

University Of Washington  
Faculty Council on Benefits and Retirement  
10:30 a.m. – 12:00 p.m., May 21, 2012  
36 Gerberding

**Meeting Synopsis:**

- 1) Call to Order
- 2) Review of Minutes from April 23 FCBR meeting
- 3) Accountability of FRC: request to Provost that quarterly update reports resulting from mandatory FRC meetings to be sent to FCBR
  - Discussion on standard practices in reviews of fund performance - Katy Dwyer and Bob Breidenthal
- 4) Letter to Provost about turning 50
- 5) Adjournment

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**1) Call to Order**

The meeting was called to order at 10:37 a.m. by Chair Gerry Philipson.

**2) Review of Minutes from April 23 FCBR meeting**

Minutes were approved with revisions.

**3) Accountability of FRC: request to Provost that quarterly update reports resulting from mandatory FRC meetings to be sent to FCBR**

Bob Breidenthal researched faculty input within retirement fund selection at Global Challenge peer institutions.<sup>1</sup> None had an oversight body entity similar to the Fund Review Committee (FRC), except Connecticut and Virginia which published investment committee membership and performance of available funds. Katy Dwyer, Director of Benefits, spoke with the Aeon Hewitt consultants regarding potential disclosure of selected fund data. While data generated by the consultants is proprietary, participating UW employees can review data online. Aeon Hewitt offered to simultaneously report to FRC and FCBR annually. It was suggested to provide as much information as possible, without infringing on proprietary information.

Philipson suggested that FCBR review fund information annually. Between the FCBR and FRC, this would accomplish sufficient oversight, across faculty, staff and librarians. Breidenthal offered to relay any concerns from FCBR to the FRC, which would meet on Thursday.

**4) Letter to Provost about turning 50**

The Council had earlier considered approaching the new Provost Ana Mari Cauce to propose changing matching fund contributions at age 50 an “opt out” rather than an “opt in” option. Arthur Nowell presented the Council with a drafted letter to the Provost proposing this change, and editorial changes were made. The Council discussed the different possibilities: purely voluntary, opt-in or opt-out. Dwyer

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<sup>1</sup> University of California, Colorado, Connecticut, Maryland, Massachusetts, Virginia and Rutgers

described the consistency of 400 individuals opting not on the matching fund contribution increase. Reasons for opting out were characterized from a survey that either participants planned on enrolling later or were unable to afford the increase. Council members voted to send this letter to Provost Cauce.

During this topic, questions arose on a different issue of two year mandatory enrollment in UWRP, noting mandatory enrollment in retirement plans in most Global Challenge peer institutions. Tradeoffs for making this voluntary were discussed, such as the impact on individuals' voluntary contribution limit.

## 5) UWRP Changes updates

Dwyer informed of minor modifications within the UW Retirement Program and Voluntary Investment documents to adjust for changes to these plans on November 1. UW Benefits will solicit authorization from the Board of Regents to change the 403 Roth during summer. She offered to share changes with the Council, noting that changes were simply technical and asked if the Council found this acceptable. A transition brochure will be disseminated in early June with the funds, when plan participants can begin to change their funds, with a formal notification following in the fall. 14 meetings with faculty will have been conducted over a two-week period, having audiences as large as 1,300. 200 meetings with Fidelity were scheduled during the first week, and reminders of changes will be sent during summer.

Arthur Nowell requested clarification on policies after meeting with a Fidelity representative:

- 1) Do Tier Two trades only allow 15 per year, with additional trades requiring the brokerage window? Dwyer informed that this is incorrect.
- 2) Is there no limited power of attorney for participants? Dwyer recalled that 3<sup>rd</sup> party trading online is still allowed through brokers registered with Fidelity. Brokers not registered with Fidelity can still trade but these would occur via a toll free number.
- 3) There is need to clarify the way frozen funds are handled with TIAA CREF, both to participants and Fidelity. Dwyer would re-emphasize this with Fidelity.

## 6) Adjournment

The meeting was adjourned at 11:10 a.m. by Chair Philipsen.

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*Notes by Jay Freistadt, Faculty Council Support Analyst. [jayf@u.washington.edu](mailto:jayf@u.washington.edu)*

**Present:**           **Faculty:** Philipsen (Chair), Nowell, Breidenthal  
                          **President's Designee:** Kornberg  
                          **Ex-Officio Reps:** Guerra, Masterson, Deardorff, J. Ray Bowen,  
                          **Guests:** Dwyer

**Absent:**           **Faculty:** Nihan, Holt, B. Bowen  
                          **Ex Officio Rep:** Dougherty