

How will your retirement check compare to your paycheck?

If you're a longtime UC faculty member, you may be surprised to see that the amount of your retirement check is not far off from your final paycheck.

Following are three sample scenarios. These scenarios are for illustration purposes only and do not represent a guarantee of benefits.

If you want to create a similar comparison of your paycheck and potential retirement check, there are tools on UCnet and At Your Service Online to help you.

To estimate your retirement benefit, sign in to At Your Service Online (<https://atyourserviceonline.ucop.edu/ayso/>), and click on "retirement estimator" in the lower left corner. Then select "View More Monthly Income Options"; fill out the form and select "alternate payment options" at the bottom of the form to see the monthly retirement income, survivor and contingent annuitant benefit options. Note that, if you choose your spouse or domestic partner as your contingent annuitant, he/she would receive both the survivor and contingent annuitant benefit.

You can also estimate tax withholdings while signed in to At Your Service Online. Under "Income & Taxes," choose "Tax Withholdings" and then "Estimate Tax Withheld"

Retiree health insurance premiums for 2014 are available at: <http://ucnet.universityofcalifornia.edu/compensation-and-benefits/health-plans/medical/retiree-plan-costs.html>

Scenario one

Professor Maria Lopez, age 64, joined UC in 1977 – after all UC employees became coordinated with Social Security. She’s earned an average of \$130,000 the past three years and has 37 years of UCRP service credit. She has a spouse who is around the same age, whom she names as her contingent annuitant in order to provide a benefit after her death.

Paycheck	Retirement check—at age 64	Retirement check –at age 65 and older
<p>Monthly gross UC earnings: \$10,833</p> <p>Deductions, withholdings</p> <p>Federal tax: \$1,131</p> <p>State tax: \$341</p> <p>Social Security: \$672</p> <p>Medicare: \$157</p> <p>Medical plan (UC Care), her and spouse: \$355</p> <p>Employee UCRP contribution: \$847*</p> <p>Contributions to 403b and 457b: \$1,500</p> <p>Campus parking: \$150</p> <p>Take home pay: \$5,580</p> <p>*8% of pay - \$19, effective 7/1/14</p>	<p>Monthly gross UC retirement benefit: \$10,020 (includes \$123 Social Security supplement)</p> <p>With Option B, 2/3 continuance: \$9,277</p> <p>Deductions:</p> <p>Federal tax: \$1,081</p> <p>State tax: \$400</p> <p>Medical plan (UC Care), her and spouse: \$491</p> <p>UC retirement take home check: \$7,305</p> <p>Other income: Capital Accumulation Payment and DC Plan contributions as well as any voluntary 403b and/or 457b contributions she made.</p> <p>After her death, her spouse will receive: \$7009 minus taxes and medical premium, if any</p>	<p>Monthly gross UC retirement benefit: \$9,897</p> <p>With Option B, 2/3 continuance: \$9,277</p> <p>Deductions:</p> <p>Federal tax: \$1,228</p> <p>State tax: \$459</p> <p>Medical plan (Blue Shield Medicare PPO), her and spouse: no premium + \$88.98 Part B reimbursement</p> <p>UC retirement take home check: \$7,779</p> <p>Other income: Social Security benefits, CAP, and UC retirement savings (DC, 403b, and/or 457b)</p> <p>After her death, her spouse will receive: \$7009 minus taxes and medical premium, if any</p>

<p>We assume that Professor Lopez is married/filing jointly and claiming one allowance. Other voluntary deductions such as disability, life or legal insurance are not included.</p>	<p>Because Professor Lopez is no longer an employee, she doesn't pay Social Security and Medicare taxes. And UC retirement contributions – voluntary and mandatory – are no longer deducted from her check.</p> <p>Her monthly retirement benefit check is \$1,725 more than her paycheck. This check includes a \$123 Social Security supplement, which she will lose when she turns 65. However, she may begin receiving Social Security income at any time after she retires. The amount of that benefit depends on when she begins taking it.</p>	<p>At age 65, Professor Lopez will lose her Social Security Supplement from UC, but she and her spouse will enroll in Medicare, which will reduce the cost of their UC medical insurance.</p> <p>In their case, they will shift from UC Care, which cost them \$491 month, to the Blue Shield Medicare PPO, which currently has no premium. In addition, she will pay a Medicare premium of between \$105 and \$159 per month, depending on her Modified Adjusted Gross Income.</p> <p>If, at Open Enrollment, Professor Lopez changed her UC medical insurance to the UC High Option Supplement to Medicare Plan, she would pay \$101 per month (in 2014 dollars).</p>
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Scenario Two

Professor John Jones, age 71, joined the UC faculty in 1974 – before UC employees became coordinated with Social Security. He’s earned an average of \$188,000 the last three years and has 40 years of UCRP service credit. He has a spouse and a 40-year-old daughter whom he names as his contingent annuitant so that she will receive a benefit after his death.

