

University of Washington
Faculty Council on Benefits and Retirement
February 26th, 2018
2:30 pm – 4:00 pm
Gerberding 26

Meeting Synopsis:

1. Call to order
 2. Review of the minutes from January 22nd, 2018
 3. Tool that would allow UW employees to estimate income from supplemental retirement plan (Amy Hawkins)
 4. Update: Parental leave (Jason Wright)
 5. Update: Representative of Academic HR (Stephan Siegel)
 6. Good of the order
 7. Adjourn
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1) Call to order

Siegel called the meeting to order at 2:30 p.m.

2) Review of the minutes from January 22nd, 2018

The minutes from January 22nd, 2018 were approved as amended.

3) Tool that would allow UW employees to estimate income from supplemental retirement plan

Siegel explained the topic of UW employees being provided a tool by the university to estimate income from the UW Supplemental Retirement Plan (UWSRP) has been of interest to the FCBR for a number of years. The council has upheld the position that employees should have access to this information in advance of retirement rather than 3-6 months following retirement, as is current practice.

It was noted currently, an individual must retire before they can receive a calculation of their retirement supplement. Whether or not they receive retirement income from UWSRP depends on the benefit calculation, which the UW performs on the employee's behalf. The calculation compares two amounts: goal income and assumed income. At retirement, the UWSRP benefit is received only if the employee's goal income is greater than assumed income. Because of the complexity of the calculation, the UW does not provide projected benefit estimates; the UWSRP benefit amount is calculated only once at the time of retirement (UW Total Benefits website).

It was noted that Amy Hawkins (Director, Human Resources) was unable to attend the meeting to provide an update on the topic, and instead provided a written brief on some researched options for providing such a calculation to employees prior to retirement (Exhibit 1). These options included fully outsourcing the calculations, co-sourcing or insourcing them, or using the current process with an additional UW FTE to run calculations and provide information to employees before retirement. Each option carries varied costs (Exhibit 1). Funding restraints currently limit the ability to explore all but the additional FTE option.

It was noted currently, financial services organization TIAA calculates the benefit for UW employees, as related proprietary information is kept by TIAA. Kornberg noted FCBR may want to look at information that was given by UW Total Benefits to TIAA (relating to making calculations) in order to investigate the topic further; she noted she could provide that to members at a later date. It was noted the Executive Vice President and Provost together make decisions concerning adding additional FTEs within UW Human Resources.

Chamberlin mentioned a form that is in use at some community colleges wherein the calculation is made via user-entered data. Members expressed an interest in looking further into the use of that form.

Additional discussion surfaced an interest in gaining data on how many employees relative to the total number eligible are granted supplemental income after a calculation is made.

Following conversation, Kornberg explained she would provide information to the FCBR on: how many people currently get supplemental income payments, as well as what it is that Total Benefits provides to TIAA to carry out UWSRP calculations.

It was noted rough estimates may be able to be provided to UW employees relating to supplemental using a less formal method. Siegel and Shankar explained they would look into this possibility using the information from Kornberg.

4) Update: Parental leave (Jason Wright)

Siegel explained the FCBR remains interested in revising parental leave policy for faculty at the UW, and there is pending related Class B legislation that has yet to be re-addressed by the Senate Executive Committee (SEC) since it was first deliberated in fall, 2017.

Update

Wright provided an update on the topic, explaining Academic HR's interpretation of the Family Care Act (FCA) is that while the law does provide the ability to use sick leave to care for a spouse with a qualifying medical condition, unless an employee's spouse requires that employee's care (and this is documented in some way), then the employee may not use sick leave to care for their spouse. Wright explained he contacted the Washington Department of Labor and Industries (DLI) and found that the interpretation of the law used by A HR is different from the interpretation used by DLI. DLI noted if there is a belief that the UW is not in compliance with the law, a complaint can be filed to arbitrate. Wright explained the issue of the discrepant interpretations has yet to be addressed/resolved.

