

University of California Retirement Plan
Special Interim Addendum Report

*Actuarial Valuation Results for
Lawrence Livermore National Laboratory
as of October 1, 2007*

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December 20, 2007

*Ms. Judith W. Boyette
Associate Vice President, Human Resources and Benefits
University of California
1111 Franklin Street, 7th Floor
Oakland, California 94607-5200*

Dear Associate Vice President Boyette:

We are pleased to submit this Actuarial Valuation Report as of October 1, 2007 for the University of California Retirement Plan (“UCRP” or “Plan”). It summarizes the actuarial data used in the valuation, includes results both before and after reflecting the transfer elections and analyzes the preceding quarter’s experience for the Lawrence Livermore National Laboratory Segment within UCRP.

The census and financial information on which our calculations were based was provided by the UC HR/Benefits Staff. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion the assumptions as approved by the Regents are reasonably related to the experience of and future expectations for the Plan.

We look forward to reviewing this report and to answering any questions.

Sincerely,

THE SEGAL COMPANY

By:

*Paul Angelo, FSA, EA, MAAA
Senior Vice President and Actuary*

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Vice President and Associate Actuary*

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SECTION 1: Executive Summary for the University of California Retirement Plan – Lawrence Livermore National Laboratory

Purpose

This special addendum report presents the results for Lawrence Livermore National Laboratory (LLNL) of the October 1, 2007 actuarial valuation of the University of California Retirement Plan (UCRP). Results from the prior valuation are shown for comparison. The report is published solely for the purpose of complying with the requirements of Contract No. W-7405-ENG-48 (Contract 48), Modification No. M534. The report is based on the procedures specified in Modification No. M534.

Contributions

The Department of Energy (DOE) has agreed to fund the employer cost of UCRP at the contribution rates established from time to time by the Regents, as long as the contributions do not exceed the full funding limit defined in the Internal Revenue Code, Section 412. This interim valuation report does not calculate recommended contributions.

Significant Issues In Valuation

LAWRENCE LIVERMORE NATIONAL LABORATORY TRANSFER OF ASSETS AND LIABILITIES

- On September 30, 2007, the University's contract to operate and manage the Lawrence Livermore National Laboratory (LLNL) for the National Nuclear Security Administration of the Department of Energy (DOE/NNSA) expired. The DOE/NNSA awarded the contract to a separate legal entity, Lawrence Livermore National Security, LLC (LLNS), who assumed operations at the LLNL on October 1, 2007.
- Under the terms of the LLNS contract, LLNS is required to sponsor a defined benefit pension plan that is designed to be substantially equivalent to the provisions of the UCRP. The Plan assets and liabilities attributable to certain transitioning employees who elect employment with LLNS are expected to be transferred to the successor pension plan at a future date provided all required and advisable regulatory rulings and approvals are obtained.
- There are 3,943 members who elected to transfer to the LLNS defined benefit plan. Their actuarial accrued liability as of October 1, 2007 is approximately \$1.2 billion, excluding the liability for their CAP benefits that will be retained by UCRP. This liability is reflected in our valuation results and is based on the current UCRP actuarial assumptions, methods and plan provisions. The liability for these members as determined for the LLNS defined benefit plan will almost certainly be different, as it will be based on the LLNS benefit provisions and the actuarial assumptions and methods used by the LLNS actuary.

SECTION 1: Executive Summary for the University of California Retirement Plan – Lawrence Livermore National Laboratory

Significant Issues in Valuation (continued)

- The LLNL transfer elections reflected in this valuation are based on the transfer election data provided by the University as of November 6, 2007.
- We have calculated the amount of assets to be retained in UCRP for LLNL members who have retired or are inactive, and the amount of the assets that will be transferred to the LLNS defined benefit plan for the transitioning employees who elected to participate in the LLNS defined benefit plan based on the “A – B” formula listed in Contract 48, Clause H.008. “A” represents the market value of UCRP assets associated with UCRP members’ LLNL service during the performance of Contract 48 and is \$5.601 billion. “B” represents the liability associated with those LLNL members who are retired or inactive and retained by UCRP and is \$3.780 billion. Under this calculation, the amount of assets as of October 1, 2007 to be transferred from UCRP to the LLNS defined benefit plan would be “A – B”, or \$1.820 billion (rounded). The DOE/NNSA has elected to leave an additional \$75 million of this transfer amount in UCRP as a contribution reserve amount. Therefore, \$1.745 billion (rounded) is the amount to be transferred to the LLNS defined benefit plan as of October 1, 2007. The amount to be transferred will be adjusted for investment return, allocable expenses and any other appropriate adjustments through the anticipated transfer date of early April 2008.
- While this valuation includes results reflecting the LLNL transfer elections, it does not reflect the actual transfer of assets and liabilities to the LLNS defined benefit plan. This means that the results of this valuation include liabilities even for members who have elected to transfer to the LLNS defined benefit plan. As noted above, we have continued to value these members as UCRP members and their liabilities are shown in the results. LLNL employees **who elected not** to participate in the LLNS defined benefit plan are included in the valuation results either as retired, terminated vested, or nonvested members.

ASSETS

- During the July 1, 2007 through September 30, 2007 period, the rate of return on the unaudited market value of assets was 2.5%. Due to the recognition of prior investment gains, the rate of return on the actuarial value of assets was 3.1%, which is above the expected annual return of 7.5% (1.8% for a 3-month period).

SECTION 1: Executive Summary for the University of California Retirement Plan – Lawrence Livermore National Laboratory

Significant Issues in Valuation (continued)

FUNDED RATIO

- The funded ratio for LLNL's portion of the Plan on an actuarial basis increased from 98.7% as of July 1, 2007 to 98.9% as of September 30, 2007 before reflecting elections and was 102.8% as of September 30, 2007 after reflecting elections. Before reflecting elections, the LLNL portion of the Plan remains in an underfunded position as the actuarial accrued liability exceeds the actuarial value of assets by \$55 million. After reflecting the elections, the LLNL portion of the Plan shifts to an overfunded position as the actuarial value of assets exceeds the actuarial accrued liability by \$136 million as of October 1, 2007.

FUTURE EXPECTATIONS

- No contributions were recommended for the 2007-2008 Plan Year. This was due to the application of the full funding policy that the Regents adopted in 1990. Member contributions are all currently being redirected to the UC Defined Contribution Plan.

DEMOGRAPHIC EXPERIENCE

- Prior to reflecting the LLNL transfer elections, the number of UCRP active members considered LLNL employees for valuation purposes decreased by 9.1% from 7,264 as of July 1, 2007 to 6,602 as of October 1, 2007. Total covered compensation decreased by 8.6%, to a level of \$682.9 million. As of October 1, 2007, LLNL has 5,402 members currently receiving benefits, an increase of 13.3% from July 1, 2007. Total annual benefits in pay status increased by 19.7%, to a level of \$217.9 million. There are also 1,764 terminated members who are entitled to future benefits. Within this group of terminated members, there are 1,212 terminated vested members who are entitled to a deferred or immediate vested benefit and 552 terminated nonvested members who are entitled to a refund of member contributions or payment of their Capital Accumulation Provision (CAP) balance.
- The LLNL transfer elections showed the following:
 - There were 3,907 active members who elected to transfer to the LLNS defined benefit plan. As described earlier, we have continued to value these members as active UCRP members.
 - There were 146 active members who elected inactive status in UCRP and are at least age 59. Consistent with current practice, we have assumed immediate commencement of their retirement benefits.

SECTION 1: Executive Summary for the University of California Retirement Plan – Lawrence Livermore National Laboratory

- There were 1,801 active members who elected inactive status and were vested in UCRP, but not yet assumed to retire. These members were valued as terminated vested members in this valuation.
- There were 748 active members who were not vested in UCRP and did not elect to transfer to the LLNS defined benefit plan. Of these members, only 73 have a member contribution or CAP balance. These members were valued as terminated nonvested members in this valuation due a refund of member contributions or CAP balance payment.
- There were also 36 members who were on a leave of absence as of September 30, 2007, and elected to transfer to the LLNS defined benefit plan. These members were valued as either terminated vested or nonvested members in this valuation, depending on each member’s circumstance.
- Alternate payees of members that transferred to the LLNS defined benefit plan were allowed to make an election either to have their benefit retained in UCRP or to have their benefit transferred to the LLNS defined benefit plan. This report does not reflect the impact of these elections. Once these elections are made, then they will be reflected in the calculation of the assets to be retained in UCRP.

