UNIVERSITY OF CALIFORNIA

Make the Most of Your Retirement Savings

OPENING

Agenda

How much is "enough"?

Strategies to save more

Preserve and help grow your savings

How much saving is "enough" for retirement?

5 important factors for retirement savings

Health care costs

Longer lifespans

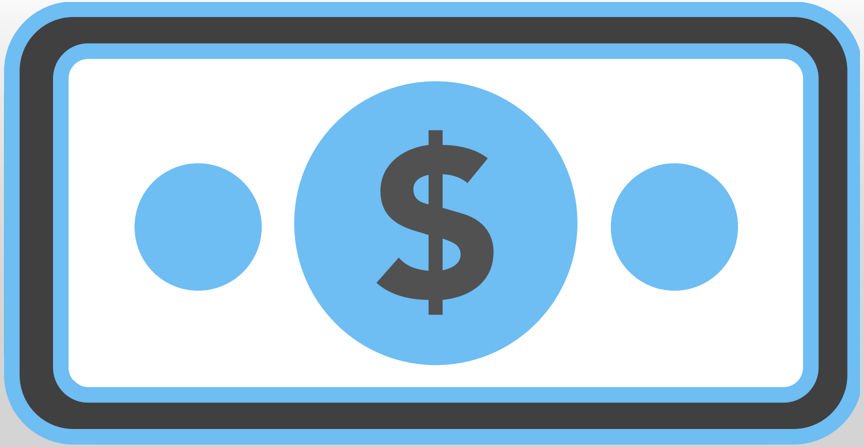
Long-term planning

Effects of Inflation

Day-to-day expenses

SAVINGS

How much will a person retiring at age 65 spend per month on health care?



- $573
- $516
- $472
- $350

[1]Estimate based on individuals retiring in 2024, 65-years-old, with life expectancies that align with Society of Actuaries RP-2014 Healthy Annuitant rates projected with Mortality Improvements Scale MP-2021 as of 2022.

SAVINGS

Health care costs

Per month

$573

Total

$165,000

Estimate based on a single person retiring in 2024, 65-years-old, with life expectancies that align with Society of Actuaries' RP-2014 Healthy Annuitant rates projected with Mortality Improvements Scale MP-2021 as of 2022. Actual assets needed may be more or less depending on actual health status, area of residence, and longevity. Estimate is net of taxes. The Fidelity Retiree Health Care Cost Estimate assumes individuals do not have employer-provided retiree health care coverage, but do qualify for the federal government's insurance program, original Medicare. This calculation takes into account Medicare Part B base premiums and cost-sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by original Medicare. This estimate does not include other health-related expenses, such as over-the-counter medications, most dental services and long-term care.

SAVINGS

Longer lifespans

25% chance that at least one partner in each couple will live to age

99

Society of Actuaries Annuity 2000 Mortality Table, updated to 2015 with Schedule G Adjustments. Figure assumes opposite sex couple with both persons in good health.

SAVINGS

Long-term planning

Plan for

30

years in retirement

SAVINGS

Effects of inflation

In 25 years

$50,000

becomes:

$26,500

at 2.5% inflation

$20,000

at 4.0% inflation

Hypothetical rates of inflation of 2.5% and 4.0%. Actual rates may be more or less and will vary.

