Hundreds of new California retirees aren’t getting their pension checks from UC system

BY KATHERINE SWARTZ
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The main entrance to the University of California, Merced in Merced, Calif., Tuesday, Aug. 30, 2016. ANDREW KUH AKUHN@MERCEDSUN-STAR.COM

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In a record year for retirement, the University of California is lagging in paying pensions for its new retirees, hundreds of whom won’t be paid on time — and don’t know when they will be paid.

Hundreds of newly retired University of California employees aren’t getting their pensions and they don’t know when they’ll start receiving their checks.

The UC Retirement Administration Service Center acknowledged the delay in a July 27 email to pensioners in which it said some new retirees wouldn’t receive their first retirement payment as expected on July 30.
Instead, the office would let retirees know by Aug. 16 when they can expect to receive their payment.

The office informed retirees of the delay three days before they were supposed to receive their pension check.

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The backlog followed a record year for retirements in the UC system. Out of 2,000 June retirements, 335 haven’t received their payment.

Retirements in June 2021 were up 23% compared to 2020 and up 32% compared to 2019. Associate Director of Media Relations Ryan King said that said that the combination of a high volume of retirements and the complex nature of some retirements — like employees who are funded by multiple sources or involve divorce payments — all contributed to the delay.

Employees typically start retirement applications in March for end-of-June retirements. In total, the University of California’s retirement system includes over 87,000 retirees.
Stephen Cox, a recently retired distinguished professor of literature at UC San Diego, didn’t receive his paycheck on time and said the pension issue is “part of a decade-long problem with the whole system.”

“With any government agency or any private company in history, this would be taken as something that was extremely serious, because it’s a sign of very deep distress,” Cox said. “What if the United States government said, ‘well, you know, something went wrong, we can’t pay you your Social Security.’ Who in the world does that?”

Andrew Scull, a retired professor of sociology at UC San Diego, received the email from the UC Retirement Administration Center but wasn’t affected by the delay. He said the problem in a delay may not be a major issue for retiring faculty but could have greater damage for retiring staff members.

“I think most faculty will be able to go without one or two checks in retirement without suddenly facing real problems. But it’s a very different matter for staff who
have just retired because their salary levels are much lower and they live much closer to paycheck to paycheck,” Scull said.

“If you’re not yet old enough to qualify for Social Security and you were depending on your retirement check, this is not an inconvenience, it’s kind of a crisis,” he said.

In April, the UC introduced a “no lapse in pay” option for retirees, where if the Retirement Administration Service Center isn’t able to calculate the confirmed benefit amount by payment time, eligible retirees can receive a payment for their estimated benefit instead. Retirees had to apply for this program by mid-May.

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