

**University of Washington**  
**Faculty Council on Benefits and Retirement**  
May 21<sup>st</sup>, 2018  
2:30 pm – 4:00 pm  
Mary Gates Hall 224

**Meeting Synopsis:**

1. Call to order
  2. Review of the minutes from April 23<sup>rd</sup>, 2018
  3. Update: Retirement Recommendations (Stephan Siegel)
  4. Update: Supplemental retirement income (Gowri Shankar & Stephan Siegel)
  5. Update: Increased retirement contributions at age 50: Opt in vs. opt out (Amy Hawkins & Mindy Kornberg)
  6. Update: Parental Leave (Jason Wright & Stephan Siegel)
  7. Recent developments in health care legislation and policy (Aaron Katz)
  8. Topics for 2018/19
  9. Good of the order
  10. Adjourn
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**1) Call to order**

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

**2) Review of the minutes from April 23<sup>rd</sup>, 2018**

The minutes from April 23<sup>rd</sup>, 2018 were approved as written.

**3) Update: Retirement Recommendations (Stephan Siegel)**

Siegel explained the Senate Executive Committee (SEC) received the final report of the Ad Hoc Committee on Pre-Retirement Planning in its most recent meeting, along with a summary letter from the FCBR on its related recommendations following the council's review of that document (Exhibit 1). The SEC ran out of time in discussing the Committee's report, but it was noted the FCBR is still intending to review and consider implementation for the various recommendations included therein.

**4) Update: Supplemental retirement income (Gowri Shankar & Stephan Siegel)**

Siegel explained he and Shankar investigated the possibility of carrying out supplemental retirement income calculations in-house for eligible UW Retirement Plan (UWRP) members. The UW Supplemental Retirement Plan (UWSRP) benefit calculation is normally performed by the university, but has been criticized for taking too long to be completed and for only being made available to eligible employees upon their retirement (and never before). The FCBR has upheld the position that employees should have access to this information in advance of retirement rather than 3-6 months following retirement.

Shankar listed pieces of data necessary to carry out the benefit calculation:

- ❖ History of all of the employee's contributions to UWRP over time (as well as employee's years of service with no break in service)
- ❖ College Retirement Equities Fund (CREF) stock returns over time
- ❖ Teachers Insurance and Annuity Association of America (TIAA Traditional Account) returns over time
- ❖ Annuitization rates from TIAA

The TIAA returns were noted to be more complicated to collect than the other elements, but general low-high figures could be estimated for the purpose of providing a best and worst-case scenario estimate.

Siegel noted the practical implementation of an in-house tool is likely far in the future, but the possibility remains for the FCBR to provide the tools for UW employees to make their own calculations, perhaps via the council's website.

Amy Hawkins (Director, Human Resources) proposed that council members meet with the Provost and compare the calculations carried out in-house to calculations carried out externally by TIAA to check for accuracy.

It was concluded progress on this topic has been made, and after the summer and a meeting with the Provost, additional strides will be able to be made. It was noted if an in-house tool is introduced, a calculation could be ascertained by faculty in different points in their careers rather than only at retirement, which may greatly aid future planning.

A member questioned roughly how many faculty end up being eligible for additional income as part of UWSRP. It was noted that of the 150-160 people who recently requested a calculation, approximately 50% of those were found to be eligible to receive income from UWSRP.

Shankar and Siegel were thanked for their work in discovering feasibility for an in-house calculation.

#### **5) Update: Increased retirement contributions at age 50: Opt in vs. opt out (Amy Hawkins & Mindy Kornberg)**

It was noted the council has had a longstanding interest in enacting an opt-out model for the increased (10%) contribution to UWRP at age 50 and above for UW employees. In October 2017, the council was signaled that the change in policy had been accepted by UW administration and would be addressed by the UW Board of Regents (BoR) before the end of the academic year. Siegel noted no such change in policy has so far been addressed/accepted by the BoR, and asked how the council might continue to encourage/drive the change in policy.

A member explained she ran the numbers and discovered there are roughly 900 faculty over age 50 at the UW of which are not participating in an elevated contribution rate.

After some discussion recounting the council's former actions and interests in the topic, a member asked what could be done to increase the likelihood that the change be accepted and implemented. It was noted this type of change requires a detailed communication plan for employees given its implications. Kornberg (President's Designee) explained she recently messaged the Executive Vice Provost concerning putting the change in policy in front of the BoR for one of the body's coming

meetings. After that (if approved), the change can be implemented via the university's integrated HR system, Workday (which was noted will likely take more time).

There was some discussion of authoring and moving through the Faculty Senate a Class C resolution to affirm faculty desire for the policy change. Ultimately, it was noted a Class C would likely not make a difference, as the BoR has the authority to enact the change.