SAVINGS

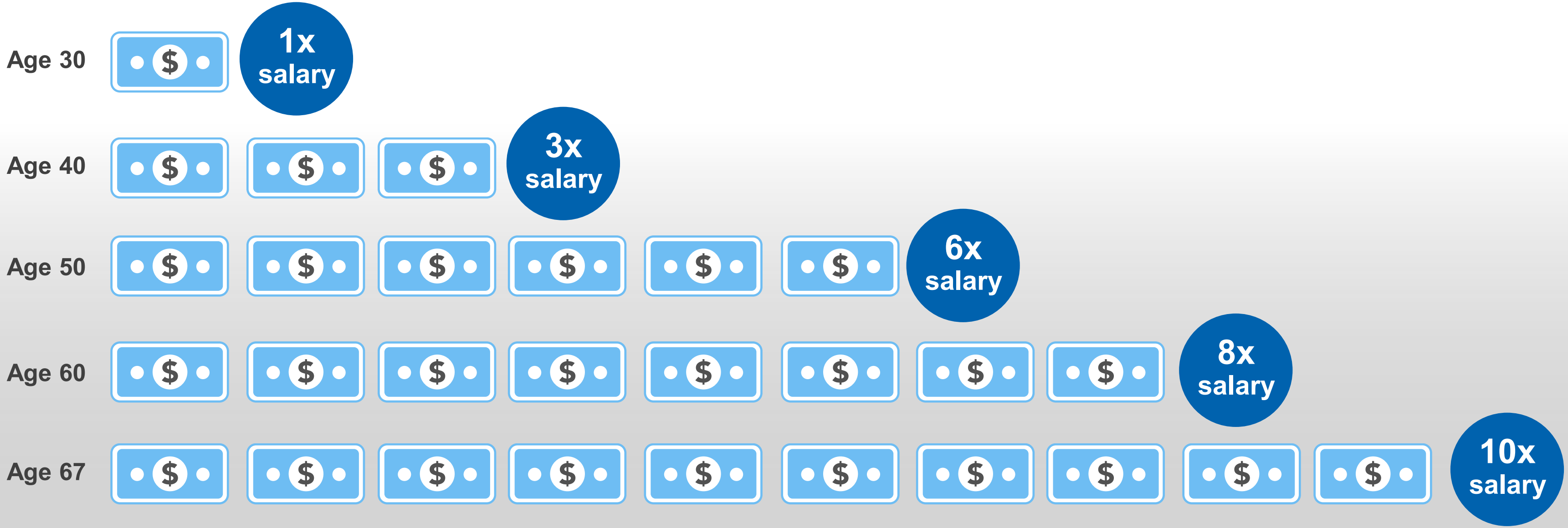
Day-to-day expenses

4-5%

Recommended top annual withdrawal rate on your retirement savings

SAVINGS

10X Rule



Fidelity has developed a series of salary multipliers in order to provide participants with one measure of how their current retirement savings might be compared to potential income needs in retirement. The salary multiplier suggested is based solely on your current age. In developing the series of salary multipliers corresponding to age, Fidelity assumed age-based* asset allocations consistent with the equity glide path of a typical target date retirement fund, a 15% savings rate, a 1.5% constant real wage growth, a retirement age of 67 and a planning age through 93. The replacement annual income target is defined as 45% of pre-retirement annual income and assumes no pension income. This target is based on Consumer Expenditure Survey 2011 (BLS), Statistics of Income 2011 Tax Stat, IRS 2014 tax brackets and Social Security Benefit Calculators. Fidelity developed the salary multipliers through multiple market simulations based on historical market data, assuming poor market conditions to support a 90% confidence level of success.

**Please refer to the final slide for additional 10 X disclosure.

How can I save more for the future?

STRATEGY

Opportunities to save more

UC Voluntary Retirement Plans (403(b), 457(b) and DC Plans)

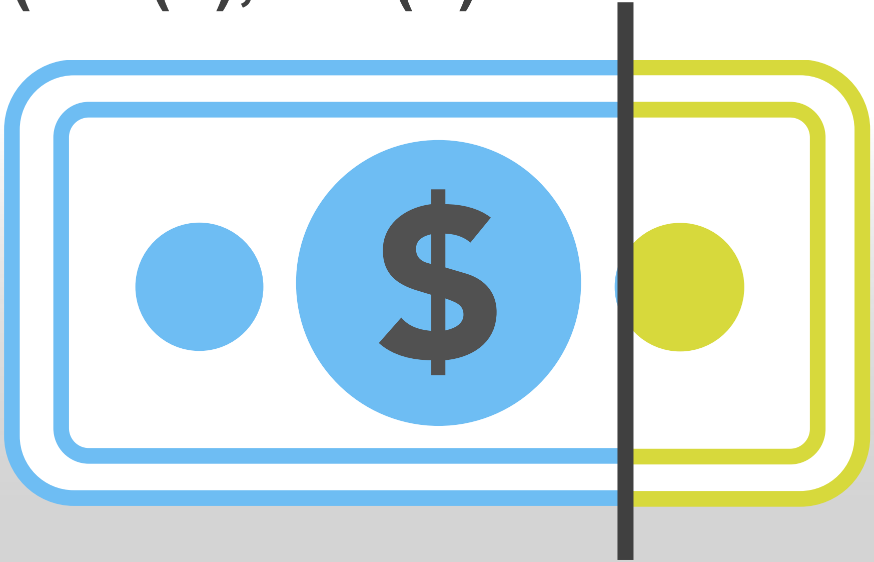
Individual retirement account (IRA)

Health savings account (HSA)

Deferred annuities

STRATEGY

UC Voluntary Retirement Plans (403(b), 457(b) and DC Plans)



- Pretax, Roth or after-tax contributions from your paycheck (depending on the plan).
- Consider saving 15% of your income (employee + any employer contributions)

SAVINGS

When you think about retirement, what concerns do you have?