SECTION 1: Executive Summary for the University of California Retirement Plan – Lawrence Livermore National Laboratory

Summary of Key Valuation Results

| | October 1, 2007 | October 1, 2007 | July 1, 2007 |
|---|-----------------|------------------|-----------------|
| Contributions for year beginning: | After Elections | Before Elections | |
| Recommended | N/A | N/A | \$ 0 |
| Percentage of payroll | N/A | N/A | 0.00% |
| Funding elements for year beginning: | | | |
| Market value of assets allocated to LLNL* | \$5,600,667,264 | \$5,600,667,264 | \$5,527,473,271 |
| Actuarial value of assets (AVA) | 5,080,611,591 | 5,080,611,591 | 4,990,733,032 |
| Actuarial accrued liability (AAL)** | 4,944,487,581 | 5,136,000,205 | 5,057,081,148 |
| Unfunded/(Overfunded) actuarial accrued liability | (136,124,010) | 55,388,614 | 66,348,116 |
| Funded ratio (AVA / AAL) | 102.8% | 98.9% | 98.7% |
| Current liability | 4,520,270,128 | 4,415,771,170 | 4,274,605,775 |
| Covered payroll | 376,910,829 | 628,908,187 | 681,953,976 |
| Demographic data for year beginning: | | | |
| Number of retired members and beneficiaries | 5,402 | 5,402 | 4,767 |
| Number of vested terminated members*** | 3,784 | 1,764 | 1,763 |
| Number of active members**** | 3,907 | 6,602 | 7,264 |
| Average compensation (average dollars) | \$103,877 | \$103,440 | \$102,900 |

* The October 1, 2007 value represents the market value of UCRP assets associated with UCRP members' LLNL service during the performance of Contract 48 ("A").

** As of October 1, 2007, after elections, the liability associated with those LLNL members who are retired or inactive and retained by UCRP is \$3,780,314,849 ("B"). Following the Contract 48 formula of "A-B" yields \$1,820,352,415 as the amount to be transferred to the LLNS defined benefit plan as of October 1, 2007. The DOE/NNSA has elected to retain an additional \$75,000,000 of this transfer amount in UCRP as a contribution reserve amount. Therefore, \$1,745,352,415 is the amount to be transferred to the LLNS defined benefit plan as of October 1, 2007. This amount will be adjusted for investment return, allocable expenses, benefit payments and any other appropriate adjustments through the anticipated transfer date of early April 2008.

*** Includes terminated nonvested members due a refund of member contributions or CAP balance payment, and for October 1, 2007, includes 36 members who were on a leave of absence as of September 30, 2007, and elected to transfer to the LLNS defined benefit plan.

**** After elections, this represents the active members transferring to the LLNS defined benefit plan.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT A

Table of Plan Coverage

i. Active Members

| Category | Year Beginning | | | Change From Prior Year* |
|--|---------------------------------|----------------------------------|---------------|-------------------------|
| | After Elections October 1, 2007 | Before Elections October 1, 2007 | July 1, 2007 | |
| Active members with Social Security: | | | | |
| Number | 3,870 | 6,440 | 6,979 | -7.7% |
| Average age | 45.8 | 45.4 | 46.3 | N/A |
| Average service credit | 11.3 | 11.8 | 12.5 | -5.6% |
| Total compensation | \$401,735,397 | \$665,110,190 | \$714,673,974 | -6.9% |
| Average compensation | 103,808 | 103,278 | 102,403 | 0.9% |
| Active members without Social Security: | | | | |
| Number | 37 | 127 | 242 | -47.5% |
| Average age | 54.4 | 54.8 | 56.9 | N/A |
| Average service credit | 27.1 | 27.5 | 28.9 | -4.8% |
| Total compensation | \$4,110,358 | \$14,125,132 | \$28,266,752 | -50.0% |
| Average compensation | 111,091 | 111,222 | 116,805 | -4.8% |
| Safety members: | | | | |
| Number | 0 | 35 | 43 | -18.6% |
| Average age | N/A | 40.9 | 43.2 | N/A |
| Average service credit | N/A | 13.0 | 14.7 | -11.6% |
| Total compensation | N/A | \$3,675,194 | \$4,523,681 | -18.8% |
| Average compensation | N/A | 105,006 | 105,202 | -0.2% |
| All active members: | | | | |
| Number** | 3,907 | 6,602 | 7,264 | -9.1% |
| Average age | 45.9 | 45.5 | 46.6 | N/A |
| Average service credit | 11.4 | 12.1 | 13.1 | -7.6% |
| Total compensation | \$405,845,755 | \$682,910,516 | \$747,464,407 | -8.6% |
| Average compensation | 103,877 | 103,440 | 102,900 | 0.5% |

* Represents change between "Before Elections" and prior year columns.

** After elections, this represents the active members transferring to the LLNS defined benefit plan.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT A

**Table of Plan Coverage
ii. Nonactive Members**

| Category | Year Beginning | | | Change From Prior Year* |
|---|------------------------------------|-------------------------------------|--------------|-------------------------|
| | After Elections October 1, 2007 | Before Elections October 1, 2007 | July 1, 2007 | |
| Terminated vested members:** | | | | |
| Number | 3,159 | 1,212 | 1,210 | 0.2% |
| Average age | 48.3 | 48.1 | 48.4 | N/A |
| Total monthly benefit*** | \$10,285,361 | \$2,335,478 | \$2,384,370 | -2.1% |
| Average monthly benefit | 3,256 | 1,927 | 1,971 | -2.2% |
| Terminated nonvested members:** | | | | |
| Number | 625 | 552 | 553 | -0.2% |
| Average member refund and CAP balance | \$4,124 | \$4,371 | \$4,266 | 2.5% |
| Retired members: | | | | |
| Number in pay status | 4,528 | 4,528 | 3,905 | 16.0% |
| Average age | 67.3 | 67.3 | 68.3 | N/A |
| Total monthly benefit | \$16,719,566 | \$16,719,566 | \$13,771,745 | 21.4% |
| Average monthly benefit | 3,692 | 3,692 | 3,527 | 4.7% |
| Disabled members: | | | | |
| Number in pay status | 184 | 184 | 179 | 2.8% |
| Average age | 56.3 | 56.3 | 56.6 | N/A |
| Total monthly benefit | \$372,772 | \$372,772 | \$359,616 | 3.7% |
| Average monthly benefit | 2,026 | 2,026 | 2,009 | 0.8% |
| Beneficiaries (includes Eligible Survivors, Contingent Annuitants, and Spouses/Domestic Partners): | | | | |
| Number in pay status | 690 | 690 | 683 | 1.0% |
| Average age | 72.2 | 72.2 | 72.1 | N/A |
| Total monthly benefit | \$1,065,138 | \$1,065,138 | \$1,037,936 | 2.6% |
| Average monthly benefit | 1,544 | 1,544 | 1,520 | 1.6% |

* Represents change between "Before Elections" and prior year columns.

** There are 24 vested members and 12 nonvested members who were on a leave of absence as of September 30, 2007, and elected to transfer to the LLNS defined benefit plan.

