



CFO DIVISION

University of California Office of the President

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!

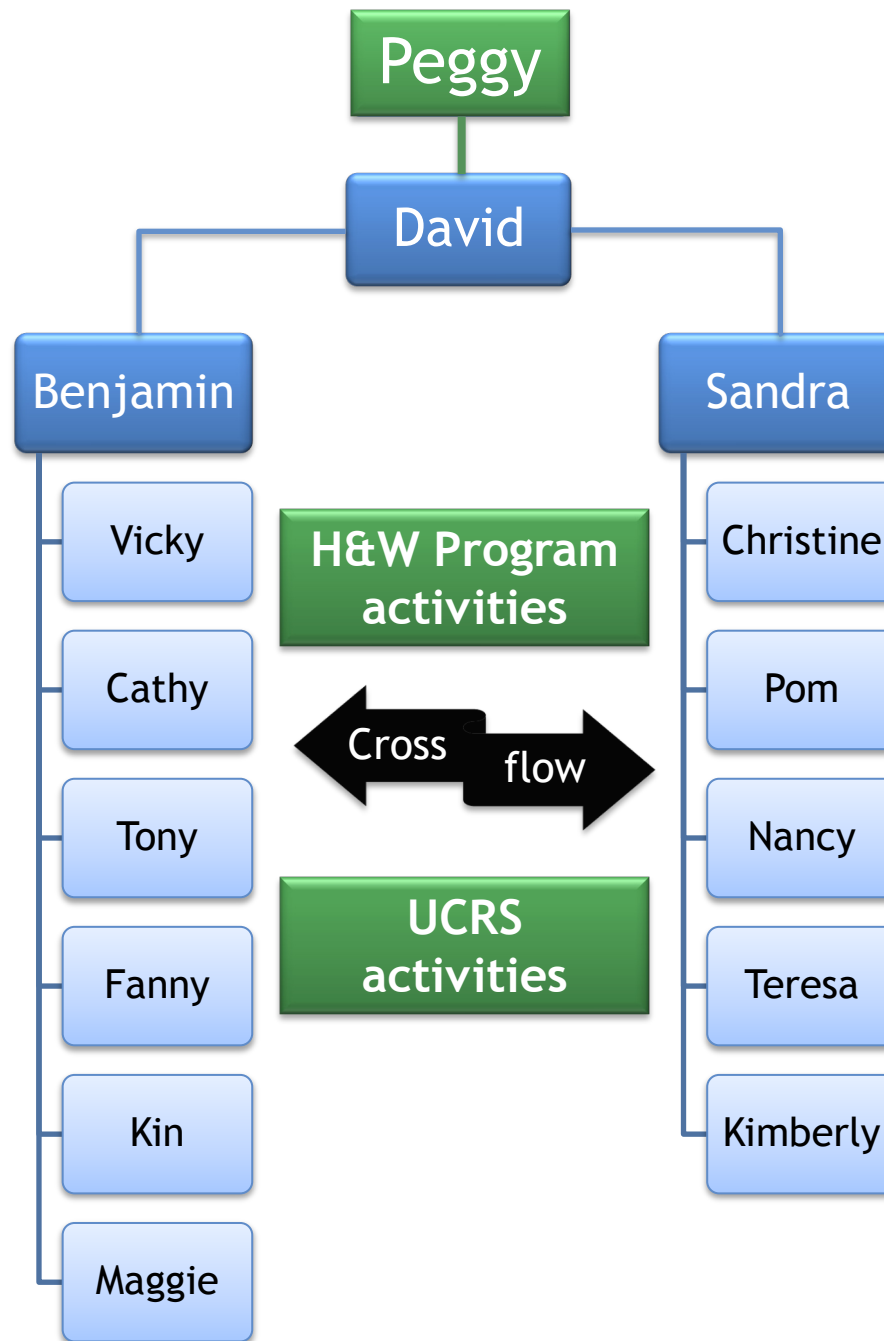


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Org Chart

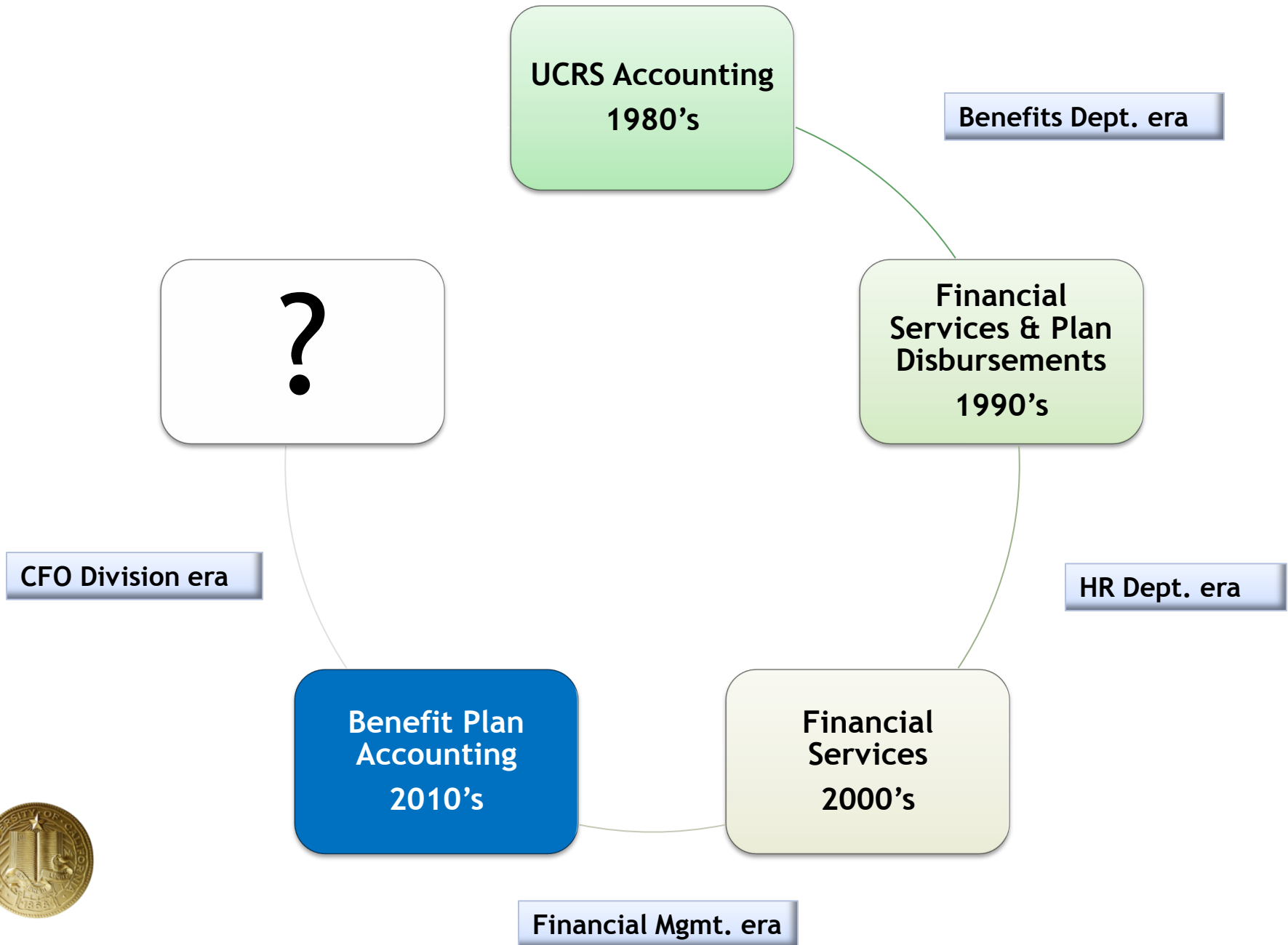


Agenda

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



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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 is curved?**
- **Quiz question #2: What magnitude earthquake is the Kaiser Center building designed 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



