

**UNIVERSITY OF WASHINGTON
FACULTY COUNCIL ON RETIREMENT, INSURANCE AND BENEFITS**

The Faculty Council on Retirement, Insurance and Benefits met on December 12, 2002, at 1:00 p.m.
Chair Jim Whittaker presided.

PRESENT: Professors: Bliquez, Boxx, Brandt, Dugdale, Frey, Haley, Johnson, Martin, Waaland,
Whittaker, Kochin
Ex-officio: Chamberlin, Dougherty, Dwyer, Henley, Olswang, McKenzie, Guerrero
ABSENT: Professors: none absent
Ex-officio: Olswang

Guest: Rhonda Lahey, Dir., Academic Human Resources

Synopsis:

1. Approve agenda
2. Approve minutes
3. Partial Re-Employment Policy
4. Fund Review Committee
5. Work-Groups: Status reports

The meeting was called to order at 1:30 p.m.

Approval of Agenda

The agenda was approved.

Approval of Minutes

The November minutes were approved as corrected.

Partial Re-Employment Policy

In Steve Olswang's absence, Rhonda Lahey attended FCRIB to provide information about the partial re-employment policy.

Lahey said that the revised policy is on the Academic Human Resources Website and will be included in a brochure, but she is not certain when the brochure will be produced. Dwyer commented that it is important to disseminate the policy as widely as possible, so that those contemplating retirement can make informed choices about re-employment. Whittaker said both an email and a hard copy brochure should be sent to each faculty member. The language has been agreed upon, and a brochure should not be difficult to create. Kochin would like to see some additional language included about the circumstances under which cash can be withdrawn from the retirement plan.

Diane Martin raised the issue of partial reduction in appointment – what will happen to that relinquished percentage of FTE? This should be a matter for ongoing discussion.

There is confusion among both faculty members and deans about both the process and the consequences of partial re-employment – as much education as possible should be done to clear up the confusion. Once the policy has been widely disseminated, Whittaker said FCRIB can also do some visits to schools and colleges to make certain everyone understands their options.

Consensus was reached that the policy should be disseminated to each faculty member in January, 2003, via email and paper brochure; Leahy committed to doing this. If there are ideas for other ways to get the information out to everyone, please contact Frey, Whittaker, or Bliquez.

Lahey provided Autumn 2002 figures on retired faculty who are re-employed:

- Of 57 faculty who retired in 2001-2002, 36 are re-employed.
- Of faculty retired and re-employed in all years, 116 remain re-employed.
- The faculty member re-employed the longest has been retired and re-employed for 19 years.
- Of the 116 total retirees now re-employed, 51 are centrally funded.

Whittaker commented that it's the year-to-year trends that are most important. The last time FCRIB looked at this data, it appeared that those who re-employed did so for longer periods of time. Numbers can be somewhat misleading, however, because not everyone who retires and re-employs does so immediately. Therefore, a faculty member who retired three years ago could show up in this year's re-employment numbers. The Provost's Office does know who these people are, said Lahey, so they have a better idea of the trends.

Very few faculty, said Lahey, are gradually resigning portions of their tenure prior to retirement, though this is an option. She said the Provost's Office was somewhat surprised to see that more people are being re-employed for longer periods of time, especially in the first five years. This has put some pressure on central funding of the program. Nevertheless, said Lahey, the re-employment program is expected to continue.

Fund Review Committee

Katy Dwyer reported that the proposal to create a Fund Review Committee was approved by the Regents at their November meeting. Thanks to Charles Chamberlin for representing FCRIB and presenting the proposal. The next step is to create the Committee, said Dwyer. The Fund Review subcommittee has met to discuss this.

Because several UW groups will nominate representatives to the Fund Review Committee, Chamberlin recommended that the subcommittee draft some language to guide the various nominating groups in making their choices. Most of the groups – Professional Staff, for example - are not yet aware that they will be nominating a member to this new Review Committee. Criteria should include choosing representatives who have expertise in tax and pension law, retirement plans, finance and investment. These criteria can be pretty broad, Chamberlin said.

Responsibility for the actual appointments has been delegated to the Executive Vice President for Benefits (currently Weldon Ihrig), said Dwyer. The draft language should help ensure that appropriate candidates are nominated. For the startup, Diane Martin, suggested, actual names could be suggested. The goal is for broad representation within the UW community and disciplines. This will include present or prior FCRIB members who would like to serve – Bob Waaland and Patty Brandt indicated interest. Dick Kummert, Larry Shaw, Alan Hess, and David Boulware were also mentioned as possible candidates.