*** Benefit is calculated based on assumed retirement age (age 59).

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT B

**Members in Active Service and Average Compensation as of October 1, 2007*
By Age and Service Credit**

i. All Active Members

| Age | Service Credit | | | | | | | | | |
|----------------------|----------------|----------|----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|
| | Total | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40 & over |
| Under 25 | 48 | 48 | -- | -- | -- | -- | -- | -- | -- | -- |
| | \$66,715 | \$66,715 | -- | -- | -- | -- | -- | -- | -- | -- |
| 25 - 29 | 408 | 325 | 82 | 1 | -- | -- | -- | -- | -- | -- |
| | 77,673 | 77,333 | \$78,992 | \$79,846 | -- | -- | -- | -- | -- | -- |
| 30 - 34 | 596 | 322 | 252 | 22 | -- | -- | -- | -- | -- | -- |
| | 88,833 | 86,961 | 90,515 | 96,950 | -- | -- | -- | -- | -- | -- |
| 35 - 39 | 755 | 264 | 363 | 100 | 26 | 2 | -- | -- | -- | -- |
| | 97,385 | 88,116 | 101,122 | 110,001 | \$91,710 | \$85,707 | -- | -- | -- | -- |
| 40 - 44 | 1,049 | 231 | 362 | 204 | 185 | 62 | 5 | -- | -- | -- |
| | 102,007 | 93,181 | 96,905 | 113,482 | 110,992 | 101,661 | \$82,740 | -- | -- | -- |
| 45 - 49 | 1,386 | 175 | 300 | 183 | 316 | 302 | 107 | 3 | -- | -- |
| | 108,480 | 92,813 | 99,121 | 115,892 | 113,466 | 117,738 | 107,953 | \$73,305 | -- | -- |
| 50 - 54 | 1,440 | 140 | 238 | 148 | 200 | 313 | 289 | 110 | 2 | -- |
| | 110,417 | 98,779 | 97,000 | 110,485 | 108,009 | 123,313 | 114,367 | 112,145 | \$73,432 | -- |
| 55 - 59 | 698 | 84 | 110 | 60 | 99 | 129 | 135 | 73 | 8 | -- |
| | 114,415 | 104,081 | 99,002 | 104,546 | 113,535 | 119,299 | 128,656 | 125,532 | 99,235 | -- |
| 60 - 64 | 161 | 50 | 52 | 13 | 10 | 14 | 14 | 6 | -- | 2 |
| | 113,671 | 114,481 | 102,904 | 127,551 | 108,177 | 121,477 | 119,943 | 163,492 | -- | \$62,610 |
| 65 - 69 | 46 | 17 | 16 | 3 | 5 | 2 | 1 | 2 | -- | -- |
| | 111,729 | 104,683 | 109,542 | 108,872 | 123,129 | 139,524 | 117,031 | 134,464 | -- | -- |
| 70 & over | 15 | 10 | 2 | -- | -- | 1 | 1 | 1 | -- | -- |
| | 125,769 | 118,493 | 164,044 | -- | -- | 58,994 | 151,115 | 163,410 | -- | -- |
| Total | 6,602 | 1,666 | 1,777 | 734 | 841 | 825 | 552 | 195 | 10 | 2 |
| | \$103,440 | \$89,212 | \$96,915 | \$111,940 | \$110,954 | \$118,856 | \$116,545 | \$118,631 | \$94,075 | \$62,610 |

Average Age: 45.5

Average Service Credit: 12.1

* Reflects data before LLNL transfer elections are recognized

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT B

**Members in Active Service and Average Compensation as of October 1, 2007*
By Age and Service Credit**

ii. Members with Social Security

| Age | Service Credit | | | | | | | | | |
|----------------------|----------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Total | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40 & over |
| Under 25 | 48 | 48 | -- | -- | -- | -- | -- | -- | -- | -- |
| | \$66,715 | \$66,715 | -- | -- | -- | -- | -- | -- | -- | -- |
| 25 - 29 | 402 | 319 | 82 | 1 | -- | -- | -- | -- | -- | -- |
| | 77,590 | 77,223 | \$78,992 | \$79,846 | -- | -- | -- | -- | -- | -- |
| 30 - 34 | 590 | 319 | 249 | 22 | -- | -- | -- | -- | -- | -- |
| | 88,819 | 86,967 | 90,474 | 96,950 | -- | -- | -- | -- | -- | -- |
| 35 - 39 | 748 | 263 | 360 | 97 | 26 | 2 | -- | -- | -- | -- |
| | 97,346 | 88,013 | 101,141 | 110,321 | \$91,710 | \$85,707 | -- | -- | -- | -- |
| 40 - 44 | 1,037 | 227 | 360 | 203 | 182 | 60 | 5 | -- | -- | -- |
| | 101,987 | 93,238 | 96,748 | 113,445 | 111,119 | 101,593 | \$82,740 | -- | -- | -- |
| 45 - 49 | 1,375 | 174 | 300 | 181 | 313 | 299 | 105 | 3 | -- | -- |
| | 108,432 | 92,819 | 99,332 | 115,953 | 113,567 | 117,537 | 107,716 | \$73,305 | -- | -- |
| 50 - 54 | 1,388 | 140 | 238 | 147 | 199 | 310 | 283 | 71 | -- | -- |
| | 110,543 | 98,779 | 97,210 | 110,655 | 108,210 | 123,664 | 114,500 | 112,390 | -- | -- |
| 55 - 59 | 642 | 83 | 110 | 60 | 98 | 123 | 128 | 39 | 1 | -- |
| | 114,296 | 104,612 | 99,002 | 104,546 | 113,429 | 118,964 | 129,697 | 130,257 | \$102,380 | -- |
| 60 - 64 | 155 | 49 | 52 | 13 | 10 | 14 | 12 | 4 | -- | 1 |
| | 113,191 | 115,625 | 102,904 | 127,551 | 108,177 | 121,477 | 118,052 | 150,364 | -- | \$62,610 |
| 65 - 69 | 40 | 14 | 13 | 3 | 5 | 2 | 1 | 2 | -- | -- |
| | 110,404 | 108,635 | 99,077 | 108,872 | 123,129 | 139,524 | 117,031 | 134,464 | -- | -- |
| 70 & over | 15 | 10 | 2 | -- | -- | 1 | 1 | 1 | -- | -- |
| | 125,769 | 118,493 | 164,044 | -- | -- | 58,994 | 151,115 | 163,410 | -- | -- |
| Total | 6,440 | 1,646 | 1,766 | 727 | 833 | 811 | 535 | 120 | 1 | 1 |
| | \$103,278 | \$89,262 | \$96,783 | \$112,042 | \$111,046 | \$118,888 | \$116,661 | \$119,278 | \$102,380 | \$62,610 |

Average Age: 45.4

Average Service Credit: 11.8

* Reflects data before LLNL transfer elections are recognized

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT B

**Members in Active Service and Average Compensation as of October 1, 2007*
By Age and Service Credit**

iii. Members without Social Security

| Age | Service Credit | | | | | | | | | |
|--------------|----------------|----------|-----------|----------|----------|-----------|-----------|-----------|----------|-----------|
| | Total | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40 & over |
| Under 25 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 25 - 29 | 3 | 3 | -- | -- | -- | -- | -- | -- | -- | -- |
| 30 - 34 | 81,510 | 81,510 | -- | -- | -- | -- | -- | -- | -- | -- |
| 35 - 39 | 115,290 | 115,290 | -- | -- | -- | -- | -- | -- | -- | -- |
| 40 - 44 | 111,779 | 70,620 | \$152,937 | -- | -- | -- | -- | -- | -- | -- |
| 45 - 49 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 50 - 54 | 106,521 | -- | -- | \$85,528 | \$68,122 | \$87,014 | \$108,106 | \$111,116 | \$73,432 | -- |
| 55 - 59 | 115,777 | 60,000 | -- | -- | 123,902 | 126,159 | 109,620 | 120,111 | 98,786 | -- |
| 60 - 64 | 127,188 | 58,433 | -- | -- | -- | -- | 131,294 | 189,747 | -- | \$62,610 |
| 65 - 69 | 120,566 | 86,243 | 154,888 | -- | -- | -- | -- | -- | -- | -- |
| 70 & over | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total | 127 | 12 | 4 | 1 | 2 | 9 | 15 | 74 | 9 | 1 |
| | \$111,222 | \$78,898 | \$154,400 | \$85,528 | \$96,012 | \$113,111 | \$111,904 | \$117,374 | \$93,152 | \$62,610 |

Average Age: 54.8

Average Service Credit: 27.5

* Reflects data before LLNL transfer elections are recognized

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT B

**Members in Active Service and Average Compensation as of October 1, 2007*
By Age and Service Credit**

iv. Safety Members

| Age | Total | Service Credit | | | | | | | | |
|--------------|-----------|----------------|----------|-----------|-----------|-----------|-----------|-----------|-------|-----------|
| | | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40 & over |
| Under 25 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 25 - 29 | 3 | 3 | -- | -- | -- | -- | -- | -- | -- | -- |
| | \$92,916 | \$92,916 | -- | -- | -- | -- | -- | -- | -- | -- |
| 30 - 34 | 4 | 1 | 3 | -- | -- | -- | -- | -- | -- | -- |
| | 94,472 | 95,936 | \$93,984 | -- | -- | -- | -- | -- | -- | -- |
| 35 - 39 | 6 | -- | 3 | 3 | -- | -- | -- | -- | -- | -- |
| | 99,266 | -- | 98,875 | \$99,657 | -- | -- | -- | -- | -- | -- |
| 40 - 44 | 10 | 3 | 1 | 1 | 3 | 2 | -- | -- | -- | -- |
| | 103,038 | 96,429 | 102,738 | 120,949 | \$103,329 | \$103,711 | -- | -- | -- | -- |
| 45 - 49 | 11 | 1 | -- | 2 | 3 | 3 | 2 | -- | -- | -- |
| | 114,423 | 91,664 | -- | 102,057 | 102,954 | 137,754 | \$120,373 | -- | -- | -- |
| 50 - 54 | 1 | -- | -- | -- | -- | -- | -- | 1 | -- | -- |
| | 133,931 | -- | -- | -- | -- | -- | -- | \$133,931 | -- | -- |
| 55 - 59 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 60 - 64 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 65 - 69 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 70 & over | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total | 35 | 8 | 7 | 6 | 6 | 5 | 2 | 1 | -- | -- |
| | \$105,006 | \$94,454 | \$97,331 | \$104,005 | \$103,142 | \$124,137 | \$120,373 | \$133,931 | -- | -- |