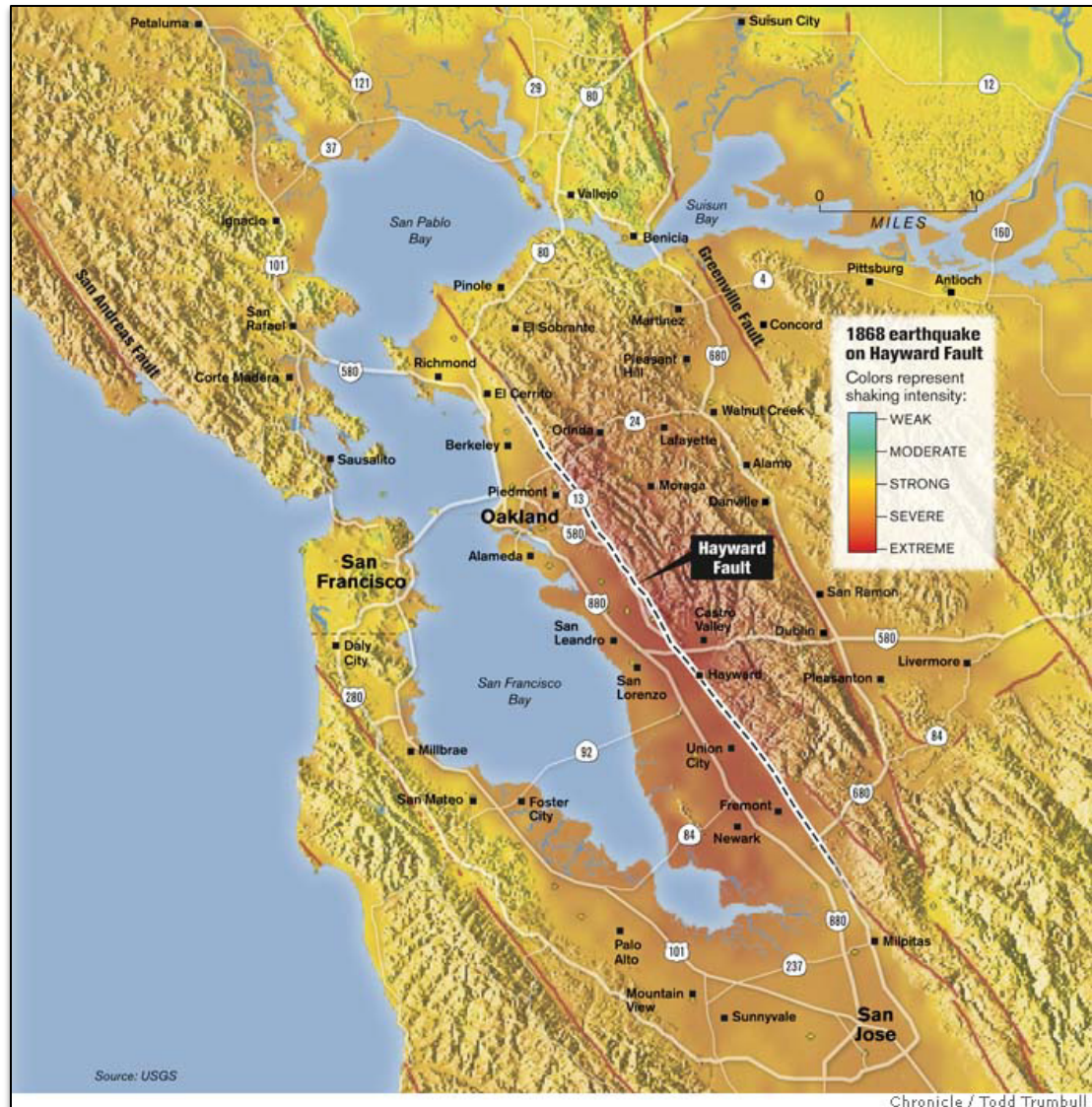
Fontainebleau Miami Beach



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...



