

University of California Retirement Savings Programs

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University of California Retirement Savings Program

I. INTRODUCTION

The University of California Retirement Savings Program (UCRSP) includes defined contribution plans that provide savings incentives and additional retirement security that are generally available to all University employees. Participants' interests in the plans are fully and immediately vested and are distributed at death, retirement or termination of employment. Participants may elect to defer distribution of the account until age 70 ½ or separation from service after age 70 ½, whichever is later, in accordance with Internal Revenue Code minimum distribution requirements. The plans accept pretax rollover contributions from other defined contribution plans.

II. UCRSP DEFINED CONTRIBUTION PLANS

The UC Retirement Savings Program consists of the Defined Contribution Plan, the Tax-Deferred 403(b) Plan and the 457(b) Deferred Compensation Plan.

A. DEFINED CONTRIBUTION PLAN [401(a)]

The Defined Contribution Plan accepts both pretax and after-tax contributions. Pretax contributions are fully vested and are mandatory for all employees who are members of the University of California Retirement Plan. After-tax contributions are voluntary.

(Note: the entries provided in this chapter show only the transactions reflecting contributions to the UCRSP. Other payroll and benefit entries are not shown. Entries to track funds and investments within UCRSP are not shown. There are no financial control entries required.)

The accounting entries are:

Campus:

Dr. Salaries and Wages Expense (object code 1XXX)
Cr. Accrued Salaries (AGC 164210)
Dr. Accrued Salaries (AGC 164210)
Cr. Cash (AGC 160100)
To record payroll deduction and ACH transfer of funds.

UCRSP:

Dr. Investment (various funds)
Cr. DCP Contribution-participant (AGC 415140)
To record investment of contributions.

The University has a provision for matching the employee contributions to the defined contribution plan for certain summer session teaching or research compensation for eligible academic employees.

The accounting entries are:

Campus:

Dr. UCRS Regents' Contribution Summer Salaries
(object code 8650)
Cr. Accrued Benefits-Other (AGC 164220)
Dr. Accrued Benefits-Other (AGC 164220)
Cr. Cash (AGC 160100)
To record benefits expense and ACH transfer of funds.

UCRSP:

Dr. Investment
Cr. DCP Contribution-employer (415120)
To record investment of contributions.

The University may also make contributions on behalf of certain members of management.

The accounting entries are:

II. UCRSP DEFINED CONTRIBUTION PLANS (Cont.)

A. DEFINED CONTRIBUTION PLAN [401(a)] (Cont.)

Campus:

Dr. Senior Management Supplement (object code 8660)
Cr. Accrued Benefits-Other (AGC 164220)
Dr. Accrued Benefits-Other (AGC 164220)
Cr. Cash (AGC 160100)
To record benefits expense and ACH transfer of funds.

UCRSP:

Dr. Investment
Cr. DCP Contribution-employer (415120)
To record investment of contributions.

B. TAX DEFERRED 403(b) Plan

The University's Tax Deferred 403(b) Plan is a defined contribution plan described under §403(b) of the Internal Revenue Code. Future benefits from the 403(b) Plan are based on participants' voluntary salary deferral contributions plus earnings, and vesting is immediate. Employees designate a portion of their gross salary to be contributed to the Plan on a pretax basis.

The accounting entries are:

Campus:

Dr. Salaries and Wages Expense (object code 1XXX)
Cr. Accrued Salaries (AGC 164210)
Dr. Accrued Salaries (AGC 164210)
Cr. Cash (AGC 160100)
To record payroll deduction and ACH transfer of funds.

UCRSP:

Dr. Investment (various funds)
Cr. 403(b) Contribution-participant (AGC 405140)
To record investment of contributions.

The University may also make contributions in behalf of certain members of management.

The accounting entries are:

Campus:

Dr. Senior Management Supplement (object code 8660)
Cr. Accrued Benefits-Other (AGC 164220)
Dr. Accrued Benefits-Other (AGC 164220)
Cr. Cash (AGC 160100)
To record benefits expense and ACH transfer of funds.

UCRSP:

Dr. Investment
Cr. 403(b) Contribution-employer (405120)
To record investment of contributions.

C. 457(b) PLAN

The University's Tax Deferred 457(b) Plan is a defined contribution plan described under §457(b) of the Internal Revenue Code. Future benefits from the 457(b) Plan are based on participants' voluntary salary deferral contributions plus earnings, and vesting is immediate. Employees designate a portion of their gross salary to be contributed to the Plan on a pretax basis.

The accounting entries are:

Campus:

Dr. Salaries and Wages Expense (object code 1XXX)
Cr. Accrued Salaries (AGC 164210)
Dr. Accrued Salaries (AGC 164210)
Cr. Cash (AGC 160100)
To record payroll deduction and ACH transfer of funds.

UCRSP:

Dr. Investment (various funds)
Cr. 457(b) Contribution-participant (AGC 425140)
To record investment of contributions.

II. UCRSP Defined Contribution Plans (Cont.)

C. 457(b) PLAN (Cont.)

The University may also make contributions in behalf of certain members of management.

The accounting entries are:

Campus:

Dr. Senior Management Supplement (object code 8660)

Cr. Accrued Benefits-Other (AGC 164220)

Dr. Accrued Benefits-Other (AGC 164220)

Cr. Cash (AGC 160100)

To record benefits expense and ACH transfer of funds.

UCRSP:

Dr. Investment

Cr. 457(b) Contribution-employer (425120)

To record investment of contributions.

III. RESPONSIBILITY

The UC Office of the Treasurer provides oversight and is responsible for managing the investments of the internally-managed portfolio.

UC Human Resources and Benefits Financial Services is responsible for the accounting and reporting of the Plans.

IV. UCRSP INVESTMENT OPTIONS

Participants in the UCRSP defined contribution plans may direct their elective and nonelective contributions to investment funds managed by the UC Office of the Treasurer. Participants may also invest contributions in, and transfer plan accumulations to, certain external mutual funds on a custodial plan basis.

V. REFERENCES

Accounting Manual chapters:

A-115-1 Account Classification

A-115-2 Accounting Codes: General Ledger

P-196-78 Payroll: UCRS Accounting Procedures

Historical note: Accounting Manual chapter first issued 6/30/06,
analyst-Barbara Lester.