Average Age: 40.9

Average Service Credit: 13.0

* Reflects data before LLNL transfer elections are recognized

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT C

Members and Beneficiaries in Pay Status and Average Monthly Benefit as of October 1, 2007*

| Age | Years Since Retirement | | | | | | |
|-----------|------------------------|---------|---------|---------|---------|---------|-----------|
| | Total | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25 & Over |
| 0 – 49 | 54 | 16 | 30 | 6 | 2 | -- | -- |
| 50 – 59 | \$1,598 | \$2,244 | \$1,469 | \$1,012 | \$119 | -- | -- |
| 60 – 61 | 1,028 | 842 | 149 | 26 | 10 | 1 | -- |
| 62 – 63 | 3,432 | 3,821 | 1,800 | 1,273 | 920 | \$629 | -- |
| 64 – 65 | 513 | 400 | 79 | 31 | 3 | -- | -- |
| 66 – 67 | 4,214 | 4,870 | 2,261 | 994 | 1,547 | -- | -- |
| 68 – 69 | 456 | 316 | 83 | 52 | 4 | 1 | -- |
| 70 – 71 | 4,393 | 5,322 | 2,806 | 1,606 | 1,064 | 745 | -- |
| 72 – 73 | 554 | 282 | 178 | 80 | 12 | 1 | 1 |
| 74 & over | 4,209 | 4,839 | 4,531 | 1,795 | 1,272 | 273 | \$1,797 |
| | 494 | 137 | 207 | 128 | 20 | 2 | -- |
| | 3,723 | 4,455 | 4,507 | 2,141 | 995 | 895 | -- |
| | 420 | 73 | 177 | 123 | 43 | 2 | 2 |
| | 3,470 | 4,551 | 4,153 | 2,668 | 1,378 | 889 | 403 |
| | 320 | 38 | 67 | 167 | 46 | 2 | -- |
| | 3,560 | 5,028 | 2,768 | 4,086 | 1,678 | 1,619 | -- |
| | 349 | 12 | 35 | 196 | 99 | 6 | 1 |
| | 2,924 | 3,773 | 2,338 | 3,570 | 1,864 | 1,248 | 1,572 |
| | 1,214 | 8 | 68 | 256 | 365 | 337 | 180 |
| | 2,047 | 2,446 | 1,652 | 3,345 | 2,434 | 1,425 | 709 |
| Total | 5,402 | 2,124 | 1,073 | 1,065 | 604 | 352 | 184 |
| | \$3,341 | \$4,446 | \$3,335 | \$2,946 | \$2,091 | \$1,409 | \$716 |

Average Age: 67.6

Average Years Since Retirement: 8.8

* Excludes temporary Social Security Supplement.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT D

Members with Deferred Benefits and Average Monthly Benefit as of October 1, 2007*

| Age | Years Since Termination | | | | | | |
|-----------|-------------------------|---------|---------|---------|---------|---------|-----------|
| | Total | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25 & Over |
| 20 - 24 | -- | -- | -- | -- | -- | -- | -- |
| 25 - 29 | 7 | 7 | -- | -- | -- | -- | -- |
| 30 - 34 | \$1,552 | \$1,552 | -- | -- | -- | -- | -- |
| 35 - 39 | 49 | 41 | 7 | 1 | -- | -- | -- |
| 40 - 44 | 1,611 | 1,575 | \$1,596 | \$3,191 | -- | -- | -- |
| 45 - 49 | 101 | 67 | 28 | 5 | 1 | -- | -- |
| 50 - 54 | 1,918 | 2,231 | 1,406 | 792 | \$855 | -- | -- |
| 55 - 59 | 205 | 67 | 79 | 59 | -- | -- | -- |
| 60 - 64 | 1,885 | 2,426 | 1,979 | 1,143 | -- | -- | -- |
| 65 - 69 | 361 | 91 | 135 | 116 | 18 | 1 | -- |
| 70 - 74 | 1,902 | 2,711 | 1,914 | 1,411 | 944 | \$851 | -- |
| 75 & over | 286 | 48 | 115 | 93 | 22 | 6 | 2 |
| Total | 1,952 | 3,431 | 1,692 | 1,698 | 1,273 | 1,702 | \$1,485 |
| | 170 | 21 | 64 | 58 | 10 | 16 | 1 |
| | 1,969 | 3,693 | 1,975 | 1,752 | 1,242 | 992 | 887 |
| | 29 | 4 | 11 | 8 | 2 | 4 | -- |
| | 1,560 | 4,523 | 945 | 1,369 | 789 | 1,055 | -- |
| | 4 | -- | 1 | 2 | -- | 1 | -- |
| | 1,105 | -- | 1,234 | 984 | -- | 1,217 | -- |
| | -- | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- | -- |
| Total | 1,212 | 346 | 440 | 342 | 53 | 28 | 3 |
| | \$1,897 | \$2,585 | \$1,813 | \$1,493 | \$1,129 | \$1,156 | \$1,286 |

Average Age: 48.1

Average Years Since Termination: 7.6

* Reflects data before LLNL transfer elections are recognized. Excludes temporary Social Security Supplement.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT E

Reconciliation of Member Data*

| | Active Members | Terminated Vested Members** | Retired Members | Disabled Members | Beneficiaries | Total |
|---|-----------------------|------------------------------------|------------------------|-------------------------|----------------------|--------------|
| Number as of July 1, 2007 | 7,264 | 1,763 | 3,905 | 179 | 683 | 13,794 |
| New members | 114 | N/A | N/A | N/A | N/A | 114 |
| Terminations – with vested rights | (67) | 67 | 0 | 0 | 0 | 0 |
| Terminations – without vested rights*** | (43) | (5) | 0 | 0 | 0 | (48) |
| Retirements | (619) | (22) | 633 | 8 | 0 | 0 |
| Lump Sum Cashouts | (54) | (9) | 0 | (1) | 0 | (64) |
| Return to work | 25 | (25) | 0 | 0 | 0 | 0 |
| Died with or without beneficiary | (2) | 0 | (9) | (2) | 7 | (6) |
| Transfers from or to another location | (17) | 0 | 0 | 0 | 0 | (17) |
| Data adjustments | <u>1</u> | <u>(5)</u> | <u>(1)</u> | <u>(0)</u> | <u>0</u> | <u>(5)</u> |
| Number as of October 1, 2007 | 6,602 | 1,764 | 4,528 | 184 | 690 | 13,768 |

* Reflects data before LLNL transfer elections are recognized.

** Includes terminated nonvested members due a refund of member contributions or CAP balance payment.

*** Includes those members who terminated and received a refund of member contributions or a distribution of their CAP balance.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT F

Allocation of Administrative Expenses and Investment Return

| | Period Ended September 30, 2007 | Year Ended June 30, 2007 |
|---|--|---------------------------------|
| Administrative cost:* | | |
| Total UCRP administrative expenses for the defined benefit plan | \$9,189,083 | \$38,918,057 |
| Total UCRP market value of assets at beginning of period | 48,105,347,875 | 43,362,224,850 |
| Administrative expenses as a percent of assets | <u>0.0191%</u> | <u>0.0898%</u> |
| Market value allocated to LLNL as of beginning of period | 5,527,473,271 | 4,842,337,797 |
| Multiplied by administrative expenses ratio | <u>0.000191</u> | <u>0.000898</u> |
| Administrative expenses allocated to LLNL | \$1,055,747 | \$4,348,419 |
| Investment return:** | | |
| Compound total return for UCRP | 2.5% | 19.0% |
| Investment return allocated to LLNL | \$137,384,451 | \$899,663,974 |

* *Administrative expenses are allocated in proportion to the market value of assets at the beginning of the period as specified by Modification No. M534.*

** *The compound total return for UCRP is applied to the market value of assets at the beginning of the year and to employer contributions, member contributions, benefit payments and administrative expenses assuming all payments are made in the middle of the period.*