SAVINGS

How many years do you expect to spend in retirement?

10 years

A.

15 years

B.

20 years

C.

25+ years

D.

STRATEGY

Considerations for your UC Retirement Savings Plans

Contribution limit changes

Your current salary

Financial work-life balance

Hitting the maximum

STRATEGY

Catch-up contributions (pretax and/or Roth)

2025 IRS Contribution Limits

UC 403(b) Plan	UC 457(b) Plan
$23,500 Under age 50	**$23,550** Under age 50
+$ 7,500 Additional "Catch-up" amount for age 50 and over	**+$ 7,500** Additional "Catch-up" amount for age 50 and over
$31,000 Age 50 and over	**$31,000** Age 50 and over

$62,000 annually

STRATEGY

Individual retirement accounts

Traditional IRA

- Tax-deductible contributions
- Tax-deferred growth
- Pay taxes when you start withdrawing

Roth IRA

- After-tax contributions
- Withdraw federal tax free
- Flexible—withdraw contributions at any time

A distribution from a Roth IRA is tax free and penalty free, provided the five-year aging requirement has been satisfied and one of the following conditions is met: age 59½, disability, qualified first-time home purchase, or death. Subject to income limits restrictions.

2025 IRS Contribution Limits

$7,000

Under age 50

+$1,000

Additional "Catch-up" amount for age 50 and over

$8,000

Age 50 and over

STRATEGY

Health savings accounts

Savings accounts for out-of-pocket medical expenses

Contributions can be withdrawn tax free* for qualified medical expenses

Unused funds can be saved year to year

2025 IRS Contribution Limits

Self-only coverage	Family coverage
$4,300 Under age 55	$8,550 Under age 55
+$1,000 "Catch-up" amount	+$1,000 "Catch-up" amount
$5,300 Age 55 and over	$9,550 Age 55 and over

*With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation.

STRATEGY

Deferred annuities

Insurance product

Save more for retirement

Additional tax-deferred savings

No IRS contribution limits

Fixed or variable rate of return

Investing in a variable annuity involves risk of loss - investment returns and contract value are not guaranteed and will fluctuate.
The issuing insurance company reserves the right to limit contributions.

STRATEGY

Do you have any of the accounts we just discussed?

A.

Individual retirement account (IRA)

B.

Health savings account (HSA)

C.

Deferred annuities

D.

None of the above

How can I preserve and help grow my savings?

PRESERVE

How often do you check your investments?

A. Daily

B. Monthly

C. Quarterly

D. Annually

PRESERVE

What might be a reason to review your investments?