In answer to Whittaker's query, Dwyer said the UW's employee investment programs include 5 vendors (fund sponsors), with hundreds of funds that need to be reviewed.

The subcommittee will begin to draft the language, and will include a scheme for staggering the initial terms. Suggestions are welcome. Whittaker will contact University Week to publicize the creation of the Fund Review Committee, and will explore other avenues for publicity as well.

Use of Senior and Emeritus Titles

Chip Haley presented his draft of a proposed Code change that would rectify an inequity for retirees who would otherwise be entitled to the Emeritus title, but cannot be appointed Emeritus because they retired before age 62.

Section 24-34.B.10

10. *The emeritus appointment is recommended by departmental action for a ~~retired~~ faculty member **who has retired under the UW Retirement Plan or is receiving retirement benefits as if he or she retired under a Public Employees' Retirement System plan**, including research and clinical faculty, whose scholarly, teaching, or service record has been meritorious. Such a recommendation requires approval by the college dean and the President of the University. The normal criteria for appointment with the emeritus title are at least ten years of prior service as a member of the faculty and achievement of the rank of professor or associate professor. Under certain circumstances the President may grant emeritus status to an administrator at the level of Dean or Vice President, or at other levels if deemed appropriate.*

After Haley's explanation of the legislation's intent, it was moved, seconded and passed to forward this draft legislation to the Faculty Affairs Council for submission to SEC and the Senate.

Haley also mentioned that FCFA proposed legislation last year to add a "Senior" title for retirees, which could be used interchangeably with the Emeritus title. This was envisioned as facilitating granting activities for Emeritus faculty, some of whom have encountered difficulty obtaining grants if they use the Emeritus title. In reality, professors are not required to use the Emeritus title even though it has been bestowed. Omitting the Emeritus title on grant applications solves the problem for professors who are seeking grants, so the Senior title is unnecessary and the legislation did not garner SEC approval.

Work Groups Status Reports

Benefits Education – Dwyer reported that the work of this group is dependent on some statistics that are not yet in hand. However, some discussion of benefits education occurred in the discussion of benchmarking benefits.

Benchmarking Benefits – This is a large subject area that may not be completely covered this year, Diane Martin said, so this work group would like the input of other FCRIB members in prioritizing their work.

The group began with three subject areas:

Retirement Decisions of Faculty Retirees at the UW

Allocations across plans or funds

Are annuities being chosen?

Focus groups and/or interviews are anticipated, followed by a full-blown survey of the faculty

Benchmarking Peer Benefits

How do UW salaries and benefits compare with those of other large universities?

Vendor Comparisons

Obtain information from vendors such as TIAA-CREF, to show what decisions retiring faculty at other institutions are making about their retirement funds, and compare with what UW faculty are choosing.

Whittaker asked whether TIAA-CREF would provide such information. Martin said they have done so in the past – the question is whether they can break the information out just by faculty.

Haley commented that this information might also be of great interest to the Funds Review Committee. Dwyer said that comparing these data and developing case studies might show faculty members the results of choosing certain funds or courses of action. This would feed into the benefits education process. Frey said we should not just collect a huge database of mistakes, but obtain recommendations from experts on what has worked well.

Since this is such a large and complex issue, Frey said, perhaps the subcommittee should be split in two, with one group working on peer data and the other working on benchmarking. This suggestion was accepted. Patti Brandt agreed to work on the peer data group; Katy Dwyer and one other person (TBD) will work on the benchmarking group.

Long Term Care - Pat Dougherty said her group is reviewing last year's work, which includes some information posted on the Web, to make sure it is satisfactory. They will also address education and ways to get the word out about long term care. They may want to do long-term care seminars such as the one at the Good Shepherd Center, which was well-attended by UW members who are not getting the information they need at the UW.

Many people are looking at options for their parents who do not have LTC insurance, and are also looking at insurance for themselves. If FCRIB discovers a plan that is good, it could be presented to the Health Care Authority for their approval and then offered to everyone through the Benefits Office.

The meeting was adjourned at 3:00 p.m. *Minutes by Linda Fullerton, Recorder.*