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

**EXHIBIT G
Asset Values**

| | Period Ended September 30, 2007 | Year Ended June 30, 2007 |
|--|--|---------------------------------|
| Market value of assets: | | |
| Market value at beginning of period | \$5,527,473,271 | \$4,842,337,797 |
| Employer contributions | 0 | 134,204 |
| Member contributions | 52,412 | 135,516 |
| Benefit payments | (63,187,123) | (210,449,801) |
| Administrative expenses | (1,055,747) | (4,348,419) |
| Investment return | <u>137,384,451</u> | <u>899,663,974</u> |
| Market value at end of period | \$5,600,667,264 | \$5,527,473,271 |
| Actuarial value of assets allocation: | | |
| Total UCRP market value at end of period | \$48,773,602,919 | \$48,105,347,875 |
| Market value allocated to LLNL at end of period | 5,600,667,264 | 5,527,473,271 |
| Ratio of LLNL allocation to total | 0.114830 | 0.114904 |
| Total UCRP actuarial value at end of period | 44,244,636,337 | 43,433,936,437 |
| Multiplied by market value ratio | <u>0.114830</u> | <u>0.114904</u> |
| Actuarial value allocated to LLNL at end of period | \$5,080,611,591 | \$4,990,733,032 |

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT H

Development of the Fund Through September 30, 2007

| Period Ended June 30 | Employer Contributions | Member Contributions | Investment Income | Benefit Payments | Administrative Expenses | Market Value of Assets at End of Period |
|---------------------------------|-----------------------------------|---------------------------------|------------------------------|-----------------------------|------------------------------------|--|
| 1991 | N/A | N/A | N/A | N/A | N/A | \$1,492,556,111 |
| 1992 | \$50,433 | \$1,776,914 | \$226,048,932 | \$(24,135,564) | \$(2,020,921) | 1,694,275,905 |
| 1993 | 5,873 | 1,751,589 | 286,866,763 | (26,496,313) | (2,451,617) | 1,953,952,200 |
| 1994 | 0 | 734,046 | (49,968,148) | (61,943,281) | (2,571,401) | 1,840,203,416 |
| 1995 | 0 | 271,845 | 473,426,099 | (54,180,201) | (1,946,935) | 2,257,774,224 |
| 1996 | 0 | 185,027 | 475,055,109 | (56,321,451) | (1,584,958) | 2,675,107,951 |
| 1997 | 4,153 | 257,727 | 681,598,328 | (69,366,462) | (1,447,233) | 3,286,154,464 |
| 1998 | 17,029 | 308,143 | 702,310,047 | (71,712,987) | (1,616,788) | 3,915,459,908 |
| 1999 | 0 | 275,140 | 476,484,089 | (83,695,870) | (2,274,882) | 4,306,248,385 |
| 2000 | 0 | 417,428 | 540,506,916 | (102,223,243) | (1,868,912) | 4,743,080,574 |
| 2001 | 0 | 418,392 | (257,593,824) | (115,252,242) | (2,618,180) | 4,368,034,720 |
| 2002 | 0 | 255,392 | (387,762,369) | (113,691,316) | (2,948,423) | 3,863,888,004 |
| 2003 | 0 | 275,161 | 212,998,048 | (119,476,460) | (3,168,388) | 3,954,516,365 |
| 2004 | 0 | 327,705 | 563,922,975 | (128,419,480) | (2,693,026) | 4,387,654,539 |
| 2005 | 0 | 144,149 | 444,407,394 | (143,805,333) | (2,378,109) | 4,686,022,640 |
| 2006 | 0 | 135,723 | 331,101,328 | (171,112,158) | (3,809,736) | 4,842,337,797 |
| 2007 | 134,204 | 135,516 | 899,663,974 | (210,449,801) | (4,348,419) | 5,527,473,271 |
| 2007* | 0 | 52,412 | 137,384,451 | (63,187,123) | (1,055,747) | 5,600,667,264 |

* As of September 30, 2007

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT I

Actuarial Liabilities

| Actuarial Accrued Liability | After Elections October 1, 2007 | Before Elections October 1, 2007 | July 1, 2007 |
|--|--|---|---------------------|
| Members in pay status: | | | |
| Retirees* | \$2,574,081,117 | \$2,574,081,117 | \$2,057,292,692 |
| Beneficiaries | 131,198,665 | 131,198,665 | 128,153,719 |
| Disableds | <u>74,009,366</u> | <u>74,009,366</u> | <u>70,383,688</u> |
| Total in pay status | \$2,779,289,148 | \$2,779,289,148 | \$2,255,830,099 |
| Active members** | | | |
| Non safety | \$1,158,375,691 | \$2,137,536,322 | \$2,566,607,525 |
| Safety | <u>0</u> | <u>17,146,187</u> | <u>24,514,263</u> |
| Total Actives | \$1,158,375,691 | \$2,154,682,509 | \$2,591,121,788 |
| Terminated members*** | | | |
| Vested | \$1,004,244,954 | \$199,615,692 | \$207,769,774 |
| Nonvested | <u>2,577,788</u> | <u>2,412,856</u> | <u>2,359,487</u> |
| Total terminated | \$1,006,822,742 | \$202,028,548 | \$210,129,261 |
| Total actuarial accrued liability | \$4,944,487,581 | \$5,136,000,205 | \$5,057,081,148 |
| Current Liability | | | |
| Members in pay status* | \$2,779,289,148 | \$2,779,289,148 | \$2,255,830,099 |
| Active members** | 734,158,238 | 1,434,192,874 | 1,808,646,415 |
| Terminated members*** | <u>1,006,822,742</u> | <u>202,289,148</u> | <u>210,129,261</u> |
| Total current liability | \$4,520,270,128 | \$4,415,771,170 | \$4,274,605,775 |
| Actuarial Present Value of Projected Benefits | | | |
| Members in pay status* | \$2,779,289,148 | \$2,779,289,148 | \$2,255,830,099 |
| Active members** | 1,624,998,115 | 2,902,688,996 | 3,373,446,950 |
| Terminated Members*** | <u>1,006,822,742</u> | <u>202,028,548</u> | <u>210,129,261</u> |
| Total | \$5,411,110,005 | \$5,884,006,692 | \$5,839,406,310 |

* For October 1, 2007, includes a liability of \$42.5 million for Lump Sum Cashouts, CAP balance payments and refunds of member contributions that were paid on or after October 1, 2007. For July 1, 2007, includes a liability of \$18.0 million for Lump Sum Cashouts, CAP balance payments and refunds of member contributions that were paid on or after July 1, 2007.

** In the "After Elections" column, the active members' liability represents the non-CAP liability for those active members transferring to the LLNS defined benefit plan.

*** In the "After Elections" column, the terminated members' liability includes a CAP liability of \$45,769,059 for members transferring to the LLNS defined benefit plan. The non-CAP liability for members who were on a leave of absence as of September 30, 2007, and are transferring to the LLNS defined benefit plan is \$5,797,041.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

**EXHIBIT J
Funded Status**

| Funded Status (Contribution Basis) | After Elections October 1, 2007 | Before Elections October 1, 2007 | July 1, 2007 |
|--|--|---|----------------------|
| Actuarial accrued liability (AAL) | \$4,944,487,581 | \$5,136,000,205 | \$5,057,081,148 |
| Actuarial value of assets (AVA) | <u>5,080,611,591</u> | <u>5,080,611,591</u> | <u>4,990,733,032</u> |
| Unfunded/(Overfunded) actuarial accrued liability | (\$136,124,010) | \$55,388,614 | \$66,348,116 |
| Funded ratio (AVA/AAL) | 102.8% | 98.9% | 98.7% |
| Funded Status (Full Funding Basis)* | | | |
| Actuarial accrued liability (including normal cost) | \$5,003,889,314 | \$5,232,134,155 | \$5,162,199,683 |
| 150% of current liability (including normal cost) | 6,900,191,658 | 6,829,295,603 | 6,653,128,560 |
| Full funding liabilities (lesser of above liabilities) | 5,003,889,314 | 5,232,134,155 | 5,162,199,683 |
| Assets (lesser of actuarial value, market value) | <u>5,080,611,591</u> | <u>5,080,611,591</u> | <u>4,990,733,032</u> |
| Surplus/(deficit) | \$76,722,277 | (\$151,522,564) | (\$171,466,651) |

* Shown for illustration only. Recommended contributions reflect the full funding status of UCRP.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT K

Development of Unfunded/(Overfunded) Actuarial Accrued Liability

| | Period Ended September 30, 2007* |
|--|---|
| 1. Unfunded/(Overfunded) actuarial accrued liability as of July 1, 2007 | \$66,348,116 |
| 2. Normal cost at beginning of period | 26,279,634 |
| 3. Total contributions (employer and member) | (52,412) |
| 4. Interest | |
| (a) For whole period on (1) + (2) | \$1,736,770 |
| (b) For half period on (3) | <u>(491)</u> |
| (c) Total interest | <u>1,736,279</u> |
| 5. Expected unfunded/(overfunded) actuarial accrued liability | \$94,311,617 |
| 6. Changes due to: | |
| (a) Actuarial gain | (\$38,923,003) |
| (b) Total changes | <u>(38,923,003)</u> |
| 7. Unfunded/(Overfunded) actuarial accrued liability at end of period, before reflecting LLNL transfer elections | <u>\$55,388,614</u> |
| 8. Effect of reflecting LLNL transfer elections | <u>(191,512,624)</u> |
| 9. Unfunded/(Overfunded) actuarial accrued liability at end of period, after reflecting LLNL transfer elections | <u>(\$136,124,010)</u> |

* Results have been adjusted for the three month period as necessary.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT L

Section 415 Limitations

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit indexed for inflation. That limit is \$180,000 for 2007 and \$185,000 for 2008. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, form of benefits chosen and after tax contributions.

