourced defined contribution plans recordkeeping to Fidelity Investments
- Graduate and Undergrad student health insurance plans aka “GSHIP” and “USHIP”
### Consolidated billing of H&W Program premiums

#### Employee/employer funds:

<table>
<thead>
<tr>
<th>DEDUCTIONS</th>
<th>COVERAGE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>KAISER NORTH</td>
<td>W/ADULT</td>
<td>159.15</td>
</tr>
<tr>
<td>HEALTH FSA</td>
<td></td>
<td>65.00</td>
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</table>

#### UC CONTRIBUTIONS

| KAISER NORTH     | W/ADULT        | 818.28  |
| DDENTAL CON      | W/ADULT        | 82.59   |
| VISION PLAN      | W/ADULT        | 13.58   |

#### Retiree/employer funds:

- HIGH OPTION MEDICARESUP
- DELTA DENTAL PPO
- ARAG LEGAL PLAN

#### Premiums Breakdown:

- **Employee-paid premiums:**
  - AMOUNT: 159.15
  -另外一项金额未提供。

- **Retirees:**
  - AMOUNT: 448.80
  -另两项金额未提供。

- **UC-paid premiums:**
  - AMOUNT: 82.59

#### Consolidated premiums to carriers
Outsourced DC plans recordkeeping to Fidelity Investments

- In-house DC plan recordkeeping, including valuation of the UC-managed funds, could not keep up with the demands and technologies of the marketplace

- There was a recognized need for greater flexibility in core fund investment options, daily valuation, enhanced employee/financial communications, and complete integration of all plan and fund options

- Through an RFP process, Fidelity Investments was chosen as the “Master Recordkeeper”

- A project team was setup to address all the issues of transferring participant data, funds, etc., to Fidelity

- We went live July 1, 2005 and the framework has served us well
Some advantages in having a master recordkeeper...
Established Grad and Undergrad health plan Insurance accounting

- Enrolled students are required to have health coverage and each campus acted alone in addressing this requirement.
- Created “GSHIP” and “USHIP”
- A consensus was reached over a systemwide delivery approach that would be cost effective and allow for better health plan choices thus reducing redundancies and improving quality.
- We leveraged our existing accounting and financial framework to make implementation as smooth and seamless as possible.
- GSHIP was successfully implemented August 1, 2010 and USHIP on July 1, 2011.
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How we can help each other?

- If a project or transaction touches UCRS and/or the H&W Program, chances are we should be involved at some level.

- If one needs current or historical UCRS or H&W Program financial information, we are a good place to start.

- If one needs any other support or information regarding UCRS and/or the H&W Program administration, we can usually get you to the right place quickly.