

Current UC/LLNL Employee Options

| | TRANSFERRING Employee Vested In UCRP | TRANFERRING Employee Not Vested in UCRP | INACTIVE VESTED (in UCRP) Transferring Employee | UCRP RETIRING Employee (on or before 9/30/07) |
|--|--|---|--|--|
| Employment status with LLNL | Automatically hired by LLNS at current salary | | | If hired by LLNS, become “new employee” |
| Status of sick leave | Balance carried over and UC service used for accrual rate | | 100% carried over to LLNS or left with UC and eligible for conversion to UCRP service credit, but lost if employee does not retire within 120 days of separation. UC service used for accrual rate. | Sick leave counted toward UCRP service credit if retire within 120 days of UC separation. Starts new with LLNS. |
| Status of vacation | Vacation balance elections: <ul style="list-style-type: none"> • Cash out entire vacation balance • May be contributed to 403(b) or 457(b) plans subject to Internal Revenue Code limits • Carry over entire balance to LLNS, LLC | | | Used or cashed out upon retiring from UC. Starts new with LLNS. |
| Status of accrued UCRP service credit | Carried over | | Carried over to TCP2 for TCP2 benefits | Not carried over. |
| Retirement plan | TCP1 pension plan and 401(k) (employee only contribution) | Employee can choose TCP1 or TCP2 plan | TCP2 – 401(k) plan with employee and employer contribution | |
| Retiree Medical | TCP1 retiree medical coverage provided by LLNS. Contribution depends on years of service. | TCP1 retiree medical coverage provided by LLNS. Contribution depends on years of service. TCP2 “Access Only” provided by LLNS with service years requirement. | Employees eligible for TCP1 retiree health and welfare benefits and for employer contributions to medical and dental premiums based on UCRP service credit frozen on 9/30/07 if elect monthly annuity from UCRP; access only if take a lump sum from UCRP. | Upon hire by LLNS, retiree medical suspended, covered by active employee medical plan, when employee retires from LLNS, retiree medical re-activated under TCP1. |
| Employee's status in UCRP | No longer a UCRP member unless eligible for Capital Accumulation Provision (CAP). If so, remains a CAP-Only UCRP member until CAP is paid. | TCP1/TCP2 – No longer a UCRP member unless eligible for Capital Accumulation Provision (CAP). If so, remains a CAP-Only UCRP member until CAP is paid. | Employee is an inactive member of UCRP and can retire after reaching age 50 with monthly pension or lump sum. | Employee receives UCRP benefits. |

Definition of Terms for Current UC/LLNL Employee Options

Vested: In general “vested” refers to an employee’s non-forfeitable right to receive a retirement benefit. Within UCRP, a vested member is one who has earned five or more years of UCRP service credit. The earliest date on which a vested UCRP member may elect to retire is age 50.

Transferring Employees Vested in UCRP: These are employees (other than Inactive Vested Transferring Employees defined below) with 5 or more years of UCRP service credit who transition from employment with UC to employment with LLNS as of the first day of the Basic Term of the Contract (October 1, 2007) and elect Total Compensation Package 1.

Transferring Employees Not Vested in UCRP: These are employees with less than 5 years of UCRP service credit who transition from employment with UC to employment with LLNS as of the first day of the Basic Term of the Contract (October 1, 2007). They may choose either Total Compensation Package 1 or 2.

Inactive Vested (in UCRP) Transferring Employees: These are employees with five or more years of UCRP service credit who transition from employment with UC to employment with LLNS as of the start of the first day of the Basic Term of the Contract (October 1, 2007), These employees become vested “inactive” members in UCRP and go into Total Compensation Package 2.

UCRP Retiring Employees: These are employees who elect to retire under UCRP prior to the first day of the Basic Term of the LLNS contract (October 1, 2007) and who have the same rights with respect to hiring and terms and conditions of employment as New Employees (as defined below).

New Employees: These are employees hired by LLNS on or after the first day of the Basic Term of the contract (October 1, 2007) who are not Transferring Employees or Inactive Vested Transferring Employees.

UCRP Service Credit: Service credit for retirement purposes is earned whenever an employee receives covered compensation for an eligible appointment. The maximum that a member can earn for a year of full-time work is one year of service credit. Part-time or variable-time work results in a proportionate amount of service credit. For example, a member who works 50 percent time for one year receives one-half year of service credit. Service credit is not earned for overtime or other work outside an employee’s normal, regular appointment.

Total Compensation Package 1 (TCP1) (substantially equivalent in the aggregate): In general, “total compensation package” for transferring employees (including Safety Members who choose TCP1) is the combination of salary, pension plan, health and welfare benefits, and sick leave and vacation time that LLNS offers. The Contracting Officer in his/her sole discretion will determine substantial equivalency by comparing LLNS’ total compensation package with the benefits provided by UC. It includes UCRP age factors as a basis for determining retirement income, substantially equivalent in the aggregate pension and other benefits, maintains the base salaries of the Transferring Employees, and includes Pension Plan One (see below).

Total Compensation Package 2 (TCP2) (market-driven): A combination of salary, 401(k) plan with employer contributions, benefits, and sick leave and vacation time that is market based and that will allow the Laboratory to recruit and retain critical scientific, technical, and engineering skills to develop the next generation of scientific personnel necessary to successfully carry out its mission. It includes Pension Plan Two (see below).

Pension Plan One: A defined benefit plan designed to be substantially equivalent in the aggregate to UCRP that includes UCRP age factors, preserves accrued benefits under UCRP and recognizes service credit earned under UCRP.

Pension Plan Two: A 401(k) plan that is market-based and competitive for the industry and which will allow LLNS to recruit and retain the appropriate personnel to assure that LLNL continues to successfully carry out its mission.