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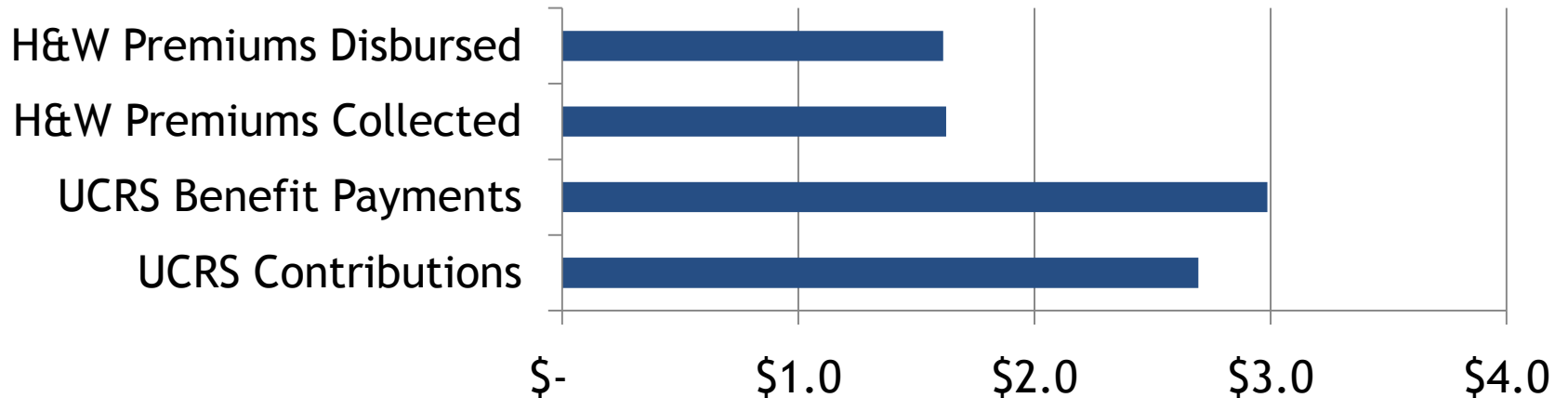
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Accounting

- 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)