It was noted the SEC's main criticism of FCBR's Class B legislation related to cost – that that it would be very expensive to implement the revised policy. The cost criticism is directly related to the issue of interpretation of the FCA. Wright explained FCBR's legislation sought to provide a benefit to UW faculty for a birth or adoption event to trigger their paid leave, but that original goal has become muddled with the FCA interpretation issue. He described some options for going forward with the topic:

1. Attempt to come to consensus on the interpretation of the FCA as it relates to the UW.

2. Attempt to come up with cost data by working with the Senate Committee on Planning and Budgeting.
3. Develop new legislation that ignores the issue of interpretation of the FCA.

Discussion

It was noted FCBR's legislation as written would provide the ability for faculty to take paid leave to care for a new infant without any documented need for their care, and the interpretation of the FCA directly relates to this point. It was noted it has been found there is little to no institutional data on how many people are likely to take this benefit, and as such, it is not likely a reliable cost estimation relating to the proposal could be developed. Another member noted it is not likely the legislation would be approved by the Faculty Senate/ full voting faculty without information on fiscal impact.

A member explained a report could be made to the Senate Executive Committee making note of the interpretation issue and seeking feedback. Alternatively, the topic could be discussed again with A HR in an attempt to fully understand the university's position.

Following some discussion, Siegel and Wright noted they would attempt to meet with A HR to hash out related questions/interpretations.

5) Update: Representative of Academic HR (Stephan Siegel)

It was noted UW Academic HR was asked to provide a representative to sit on the FCBR in order to provide information on intersecting topics during meetings and to act as a channel of communication between that office and the council. Siegel explained Academic HR responded that they were unable to provide a regularly-attending representative due to workload/scheduling constraints, though attendees would be provided for FCBR meetings upon request if there are agenda items of special relevance to that office.

A member noted a representative from A HR should be present in the council's April meeting in order to respond to the pre-retirement planning report scheduled to be presented in that meeting. Siegel noted he would make the request.

6) Good of the order

Siegel explained the final report of the Ad Hoc Committee on Pre-Retirement Planning would be presented in the April meeting.

It was noted FCBR should receive an update on issues of relevance currently being deliberated by the Washington State Legislature. Siegel explained he would facilitate a presentation to the council for the April or May meeting.

7) Adjourn

The meeting was adjourned at 3:50 p.m.

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

Present: **Faculty:** Gowri Shankar, Stephan Siegel (chair), Mary O’Neil, Jason Wright,
Nicole Hoover

Ex-officio reps: Jacob Ziegler, Charles Chamberlin

President’s designee: Mindy Kornberg

Guests: Miceal Vaughan

Absent: **Faculty:** Russel Fernandes, John Mittler, Julia Metzner

Ex-officio reps: Laura Lillard, Erick Winger

Exhibits

Exhibit 1 – supplementalretirementplan_calculations_update_benefitsoffice_winter2018.pdf

From: Amy Hawkins

To: Stephan Siegel

Subject: Supplemental Retirement Plan calculations

We understand the desire and agree that UWSRP estimate calcs would be nice in helping those eligible, plan for retirement. Currently UWSRP calcs are done and provided after a person retires. This is done manually by the Benefits Consultants, Total Benefits in coordination with TIAA, who runs the calcs (free) for the UW. It generally takes 3 to 4 months following retirement for a completed calculation. If eligible, the UWSRP is then retro to an individual's retirement date.

We have researched options for providing such a calculation prior to retirement in order to help with planning. The findings were as follows:

1. Fully outsourcing the calculations and have them done with set criteria prior to retirement. \$500K/year
2. Co-sourcing, where the administration of calculations would be outsourced, and all communications, client administration remain with Total Benefits. \$325K/year
3. Insourcing, where outside firm develops and maintains the tool provided to Total Benefits. Total Benefits handles all calculations and client communication/administration. Tool - \$125K/year, not including FTE support to run calcs. 1 FTE Fiscal Specialist estimated at \$81,200. Approx annual cost: \$206K/year
4. Use current process, and hire an FTE for a 1 – 2 year appointment to run calcs through TIAA (would need to approve with TIAA). This FTE is needed in order to provide a calc for all of those who meet set criteria prior to retirement. Approx: \$82,000/year.

At this point in time, given funding restraints the first three options are not being pursued. However, Total Benefits will continue to look for ways to gain funding through reorganization, requested expanded FTE's and/or outside vested organizations/departments.