



Berkeley Faculty Association
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**Berkeley Faculty Association
Resolution to Support Joint Governance of the
University of California Retirement System**

- Whereas:** The Berkeley Faculty Association is an association for Faculty at UC Berkeley, and the Faculty Association is an association of Berkeley Senate faculty; and,
- Whereas:** BFA’s mission is to improve the economic status and general welfare of UCB faculty and to strengthen shared governance of the University of California; and,
- Whereas:** BFA believes the University of California Retirement System must remain strong so that the University can recruit and retain the employees who make UC a world class institution, and so that employees can retire with dignity and the benefits they were promised; and,
- Whereas:** Joint Governance of a pension plan means that pension decisions are made by agreement of trustees representing both Plan participants and management; and,
- Whereas:** Pension plans that have Joint Governance are healthier, have proven to be far more secure, in that such jointly governed plans account for 10% of the total assets covered by the federal Pension Benefits Guaranty Corp. (PBGC) while accounting for only 1.5% of the total underfunding of PBGC-covered plans; and, have better benefits for workers; and,
- Whereas:** UC and UCRS management have taken a “contribution holiday” for 16 years, making no contributions to the pension since 1990, and UC and UCRS management used pension fund assets to fund the Capital Accumulation Provision “CAP” I & II allocations, diverting pension assets to individual CAP accounts in lieu of wage increases at a cost of well over \$1.2 billion so far; and,
- Whereas:** With Joint Governance, when there are fund surpluses, what happens with any surplus is agreed upon by the employee and management trustees; and, Joint Governance improves pension security by reducing conflicts of interest and providing broader oversight of pension investments and benefits changes; and,
- Whereas:** The California State University system and California Community Colleges are in pension plans that have Joint Governance, with plan participant and management representation on their Boards; and,
- Whereas:** The Regents have discussed requiring employee contributions to the UCRP pension fund starting at 2% of covered payroll in 2007 and escalating to 8% in 2013 while wages at UC lag behind other comparable institutions such as universities, hospitals, and the California Community Colleges, and many UC workers must work multiple jobs to make ends meet; and,
- Whereas:** The Regents’ discussion of the restart of pension contributions occurred without the benefit of actuarial studies of the funded status of the UCRP performed according to widely accepted standards of actuarial best practices and without the benefit of an updated actuarial experience study, which according to the UC Retirement Plan Document is now overdue; and,
- Whereas:** UC and UCRS management refused to provide UC Retirement Plan data so that independent actuaries could evaluate the Plan; and,
- Whereas:** The University of California Retirement System is unilaterally managed by the UC Regents, and Article IX, Section 9 of the California Constitution explicitly authorizes the Regents to delegate authority;

Therefore, let it be resolved that the BFA believes that Joint Governance of the University of California Retirement System, with equal numbers of System trustees representing management and plan participants (faculty and staff) – as is the case with the CalPERS and CalSTRS – is necessary to ensure that significant pension plan decisions are based on full and accurate information, that conflicts of interest do not impact the management and performance of the UCRS, and that the UCRS is financially sound and well managed in a fair and appropriate manner.