Meeting Synopsis:

1. Call to order
2. Review of the minutes from April 13, 2020 Special Meeting, January 27, 2020 and November 25, 2019
3. Information Update: The 2020 VRI program
4. Information Update: Policy change in UWRP contributions from Opt-in to Opt-out at age 50
5. Effects of stock market conditions on UWSRP benefits.
6. Good of the Order
7. Adjourn

1. Call to order

The meeting was called to order at 2:30 p.m.

2. Review of the minutes from April 13, 2020 Special Meeting, January 27, 2020 and November 25, 2019

All minutes were approved by the council with amended edits for the November 25, 2019 minutes and January 27, 2020 minutes.

3. Information Update: The 2020 VRI program

The chair had requested an update from Academic HR on the 2020 VRI program offer (i.e., the number of eligible employees who were extended the VRI offer, the number who accepted the VRI, the distribution of age and years of service, etc.,) but this information was not available for this meeting due to Academic HR focusing on several issues stemming from the COVID-19 pandemic. An attempt will be made to include this information in future meetings; it was noted that data from previous VRI program offerings is available for review.

The 2020 Voluntary Retirement Incentive (VRI) program was offered in November 2019, with individuals given a window from February to March 2020 to decide on taking the benefit. Shankar reminded members that the Provost had stated an intention to close the VRI program for the foreseeable future.

4. Information Update: Policy change in UWRP contributions from Opt-in to Opt-out at age 50

It was noted the current UW Retirement Plan (UWRP) policy requires participants under age 35 to contribute 5% of their pay as UWRP contribution, and that this increases automatically to 7.5% when the participant turns 35. When participants turn age 50, they have an opportunity to opt-in and increase their contribution to 10% of their pay. UW matches the employee contribution at each of these stages.
It was noted the FCBR has had a longstanding interest in enacting a policy change that would require employees to opt-out of the 10% contribution at age 50, rather than the current opt-in model. This policy change to an opt-out model was approved by the Board of Regents in November 2018.

Rachel Gatlin (Executive Director, HR Benefits, Analytics & Information Systems) explained the UWTP plan documents have not been changed yet, but the Board of Regents permitted the Vice-President of UW Human Resources to make this change and implement the opt-out policy after the necessary mechanisms had been put in place. April 1, 2020 had been the intended implementation date, but COVID-19 has pushed back that date while Fidelity works on implementing the CARES Act provisions. Gatlin noted July 1, 2020 would be the estimated opt-out program implementation date. The opt-out provision will be enacted only for employees turning age 50 after the implementation date. UWRP participants currently above 50 years of age would still need to opt-in their election to increase contributions to 10%. Gatlin noted she would keep FCBR updated.

5. Effects of stock market conditions on UWSRP benefits

The UW Supplemental Retirement Plan “ensures UWRP participants receive at least a minimum amount of retirement income (UW HR website).” Program eligibility includes employees enrolled in UWRP before March 2011 who are at least 62 years of age. A member noted that under UWSRP, when stock market (and CREF stock) prices are high, the UWSRP benefit is generally smaller than when the market prices are lower. In the current market conditions, where the stock market prices are lower than they were four months ago, eligible UWRP participants may get higher benefits than what they would have received if they had retired at the end of 2019. As of now, around 6000 UWRP participants are currently eligible for UWSRP, with the number going lower each year as people retire.

A member noted that UWSRP participants would appreciate having a firm estimate of the benefit numbers before retirement, though UW has historically not been able to provide that information. Shankar reiterated the council’s interest in providing an informational spreadsheet to allow UW employees to estimate their own benefit numbers before retirement. Council members noted having that information before speaking with a Fidelity representative would be beneficial. There was some concern that the current COVID-19 climate has limited UW HR Total Benefit’s ability to take on additional work. Gatlin mentioned the Department of Retirement Systems will be processing administration of the UWSRP in July 2020 due to new WA State legislation.

6. Good of the Order

Subsidized U-Pass data for faculty and professional staff will be discussed at the next meeting. The Chair noted there is currently little use of the U-Pass due to COVID-19.

There will be a discussion at the next meeting on messaging post-retirement service options and how employees can make the transition to retirement. Shankar noted the possibility of authoring an annual letter co-signed by the faculty senate chair that would urge UW employees to review their benefits election and provide information on retirement options.

Another topic slated for discussion in the next meeting would be professional travel grant support. Laura Lillard remarked fewer people are applying for travel grants now due to COVID-19. She noted her department is expecting that more individuals will be looking for grants to supplement traveling for professional development or tenure due to the fiscal impact of the COVID-19 pandemic.
A council member noted he would like to follow up on the topic of UW housing for faculty and staff at a future meeting.

7. Adjourn

The meeting was adjourned at 3:12 p.m.

Minutes by Alexandra Portillo, council analyst, xanport@uw.edu

Present:

Faculty Code Section 21-61 A: Ellen Covey, Nicole Hoover, Pete Johnson, Gowri Shankar (chair), Monika Sobolewska, Jason Wright, William Yuh

Faculty Code Section 21-61 B: Charles Hirschman, Laura Lillard Cathy Randolph+, Stephanie Starkovich

Faculty Code Section 21-61 C: Mindy Kornberg

Regularly invited guests: Rachel Gatlin

Absent:

Faculty Code Section 21-61 B: Deci Evans