The University pays benefits in excess of the limits through a 415(m) Restoration Plan.

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT M

Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial

Assumptions:

The estimates on which the cost of the Plan is calculated including:

- (a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;
- (b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;
- (c) Retirement rates — the rate or probability of retirement at a given age;
- (d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Normal Cost:

The amount required to fund the level cost allocated to the current year of service.

**Actuarial Accrued Liability
for Actives:**

The accumulated value of normal costs allocated to the years before the valuation date.

**Actuarial Accrued Liability
for Pensioners:**

The single sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and of the interest that the sum is expected to earn before it is entirely paid out in benefits.

**Unfunded (Overfunded) Actuarial
Accrued Liability:**

The extent to which the actuarial accrued liability of the Plan exceeds (or is exceeded by) the assets of the Plan. There are many approaches to recognizing the unfunded or overfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

**SECTION 2: Supplemental Information from the Valuation of the University of California Retirement Plan –
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**Amortization of the Unfunded
(Overfunded) Actuarial
Accrued Liability:**

Payments made over a period of years equal in value to the Plan's unfunded or overfunded actuarial accrued liability.

Investment Return:

The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return reflects a smoothing of market gains and losses to avoid significant swings in the value of assets from one year to the next.

Current Liability:

The actuarial present value of accumulated plan benefits.

Beneficiary:

Used for statistical purposes only; includes Eligible Survivors, Contingent Annuitants and Spouses/Domestic Partners

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT I

Actuarial Assumptions and Methods

Demographic Assumptions

Post – Retirement Mortality Rates:

Healthy: 1994 Group Annuity Reserving Mortality Table unloaded, projected with scale AA to 2002. Ages are set back two years for males (from the male table) and set back one year for females (from the female table).

Disabled: RP-2000 Disabled Retiree Mortality Table. Ages are set back two years for males (from the male table) and set back one year for females (from the female table).

Sample Termination Rates Before Retirement:

| Age | Rate (%) | | | | | |
|-----|-------------------|--------|---------------------|--------|----------------------|--------|
| | Healthy Mortality | | Disabled Mortality* | | Disability Incidence | |
| | Male | Female | Male | Female | Male | Female |
| 20 | 0.04 | 0.03 | 2.26 | 0.75 | 0.10 | 0.06 |
| 25 | 0.06 | 0.03 | 2.26 | 0.75 | 0.10 | 0.08 |
| 30 | 0.08 | 0.03 | 2.26 | 0.75 | 0.12 | 0.10 |
| 35 | 0.09 | 0.04 | 2.26 | 0.75 | 0.17 | 0.16 |
| 40 | 0.10 | 0.06 | 2.26 | 0.75 | 0.22 | 0.25 |
| 45 | 0.13 | 0.09 | 2.26 | 0.75 | 0.28 | 0.36 |
| 50 | 0.20 | 0.12 | 2.64 | 1.06 | 0.36 | 0.53 |
| 55 | 0.33 | 0.21 | 3.29 | 1.55 | 0.47 | 0.75 |
| 60 | 0.60 | 0.40 | 3.93 | 2.08 | 0.54 | 0.86 |
| 65 | 1.10 | 0.79 | 4.66 | 2.66 | 0.54 | 0.86 |

* Assumed to apply only while receiving a disability benefit.

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Sample Termination Rates Before Retirement (continued):

| Rate (%) | | | | | | |
|----------------------|----------------------------------|--|--|---|--|----------------------------------|
| Withdrawal – Faculty | | | | | | |
| | Less than one Year of Service | At least one, but less than two Years of Service | At least two, but less than three Years of Service | At least three, but less than four Years of Service | At least four, but less than five Years of Service | Five or more Years of Service |
| Age | Unisex | Unisex | Unisex | Unisex | Unisex | Unisex |
| 20 | 24.00 | 22.00 | 21.00 | 21.00 | 13.00 | 9.00 |
| 25 | 23.00 | 20.00 | 19.00 | 17.00 | 11.00 | 8.00 |
| 30 | 22.00 | 14.00 | 12.00 | 11.00 | 10.00 | 7.00 |
| 35 | 19.00 | 11.00 | 9.00 | 7.00 | 7.00 | 6.00 |
| 40 | 16.00 | 10.00 | 8.00 | 6.00 | 5.00 | 4.00 |
| 45 | 15.00 | 8.00 | 6.00 | 5.00 | 4.00 | 3.00 |
| 50 | 14.00 | 6.00 | 5.00 | 4.00 | 3.00 | 2.00 |
| 55 | 13.00 | 5.00 | 4.00 | 3.00 | 3.00 | 1.00 |
| 60 | 12.00 | 4.00 | 3.00 | 3.00 | 2.00 | 1.00 |
| 65 | 11.00 | 3.00 | 2.00 | 2.00 | 1.00 | 1.00 |

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Sample Termination Rates Before Retirement (continued):

| Rate (%) | | | | | | |
|--------------------------------------|--|---|---|--|---|--|
| Withdrawal – Staff and Safety | | | | | | |
| | Less than one Year of Service | At least one, but less than two Years of Service | At least two, but less than three Years of Service | At least three, but less than four Years of Service | At least four, but less than five Years of Service | Five or more Years of Service |
| Age | Unisex | Unisex | Unisex | Unisex | Unisex | Unisex |
| 20 | 27.00 | 24.00 | 21.00 | 16.00 | 15.00 | 13.00 |
| 25 | 26.00 | 23.00 | 20.00 | 15.00 | 14.00 | 12.00 |
| 30 | 24.00 | 21.00 | 17.00 | 14.00 | 13.00 | 10.00 |
| 35 | 22.00 | 17.00 | 14.00 | 11.00 | 10.00 | 8.00 |
| 40 | 19.00 | 14.00 | 11.00 | 8.00 | 7.00 | 6.00 |
| 45 | 17.00 | 11.00 | 9.00 | 6.00 | 5.00 | 4.00 |
| 50 | 14.00 | 9.00 | 7.00 | 5.00 | 4.00 | 2.00 |
| 55 | 12.00 | 7.00 | 6.00 | 4.00 | 3.00 | 2.00 |
| 60 | 11.00 | 6.00 | 5.00 | 3.00 | 2.00 | 1.00 |
| 65 | 10.00 | 5.00 | 4.00 | 2.00 | 1.00 | 1.00 |

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Retirement Rates:

| Age | Retirement Probability – Unisex | | |
|-----|---------------------------------|--------|--------|
| | Faculty | Staff | Safety |
| 50 | 2.00% | 4.00% | 15.00% |
| 51 | 1.00 | 4.00 | 10.00 |
| 52 | 1.00 | 4.00 | 10.00 |
| 53 | 1.00 | 4.00 | 10.00 |
| 54 | 1.00 | 5.00 | 10.00 |
| 55 | 2.00 | 5.00 | 25.00 |
| 56 | 2.00 | 6.00 | 25.00 |
| 57 | 2.00 | 6.00 | 25.00 |
| 58 | 2.00 | 8.00 | 25.00 |
| 59 | 3.00 | 14.00 | 25.00 |
| 60 | 5.00 | 20.00 | 25.00 |
| 61 | 5.00 | 20.00 | 25.00 |
| 62 | 5.00 | 20.00 | 50.00 |
| 63 | 5.00 | 20.00 | 50.00 |
| 64 | 7.00 | 25.00 | 75.00 |
| 65 | 8.00 | 30.00 | 100.00 |
| 66 | 9.00 | 25.00 | 100.00 |
| 67 | 10.00 | 25.00 | 100.00 |
| 68 | 12.00 | 25.00 | 100.00 |
| 69 | 15.00 | 25.00 | 100.00 |
| 70 | 15.00 | 20.00 | 100.00 |
| 71 | 12.00 | 20.00 | 100.00 |
| 72 | 12.00 | 20.00 | 100.00 |
| 73 | 12.00 | 20.00 | 100.00 |
| 74 | 12.00 | 20.00 | 100.00 |
| 75 | 100.00 | 100.00 | 100.00 |

**SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan –
Lawrence Livermore National Laboratory**

**Retirement Age and Benefit
for Deferred Vested Members:**

Deferred vested members are assumed to retire at age 59.