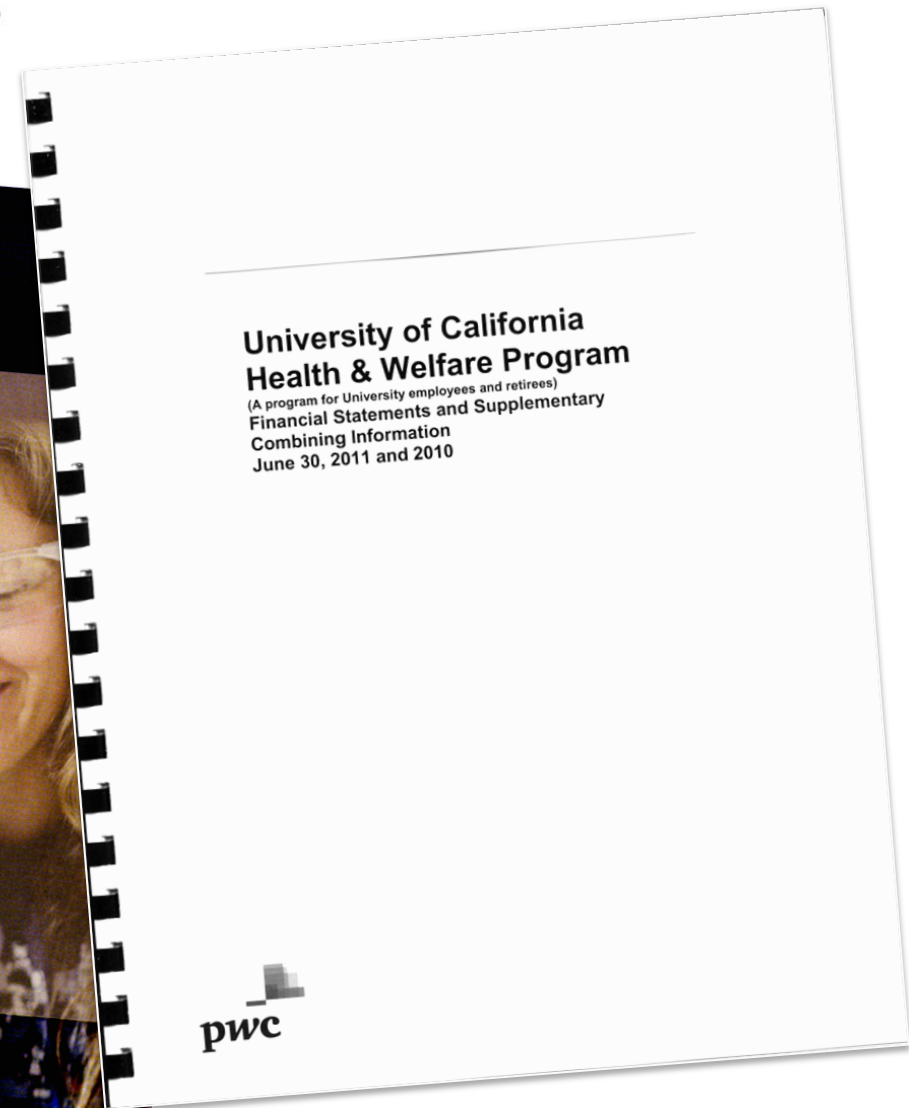


Fiscal Operations

- 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



UNIVERSITY OF CALIFORNIA



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:

DEDUCTIONS	COVERAGE
Kaiser North	W/ADULT
Health FSA	

AMOUNT
159.15
65.00

UC CONTRIBUTIONS

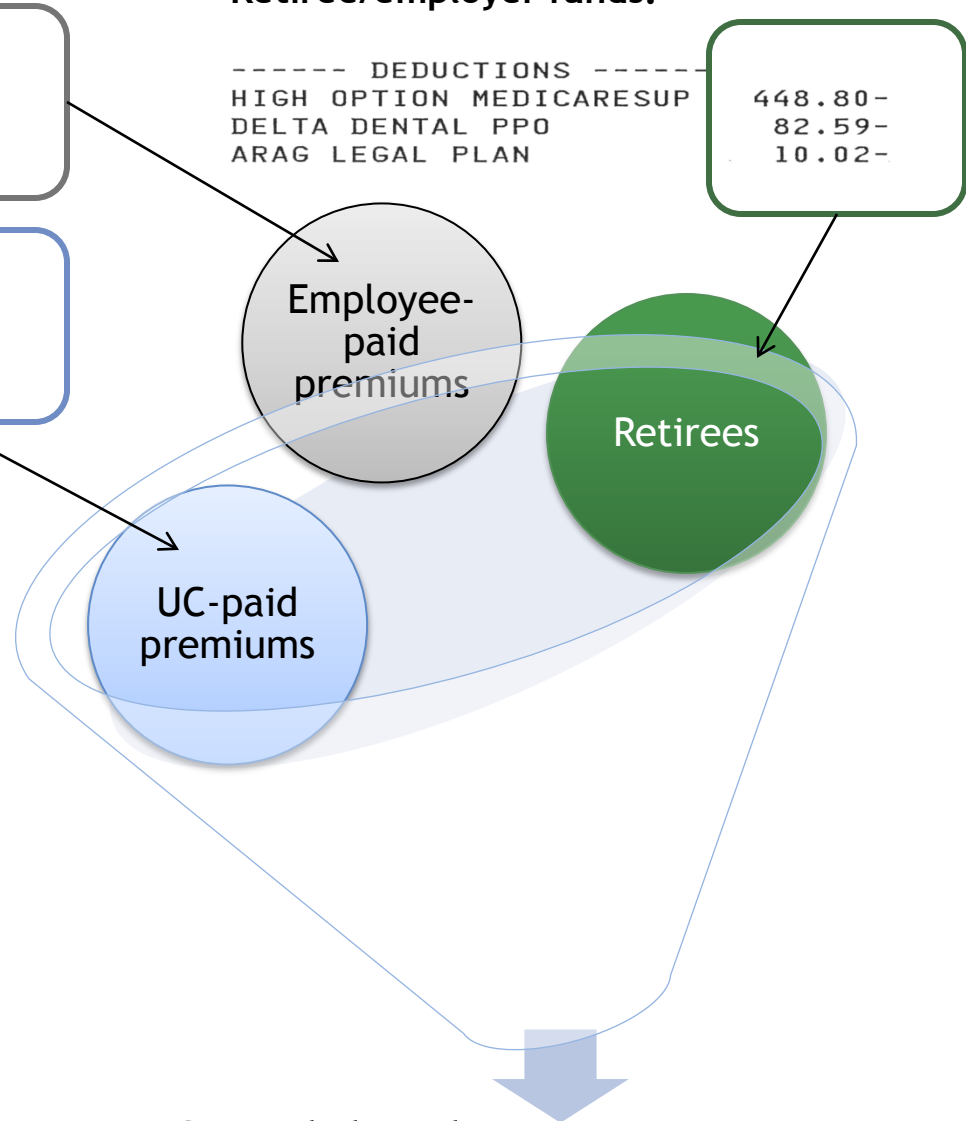
Kaiser North	W/ADULT
Dental Con	W/ADULT
Vision Plan	W/ADULT