#### *Questions for Workday*

Siegel asked members to consider providing input on the newly-implemented financial and employee management software system, Workday (launched June 27, 2017). He asked members to contact him outside of the meeting with any thoughts to be communicated.

A member made a comment that it is not easy to alter benefits elections via Workday as was previously envisioned and described as one of its advantages before the system was launched. It was clarified various benefits are serviced by different vendors, a fact which accounts for some of the difficulty. It was noted the State-level benefits also add to the difficulty, and manual workarounds have had to be used so far, which slows the process. Hawkins commented that Workday integration is improving and automated work-arounds are currently being developed.

#### **6) Update: Parental Leave (Jason Wright & Stephan Siegel)**

Siegel provided an update on the FCBR development of a parental leave policy for faculty (Class B legislation the council forwarded to the SEC in the fall of 2017), of which the idea was to extend the allowed uses of sick leave to incorporate a partner of a birth-mother/adopting couples and thus make the existing sick leave policy a de-facto parental leave policy. Approval of such a policy hinged in part on the question of the university's interpretation of the Family Care Act (FCA) and if the law provides the ability to use sick leave to care for a spouse with a qualifying medical condition. The university's position is that unless an employee's spouse requires that employee's care (and this is documented in some way), the employee may not use sick leave to care for their spouse. It was noted some members of the council disagreed with that interpretation of the law.

Siegel explained a recent meeting was held with UW administrators to discuss/determine the university's interpretation of the FCA. It was concluded in that meeting that the university does not possess adequate funding to adopt an alternative interpretation of the law at this time.

It was noted the State of Washington recently passed a new family-leave law that will take effect in January of 2020 guaranteeing new parents (by birth or adoption) pay for 12 weeks. Siegel explained he had formerly requested that a member of the council sit on the university body that will see to achieving compliance with the new law. Other members agreed the council should be represented in that work.

Siegel explained the council could also create a clear overview of leave options available for birth-giving mothers and spouses and place that information online for unknowing employees.

It was noted the UW would likely not be developing its own leave plan under the new law, but will instead adopt the state plan.

#### **7) Recent developments in health care legislation and policy (Aaron Katz)**

Aaron Katz (Principal Lecturer, School of Public Health) was present to share information with the council concerning developments in health care legislation federally and at the state-level, particularly those linked to the Affordable Care Act (ACA).

### *Federally*

Katz explained at the federal level, implementation of the insurance and coverage provisions of the ACA began being worked on in 2014. Nationally, since the law was passed, the Health Insurance Exchange (aka. Health Insurance Marketplace) (a service available in every state that helps individuals, families, and small businesses shop for and enroll in affordable medical insurance) appeared to be one of the main elements of the ACA, though it actually applies only to less than 10% of Americans who have individually-paid insurance plans (not employment-sponsored or sponsored elsewhere). The ACA regulated that marketplace to focus the attention of insurers on managing risk while making it easier for individuals to compare across policies. The ACA also sought to make the healthcare systems more effective and efficient. Katz noted up to one-third of healthcare services in the U.S. are wasted, and reducing waste is another main driver.

### *Washington state*

The State of Washington expanded Medicaid, and the amount of people underinsured was cut in half. The medical health care system is a minor element in personal overall health, he explained. The Health Care Authority (HCA) focused on transforming the state's healthcare delivery system, a plan that involved both a change to a value-based payment system (moving away from a fee-based payment system to payment system tied in some way tied to quality or outcome-associated metrics) for healthcare professionals and private insurers, along with the introduction of accountable care networks who hold responsibility for quality of care (for state employee PEBB plans).

The State has also encouraged a string of nine "accountable communities of health," the idea being that the non-medical care system actors together develop strategies that focus on making the community healthier. One of the associated ideas is to use health care resources to support previously non-traditional services, such as affordable housing, for example.

Katz noted it is safe to say for the near future that Washington remains firmly committed to reform under the ACA. Siegel explained the council would like to have Katz join the council again in the next academic year to continue reporting on upcoming changes.

## **8) Topics for 2018/19**

Due to time constraints, Siegel explained he would contact members to solicit input on topics to be addressed in the next academic year via email.

## **9) Good of the order**

Members and guests of the council were thanked for their work and engagement.

## **10) Adjourn**

The meeting was adjourned at 4:00 p.m.

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*Minutes by Joey Burgess, jmbg@uw.edu, council support analyst*

**Present:**                   **Faculty:** Gowri Shankar, Stephan Siegel (chair), Nicole Hoover  
**Ex-officio reps:** Laura Lillard, Andrew Flannery  
**President's designee:** Mindy Kornberg  
**Guests:** Amy Hawkins, Miceal Vaughan

**Absent:**                   **Faculty:** John Mittler, Julia Metzner, Russel Fernandes, Jason Wright, Mary  
O'Neil  
**Ex-officio reps:** Jacob Ziegler