Paycheck	Retirement Check
<p>Monthly gross UC earnings: \$15,666</p> <p>Deductions, withholdings:</p> <p>Federal tax: \$2,034</p> <p>State tax: \$722</p> <p>Medicare:</p> <p>Medical plan (UC Care), him and spouse: \$431</p> <p>Employee UCRP contribution: \$1,253*</p> <p>Contributions to 403b and 457b: \$1,900</p> <p>Campus parking: \$150</p> <p>Take home pay: \$9,321</p> <p>*8% of pay - \$19, effective 7/1/14</p>	<p>Monthly gross UC retirement benefit: \$15,666</p> <p>With Option A, full continuance: \$13,627</p> <p>Deductions:</p> <p>Federal tax: \$2,388</p> <p>State tax: \$875</p> <p>Non-Medicare Medical plan (UC Care), him and spouse: \$281</p> <p>UC retirement take home check: \$10,083</p> <p>Other income: Capital Accumulation Payment and DC Plan contributions as well as any voluntary 403b and/or 457b contributions he made.</p> <p>After his death, his spouse will receive \$7,833 a month as his survivor, and his daughter will receive \$5,794 as his contingent annuitant.</p>
<p>We assume that Professor Jones is married/filing jointly and claiming one allowance. After deducting federal and state taxes, UC medical plan costs for him and his spouse, voluntary 403b and 457b contributions to his retirement savings, the mandatory employee contribution to the UC Retirement Plan and campus parking costs, his take home pay is \$9,321.</p> <p>This does not include other voluntary deductions such as disability, life or legal insurance that may be deducted from paychecks.</p>	<p>Professor Jones selects Option A (full continuance) to provide a benefit for his daughter. This reduces his monthly benefit, but his daughter will receive \$5,794 a month after he dies. His spouse, as his survivor, will receive \$7,833 a month – one-half of his original basic retirement income – when he dies. The survivor benefit is a larger percentage because this faculty member is not coordinated with Social Security.</p> <p>Professor Jones’ take-home monthly income is about \$762 more than his normal UC paycheck.</p>

Scenario Three

Professor Paul Burke, age 65, joined UC in 1994. He has earned an average of \$125,000 the past three years and has 20 years of UCRP service credit. He is single and does not name a contingent annuitant.

Paycheck	Retirement Check
<p>Monthly gross UC earnings: \$10,417</p> <p>Deductions, withholdings:</p> <p>Federal tax: \$1,477</p> <p>State tax: \$532</p> <p>Social Security: \$646</p> <p>Medicare: \$151</p> <p>Medical plan (UC Care): \$145</p> <p>Employee UCRP contribution: \$814*</p> <p>Contributions to 403b and 457b: \$1,500</p> <p>Campus parking: \$150</p> <p>Take home pay: \$5,002</p> <p>* 8% of pay - \$19, effective 7/1/14</p>	<p>Monthly gross UC retirement benefit: \$5,142</p> <p>Deductions:</p> <p>Federal tax: \$822</p> <p>State tax: \$264</p> <p>Medical plan (Blue Shield Medicare PPO): \$0 plus receives \$44 Part B reimbursement</p> <p>UC retirement take home check: \$4,100</p> <p>Other income: Social Security, Capital Accumulation Payment and DC Plan contributions as well as any voluntary 403b and/or 457b contributions he made.</p>
<p>We assume that Professor Burke is single and claiming one allowance. After deducting federal and state taxes, UC medical plan costs, voluntary 403b and 457b contributions to his retirement savings, the mandatory employee contribution to the UC Retirement Plan and campus parking costs, his take home pay is \$5,002.</p> <p>This does not include other voluntary deductions such as disability, life or legal insurance that may be deducted from paychecks.</p>	<p>Professor Burke's take-home monthly retirement benefit payment is about 80 percent of his normal UC paycheck. He will also pay a monthly premium of about \$105 for Medicare.</p>