A. Marriage

B. Divorce

C. Regular rebalancing of investments

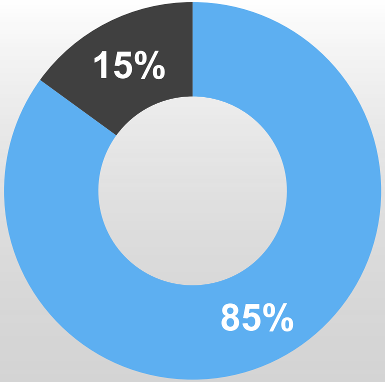
D. Inheritance

E. Nearing retirement

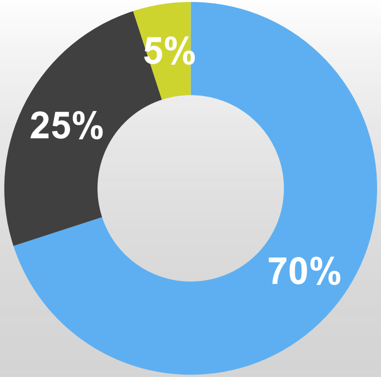
PRESERVE

Invest for the long term

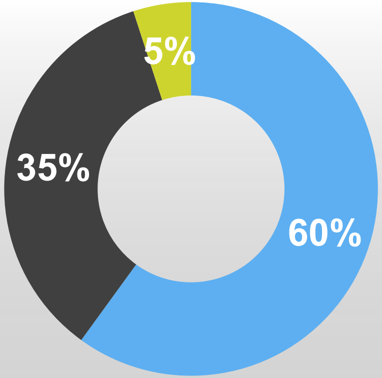
Aggressive
Retiring in 13+ years



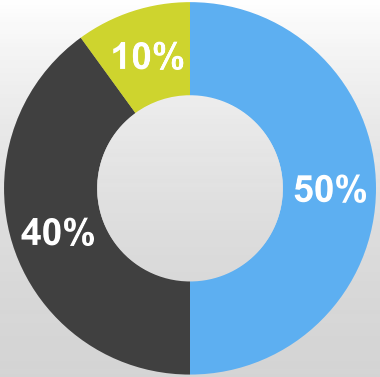
Growth
Retiring in 9-12 years



Growth with Income
Retiring in 1-8 years



Balanced
Retired 0-5 years



Stocks Bonds Short-term investments

For illustrative purposes only.
As a possible starting point for either your retirement or nonretirement goals, the target asset mix (TAM) is based on a measure of your time horizon. The measure of time horizon and the available default TAMs will vary by goal type. Time horizon for retirement goal type is defined as the difference between Current Year and Retirement (Goal Start) Year. Please note that this time horizon-based default TAM is just a starting point for you to begin consideration of the appropriate asset allocation. For a more in-depth look, be sure to take your risk tolerance, financial situation, and time horizon into consideration before choosing an allocation.

PRESERVE

Professional investment help

Single-fund Solution

UC Pathway Funds

- Based on anticipated retirement date
- Automatically adjusts the mix
- Becomes more conservative as retirement nears

Target Date Funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.

PRESERVE

How much should you have saved when you reach retirement?

2x
Final salary

A.

8x
Final salary

B.

10x
Final salary

C.

15x
Final salary

D.

The 10X savings rule of thumb is developed assuming age-based allocations, a 15% savings rate beginning at age 25, a 1.5% constant real wage growth, a retirement age of 67 and a planning age of 92. The intended goal is to help build retirement savings sufficient to replace approximately 45% of pre-retirement income to augment Social Security throughout retirement. All calculations are purely hypothetical and a suggested salary multiplier is not a guarantee of future results; it does not reflect the return of any particular investment or take into consideration the composition of a participant's particular account. The salary multiplier is intended only to be one source of information that may help you assess your retirement income needs. Remember, past performance is no guarantee of future results. Performance returns for actual investments will generally be reduced by fees or expenses not reflected in these hypothetical calculations. Returns also will generally be reduced by taxes.**

Take the next steps

NEXT STEPS

Review

Estimate how much you'll need

Maximize your workplace savings plan

Explore additional retirement saving options

Stay on track

NEXT STEPS

Take your next step

Call for help with a Fidelity Retirement Planner 800.558.9182

Visit myUCretirement.com

Call Customer Service 866.682.7787

System availability and response times may be subject to market conditions.

Before investing in any mutual fund or annuity and its investment options, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

Investing involves risk, including risk of loss.

** The replacement annual income target assumes no pension income. This target is based on Consumer Expenditure Survey 2011 (BLS), Statistics of Income 2011 Tax Stat, IRS 2014 tax brackets and Social Security Benefit Calculators. Fidelity developed the salary multipliers through multiple market simulations based on historical market data, assuming poor market conditions to support a 90% confidence level of success.

These simulations take into account the volatility that a typical target date asset allocation might experience under different market conditions. Volatility of the stocks, bonds and short-term asset classes is based on the historical annual data from 1926 through the most recent year-end data available from Ibbotson Associates, Inc. Stocks (domestic and foreign) are represented by Ibbotson Associates SBBI S&P 500 Total Return Index, bonds are represented by Ibbotson Associates SBBI U.S. Intermediate Term Government Bonds Total Return Index, and short term are represented by Ibbotson Associates SBBI 30-day U.S. Treasury Bills Total Return Index, respectively. It is not possible to invest directly in an index. All indices include reinvestment of dividends and interest income.

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