



REGENTS TO CONSIDER PROPOSAL TO ESTABLISH SEPARATE PLAN FOR LANL

On December 21, 2005, the U.S. Department of Energy (DOE) awarded the contract to manage the Los Alamos National Laboratory (LANL) to Los Alamos National Security LLC (LANS), a team that includes the University of California (UC), Bechtel National, BWX Technologies and Washington Group International.

To facilitate compliance with the current UC–DOE LANL contract close-out obligations and to provide for administration of a site-specific plan, consistent with the objectives of the National Nuclear Security Administration, President Robert C. Dynes is recommending that the UC Board of Regents consider at their January meeting a proposal to place the University of California Retirement Plan (UCRP) assets and liabilities of the LANL employees, retirees and inactive members in a separate UC-sponsored pension plan, the UCRP-LANL Plan, subject to DOE approval. Establishing the new plan will support a smoother transition when the pension assets and liabilities for certain transferring LANL employees are subsequently moved to the LANS LLC pension plan as required under the new contract.

No benefits will be reduced under the UCRP-LANL Plan. LANL retirees will continue to have their pensions paid from the UCRP-LANL Plan. The UC Treasurer's Office will continue to have the fiduciary responsibility to manage the UCRP-LANL Plan's assets under the investment policies approved by The Regents and The Regents will continue to serve as trustee. UC HR/Benefits will continue to have fiduciary responsibility for the administration of the Plan.

In addition to establishing the UCRP-LANL Plan, The Regents will consider allowing those LANL employees who are eligible for a service credit buyback to do so before the current UC management contract expires. The Regents will also consider adding a limited reciprocity provision that would eliminate a significant barrier to the movement of individuals between UC and LANS and thereby advance the important scientific work and mission of the laboratory. Additional information on these provisions will be provided to employees after the Regents take action.

More information about the proposal is available at
<http://www.universityofcalifornia.edu/regents/regmeet/jan06.html>