818.28
82.59
13.58

Retiree/employer funds:

----- DEDUCTIONS -----	
HIGH OPTION MEDICARE SUP	448.80-
DELTA DENTAL PPO	82.59-
ARAG LEGAL PLAN	10.02-

448.80-
82.59-
10.02-



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...

Welcome to NetBenefits® for UNIVERSITY OF CALIFORNIA

Portfolio Total: \$ [REDACTED] Hide \$

Savings Plans

UC 403(B) PLAN
403(b): 56016
Quick Links [REDACTED]
Actions: [View Year-to-Date Change](#) [Check loan status](#) [Get online statement](#)

UC 457(B) PLAN
457(b): 65270
Quick Links [REDACTED]
Actions: [View Year-to-Date Change](#) [Get online statement](#)

UC DCP
401(a): 60988
Quick Links [REDACTED]
Actions: [View Year-to-Date Change](#) [Get online statement](#)

Other Accounts [Hide](#)

Brokerage Link
Brokerage Link: UC DCP BrokerageLink
Balance is included in your NetBenefits plan account.

Portfolio Total: \$ [REDACTED]

Tools & Learning
Get the guidance, information, and tools you need to help you save for all your financial goals.

Visualize your Retirement Picture
Explore interests
Travel the world
Enjoy friends and family
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Your Profile
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[Update your contact information](#)

Your E-Mail Address
[REDACTED]
[Update](#)

Employer News
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[UC Core Funds](#)

Market Update
[Read more on how to invest in a volatile market.](#)
Q3 2011 Market Perspective - Indicators not flashing recession?

INDU	12,049.24
SPX	1,250.10
NASDAQ	2,660.40
DJT	4,937.61
DJU	446.63
TNX	20.16

As of 12:19pm E 11/15/2011
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QUICK LINKS | GETTING STARTED? | MAKE THE MOST OF THE PLANS | LEAVING UC? | RETIRED FROM UC? | PLAN INVESTMENTS | FIND TOOLS & RESOURCES

University of California Retirement Savings Program
Make the most of your retirement savings Program: the 403(b), 457(b) and DC Plans.

Meet People Like You →

Tracy
I know I need to plan for the future. But I'm not sure what I am supposed to do - or when.

I'm Just Getting Started
Tracy

I Need to Balance My Goals
Brian

I'm Learning to Invest
Michelle

Am I On Track?
Jim

- Where to Save Now
- What to Do When the Market Falls
- Minimum Required Distributions

 [READ FOCUS](#)

 [PRINT FOCUS](#)

Focus
on Your Future

Where to Save Now

What to Do When the Market Falls

Minimum Required Distributions

Full Paid UC Financial Education Course Now Available



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