Form of Payment:

For those members not electing a Lump Sum Cashout:

Life annuity for members without a survivor;

25% contingent annuity for members with Social Security who have a survivor;

50% contingent annuity for members without Social Security who have a survivor;

50% contingent annuity for Safety members who have a survivor.

It is also assumed that some members elect a Lump Sum Cashout (see Lump Sum Assumptions).

Future Benefit Accruals:

1.0 year of service per year for the full-time employees. Part-time employees are assumed to earn full-time service for all future years.

Definition of Active Members:

All members of UCRP who are not separated from active employment as of the valuation date or have not started receiving a monthly pension on or before the valuation date.

The results of this valuation include liabilities even for members who have elected to transfer to the LLNS defined benefit plan. These members are still valued as UCRP members and their liabilities are shown in these results.

Percent with Survivors:

85% of male members and 65% of female members are assumed to have survivors at time of decrement.

Survivor Ages:

Members assumed to have an opposite sex spouse or domestic partner, with females three years younger than males.

**SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan –
Lawrence Livermore National Laboratory**

Number of Survivors (Samples):

| <u>Age</u> | Number of Survivors per Active Member with Survivors | |
|------------|---|---------------|
| | <u>Male</u> | <u>Female</u> |
| 20 | 1.0 | 1.0 |
| 25 | 1.8 | 2.1 |
| 30 | 2.2 | 2.7 |
| 35 | 2.7 | 2.8 |
| 40 | 3.0 | 2.4 |
| 45 | 2.8 | 2.1 |
| 50 | 2.5 | 1.7 |
| 55 | 2.0 | 1.4 |
| 60 | 1.5 | 1.2 |
| 65 | 1.3 | 1.1 |

Economic Assumptions

| | |
|---------------------------------|--|
| Net Investment Return: | 7.50% (including 3.50% for inflation) |
| Consumer Price Index: | Increase of 3.50% per year. |
| Administrative Expenses: | 0.50% of payroll added to normal cost. |

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Salary Increases:

| Annual Rate of Compensation Increase | | |
|--|----------------|-------------------------|
| Inflation: 3.50% per year, plus “across the board” salary increases of 0.25% per year, plus the following merit and promotional increases: | | |
| Years of Service | Faculty | Staff and Safety |
| Less than 1 | 3.25% | 3.25% |
| 1 | 3.25 | 3.00 |
| 2 | 3.25 | 2.80 |
| 3 | 3.25 | 2.50 |
| 4 | 3.25 | 2.20 |
| 5 | 3.25 | 2.00 |
| 6 | 3.20 | 1.80 |
| 7 | 3.10 | 1.70 |
| 8 | 3.00 | 1.60 |
| 9 | 2.90 | 1.50 |
| 10 | 2.80 | 1.40 |
| 11 | 2.70 | 1.30 |
| 12 | 2.60 | 1.20 |
| 13 | 2.50 | 1.10 |
| 14 | 2.40 | 1.00 |
| 15 | 2.30 | 0.90 |
| 16 | 2.20 | 0.80 |
| 17 | 2.10 | 0.75 |
| 18 | 2.00 | 0.70 |
| 19 | 1.75 | 0.65 |
| 20 & over | 1.50 | 0.60 |

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Actuarial Methods

Actuarial Value of Assets:

The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and the expected returns on a market value basis and is recognized over a five-year period.

For assets allocated to LLNL, this is approximated as the total UCRP actuarial value multiplied by the ratio of market value of LLNL allocated assets to the total UCRP market value.

Actuarial Cost Method:

Entry Age Normal Actuarial Cost Method. Entry Age is calculated as the valuation date minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salaries, as if the current benefit accrual rate has always been in effect.

Covered Payroll:

Covered payroll for a Plan Year is determined by annualizing actual payroll for the prior Plan Year increased by the assumed rate of salary growth. Covered payroll is then reduced to anticipate members who leave active status during the year.

Other Actuarial Assumptions

Lump Sum Assumptions:

Discount Rate:

7.50%

COLA:

2.00%

Mortality:

1994 Group Annuity Reserving Mortality Table unloaded for males set back three years, projected with scale AA to 2002.

Take-rate:

For those members retiring from active employment and for those who were receiving a disability income and now retiring, we are assuming that 12% elect a Lump Sum Cashout. For those members retiring from inactive (deferred vested) status, we are assuming that 45% elect a Lump Sum Cashout.

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Approximations:

Sick Leave

Service has been increased by 0.15% for Faculty, 1.40% for Staff, and 2.25% for Safety members to account for unused sick leave. This assumption applies only for members retiring from active employment and not electing a Lump Sum Cashout. For all other benefits there is assumed to be no conversion of unused sick leave to service credit.

Changes in Actuarial Assumptions:

There have been no changes in actuarial assumptions since the previous valuation.

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

EXHIBIT II
Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

| | |
|--|---|
| Effective Date: | April 24, 1954. Includes amendments through October 1, 2007. |
| Covered Employees: | Generally all employees who are not members of another retirement system to which the Regents contribute, and who: a. Are appointed to work 50% time or more for one year or longer or b. Have generally accumulated at least 1,000 hours in a 12-month period. |
| Highest Average Plan Compensation (HAPC): | Highest average monthly full-time-equivalent base compensation rate received during any period of 36 consecutive months. |

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Age Factor: Percentage of HAPC per year of service credit (interpolated for fractional ages).

Nonsafety Members

| Age | Factor | Age | Factor |
|-----|--------|-----|--------|
| 50 | 1.10% | 56 | 1.94% |
| 51 | 1.24 | 57 | 2.08 |
| 52 | 1.38 | 58 | 2.22 |
| 53 | 1.52 | 59 | 2.36 |
| 54 | 1.66 | 60+ | 2.50 |
| 55 | 1.80 | | |

Safety Members

3.0% at all ages 50 and above.

Tier II Members

Equal to one-half of the Age Factor for Nonsafety Members.

Benefit Percentage: Age Factor multiplied by years of service credit; not to exceed 100%.

Basic Retirement Income (BRI):

Members without Social Security

Benefit Percentage x HAPC.

Members with Social Security

Benefit Percentage x HAPC in excess of \$133 per month.

Safety Members

Benefit Percentage x HAPC.

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Service Retirement:

| | |
|-------------------------|--|
| <i>Eligibility</i> | Age 50 with 5 years of service credit, or Age 62 regardless of service credit if membership began on or before July 1, 1989, or Retirement on Normal Retirement Date. |
| <i>Benefit</i> | BRI. |
| <i>Form of Payment</i> | Single Life Annuity. |
| <i>Payment Options</i> | Full continuance to contingent annuitant; two-thirds continuance to contingent annuitant; one-half continuance to contingent annuitant; one-half continuance (including postretirement survivor continuance) to surviving spouse or domestic partner (for members with Social Security only). |
| <i>Lump Sum Cashout</i> | May be elected in lieu of monthly retirement income. |

Temporary Social Security Supplement:

| | |
|------------------------|---|
| <i>Eligibility</i> | For members with Social Security only and retirement must occur before age 65. |
| <i>Benefit</i> | Temporary annuity payable to age 65 in the amount of \$133 per month multiplied by Benefit Percentage. |
| <i>Form of Payment</i> | Single Life Annuity. |
| <i>Payment Options</i> | None. |

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Disability:

| | |
|--|---|
| <i>Eligibility</i> | Disablement after five years of service credit; safety members are eligible for duty disability without regard to years of service credit. Service credit continues to accrue during disabled period. |
| | |
| <i>Benefit</i> | |
| <i>Member without Social Security</i> | 25% of final salary, plus 5% of final salary per year of service credit greater than two, total not to exceed 40% of final salary, plus 5% of final salary for each eligible child, total not to exceed 20% of final salary. |
| <i>Member with Social Security</i> | 15% of final salary, plus 2.5% of final salary per year of service credit greater than two, total not to exceed 40% of final salary, less \$106.40 per month. |
| <i>Safety Members(Non-duty)</i> | Same as for members without Social Security; includes eligible child’s benefit. |
| <i>Safety Members(Duty)</i> | 50% of HAPC, or non-duty disability benefit if greater. |
| <i>Form of Payment</i> | Single life annuity payable until end of disability income period or retirement date if earlier. |
| | |
| <i>Disability Income Period</i> | |
| <i>Members disabled before November 5, 1990</i> | To earliest of: Date member is eligible to retire and retirement income equals or exceeds disability income; Age 62 (age 67 for members without Social Security); or Date member retires. |
| <i>Members disabled on or after November 5, 1990</i> | If under age 65 at disablement: Members with Social Security: to age 65 or five years if longer. Members without Social Security: to age 67 or five years if longer. If age 65 or older at disablement: to age 70 or 12 months if longer. Disability income ends if member is no longer disabled. |

