



OFFICE OF THE PRESIDENT  
1111 Franklin Street, 12th Floor  
Oakland, California 94607-5200

April 25, 2005

Dear Colleague:

Starting next month, you will receive detailed information about changes in account services for participants in the University's Defined Contribution Plan (DC Plan) and Tax-Deferred 403(b) Plan (403(b) Plan), and about the expansion of UC funds and other investment options for those plans and the UC 457(b) Deferred Compensation Plan (457(b) Plan).

**You do not have to take any action at this time, but please read this letter and its enclosure to gain an overview of key dates and steps you may wish to take in the coming weeks.**

#### **NEW ACCOUNT AND RECORDKEEPING SERVICES**

In July, account and recordkeeping services for the DC Plan and the 403(b) Plan will be transitioned to Fidelity Investments Tax-Exempt Services Company (FITSCO), part of Fidelity Employer Services Company. FITSCO already provides recordkeeping services for the University's 457(b) Plan, which was implemented in September 2004. Together, the three plans will be known as the **University of California Retirement Savings Program**. The new FITSCO services arrangement will provide you with:

- A toll-free number and a customer service call center, with representatives available to assist you 16 hours a day on business days
- Single-account access to all three plans
- A streamlined process for managing your money
- Timely transfers between investment options (same day, subject to daily deadlines)
- A consolidated quarterly statement

The change in our Retirement Savings Program account services and recordkeeping system will not affect services for the UC Retirement Plan, which provides pension benefits.

**The transition of accounts and services will begin next month and will be completed this summer. During the transition period, certain account activities will be temporarily suspended, as shown on the attached "Calendar of Key Dates," including enrolling in a new plan, changing your salary reduction agreements, making transfers between funds, receiving distributions, and initiating loans.**

## **EXPANDED UC FUNDS AND OTHER INVESTMENT OPTIONS ARE EXPECTED**

The UC Office of the Treasurer will provide oversight responsibility for the following investment options within the UC Retirement Savings Program, collectively referred to as the Core funds:

- UC Savings Fund
- UC ICC (Insurance Company Contract) Fund
- UC Equity Fund
- UC Bond Fund
- UC Balanced Growth Fund
- UC TIPS (Treasury Inflation-Protected Securities) Fund
- UC Domestic Equity Index Fund (new and available in July)
- UC International Equity Index Fund (new and available in July)
- UC Pathway Funds (new and available in July)—a series of life cycle funds that are managed to adjust the risk level as each approaches a target date
- a small capitalization equity index fund (available in July)
- an emerging markets equity fund (available in July)
- a REIT (Real Estate Investment Trust) fund (available in July)
- a socially responsible index fund (available in July)

The UC Office of the Treasurer will monitor the Core funds on an ongoing basis, and all communication and financial education efforts will focus on the Core funds. Details about the new UC funds and other investment options are not yet available, but they will be included in a Transition Information kit that you will receive from FITSCO in late May.

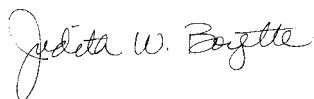
If you have a UC balance in Fidelity Investments Funds and the Calvert Group Socially Responsible Funds, you can continue to invest with Fidelity and the Calvert Group after the conversion. In addition, access to other mutual funds will be available through a self-directed brokerage window. These options will not be monitored by the UC Office of the Treasurer.

### **MORE INFORMATION COMING**

Look for the detailed Transition Information kit from FITSCO in your home mail in late May. In addition, information will be posted on the University's At Your Service web site (<http://atyourservice.ucop.edu>) and announced in the *Human Resources and Benefits Briefing* newsletter for faculty and staff (formerly *HR/Benefits Review*), the *New Dimensions* newsletter for retirees, and local faculty and staff communications. You will also have the opportunity to attend special employee meetings—watch for announcements at your UC location.

The new service and recordkeeping arrangement with FITSCO seeks to both simplify and enhance your ongoing account management for the DC Plan, 403(b) Plan, and 457(b) Plan. The wider range of UC funds and other investment options that UC is selecting will offer expanded opportunities for meeting your retirement savings objectives. Thank you for your continued participation in the University's Retirement Savings Program.

Sincerely,



Judith W. Boyette  
Associate Vice President  
Human Resources and Benefits



David H. Russ  
Treasurer of The Regents and  
Vice President for Investments

<b>CALENDAR OF KEY DATES</b>		
<b>Actions</b>	<b>Deadline/Date</b>	<b>What You Should Do or Know</b>
<b>Distribution requests and rollovers</b>	<b>May 25, 2005</b>	Last day to request distributions and rollovers out until the end of the transition period.
<b>Transfers between current funds*</b>	<b>May 25, 2005</b>	Last day to request transfers between current funds until the end of the transition period.
<b>Loan requests</b>	<b>May 31, 2005</b>	Last day before the transition period for loan requests; loan requests received after this date will be processed by FITSCO after the transition period.
<b>New enrollments and contribution amount changes</b>	<b>June 15, 2005</b>	<ul style="list-style-type: none"> <li>• Last day to enroll in the 403(b) Plan or the DC After-Tax Plan until the end of the transition period.</li> <li>• Last day to change your contributions to the 403(b) Plan or DC After-Tax Plan until the end of the transition period.</li> </ul>
<b>End of transition period—target date</b>	<b>Mid-July 2005</b>	Services will be available at FITSCO.

\*Savings, ICC, Equity, Bond, Balanced Growth, and TIPS Funds; Fidelity funds; Calvert funds

*The effective date of Plan changes and the end of the transition period depend upon the successful transfer of data. If this does not occur as scheduled, the delivery of services and availability of investment fund choices described in this letter could be delayed. You will be notified as soon as possible of any delay.*

**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.**