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Vested Termination:

| | |
|-------------------------|---|
| <i>Eligibility</i> | Five years of service credit, or age 62 regardless of service credit if membership began on or before July 1, 1989. |
| <i>Benefit</i> | BRI beginning at age 50 or later, calculated using HAPC at termination date, adjusting for CPI changes (see Cost-of-Living Adjustment), and benefit formula in effect when benefits commence. |
| <i>Form of Payment</i> | As for retirement. |
| <i>Payment Options</i> | As for retirement. |
| <i>Refund Option</i> | Member may elect a refund of contributions with interest, thereby forfeiting all other benefits. |
| <i>Lump Sum Cashout</i> | May be elected in lieu of retirement income, available only if at least age 50 with five years service credit at date of termination. |

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Preretirement Survivor Income:

Eligibility Eligible survivor of deceased active or disabled member with two or more years of service credit; no service requirement for duty-related death of Safety member.

Benefit

Member without Social Security

Percent of final salary as follows:

| Eligible Survivors | Percent | Minimum Benefit |
|--------------------|---------|--------------------------------|
| 1 | 25% | \$200 |
| 2 | 35 | \$300 |
| 3 | 40 | \$300 plus 5% of final salary |
| 4 | 45 | \$300 plus 10% of final salary |
| 5+ | 50 | \$300 plus 15% of final salary |

Member with Social Security 25% of final salary less \$106.40 per month.

Safety Members, non-duty death As for members without Social Security.

Safety Members, duty death Percentage of HAPC as follows, but not less than benefit for non-duty death.

| Eligible Survivors | Percent of HAPC |
|--------------------|-----------------|
| 1 | 50.0% |
| 2 | 62.5 |
| 3 | 70.0 |
| 4+ | 75.0 |

Death while eligible to retire

Eligibility Surviving spouse or surviving domestic partner of active, disabled or inactive member who dies while eligible to retire.

Benefit Greater of benefit described above or monthly benefit to eligible spouse or eligible domestic partner assuming member had retired on date of death and elected full continuance option with spouse or domestic partner as contingent annuitant.

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Postretirement Survivor Continuance:

| | |
|---------------------------------------|--|
| <i>Eligibility</i> | Eligible surviving spouse, eligible surviving domestic partner, eligible children or eligible dependent parent of deceased retired member. |
| <i>Benefit</i> | |
| <i>Member without Social Security</i> | 50% of BRI including COLA. |
| <i>Member with Social Security</i> | 25% of BRI including COLA, plus 25% of Temporary Social Security Supplement (ends when member would have reached age 65). |
| <i>Safety Members</i> | 50% of BRI including COLA. |

Lump Sum Death Benefit:

| | |
|---|--|
| <i>Eligibility</i> | Beneficiary of deceased active, inactive, disabled, or retired member. |
| <i>Basic Benefit</i> | |
| <i>Active member who became a member before October 1, 1990</i> | Greater of : \$1,500 plus one month’s final salary, or \$7,500. |
| <i>All others</i> | \$7,500 |
| <i>Residual Benefit</i> | Refund of member contributions plus interest, reduced by a portion of benefits received (100% of retirement income, 50% of preretirement survivor income or disability income) payable to beneficiary if no survivor, surviving spouse, domestic partner, or contingent annuitant. |

Normal Retirement Date: Attainment of age 60 with five years of service credit.

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Eligible Survivor:

Eligible Spouse or Domestic Partner

Spouse or domestic partner of deceased active or disabled member in relationship for at least one year before date of death and who is:

Responsible for care of eligible child, disabled, or age 60 (age 50 if spouse of member without Social Security and in Plan prior to October 19, 1973).

Eligible Child

Child that is either under age 18, under age 22 and a full-time student, or disabled, if disability occurred prior to age 18 or age 22 if a full-time student.

Eligible Dependent Parent

Parent of deceased active, disabled or retired member, supported by 50% or more by member for one year prior to earliest of death, disablement or retirement.

Inactive Member:

Former UCRP member who retains right to vested benefits.

Cost-of-Living Adjustment:

Basic

100% of annual Consumer Price Index (CPI) increase up to 2% per year.

Supplemental

Generally 75% of annual CPI increase above 4%.

The sum of the Basic and Supplemental COLA's cannot exceed 6% in a year.

COLA applies to:

Retired members, survivors, disabled members, and contingent annuitants receiving retirement income

Benefits in pay status one or more years on July 1.

Inactive members

HAPC (used to calculate retirement income) adjusted for COLA up to 2% per year from separation date to retirement date; retirement income adjusted using COLA formula.

Disabled members receiving disability income since before November 5, 1990

HAPC (used to calculate retirement income) adjusted for COLA up to COLA formula above for years from disablement to retirement date.

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

Capital Accumulation Provision (CAP):

| | |
|-------------------------|---|
| <i>Eligibility</i> | Active member on specified date; benefits immediately vested. |
| <i>Allocation Dates</i> | |
| <i>April 1, 1992</i> | Active member from December 31, 1991 through April 1, 1992: 5.0% of 1991 calendar year covered compensation. |
| <i>July 1, 1992</i> | Active member on July 1, 1992: 2.5% of 1991-1992 fiscal year covered compensation. |
| <i>July 1, 1993</i> | Active member on July 1, 1993: 2.5% of 1992-1993 fiscal year covered compensation. |
| <i>November 1, 1993</i> | Active member on October 1, 1993 and subject to 1993-1994 salary plan: 5.26% of July through October 1993 covered compensation. Not applicable for laboratory members. |
| <i>July 1, 1994</i> | Active member on June 1, 1994 and subject to 1993-1994 salary plan: 2.67% of November 1993 through June 1994 covered compensation. Not applicable for laboratory members. |
| <i>May 1, 2002</i> | Active member on April 1, 2002: 3.0% of April 2001 through March 2002 covered compensation. |
| <i>May 1, 2003</i> | Active member on April 1, 2003: 5.0% of April 2002 through March 2003 covered compensation. |
| <i>Interest Credit</i> | Regent's approved interest rate; currently 8.5% per year for pre-2002 CAPs and 7.5% for 2002 and later CAPs (CAP II). |
| <i>Payment</i> | Lump sum payment upon termination, retirement or death. |

University Contributions: Determined by the Entry-Age Normal Cost method. Beginning with the 1990 plan year, the Regents adopted a full funding policy. Under that policy, the University will suspend contributions when the smaller of the market value or the actuarial value of plan assets exceeds the lesser of:

The actuarial accrued liability (including normal cost), or
150% of the estimated current liability (including normal cost).

SECTION 3: Reporting Information from the Valuation of the University of California Retirement Plan – Lawrence Livermore National Laboratory

| | |
|--|---|
| Member Contributions: | Member contributions are currently being redirected to the UC Defined Contribution Plan. |
| <i>Members without Social Security</i> | 3.0% of covered compensation, less \$19 per month. |
| <i>Members with Social Security</i> | 2.0% of covered compensation up to the Social Security wage base, plus 4.0% of excess covered compensation, minus \$19 per month. |
| <i>Safety Members</i> | 3.0% of covered compensation, less \$19 per month. |
| <i>Interest Credit</i> | Regents' approved interest rate; currently 6.0% per year. |

Changes in Plan Provisions: There have been no changes in plan provisions since the last valuation that have a material impact on Plan liabilities and normal cost.

Active members at the Lawrence Livermore National Laboratory made an election to either become inactive in UCRP or to transfer to a defined benefit plan that begins effective October 1, 2007 for the Lawrence Livermore National Security LLC (LLNS). This valuation includes results reflecting the LLNL transfer elections. However, it does not reflect the actual transfer of assets and liabilities to the LLNS defined benefit plan. This means that the results of this valuation include liabilities even for members who have elected to transfer to the LLNS defined benefit plan. These members are still valued as UCRP members and their UCRP liabilities are shown in the results. LLNL members **who elected not** to transfer to the LLNS defined benefit plan are included in the valuation results either as retired, terminated vested or nonvested members.

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