

UNIVERSITY OF WASHINGTON

FACULTY COUNCIL ON RETIREMENT, INSURANCE AND BENEFITS

The Faculty Council on Retirement, Insurance and Benefits met on May 9, 2002, at 1 p.m. Chair Diane Martin presided.

PRESENT: *Professors:* Boxx, Frey, Kochin, Martin, Whittaker
 Other members: Baylor, Chamberlin, Dougherty, Dwyer, Henley,
Olswang
ABSENT: *Professors:* Bliquez (sabbatical), Brandt (sabbatical), Dugdale,
Waaland
 Other members: Hamilton

Synopsis:

1. Update on medical benefits and costs next year (Dwyer)
2. Re-employment policy (Olswang and Frey)
3. Statistics on use of the Senior title or others like it (Henley)
4. UWRP and VIP review (Chamberlain)
5. Benefits for retirees (Dougherty)
6. General discussion and prioritization of other benefits that the UW could provide to faculty (Dwyer)

The meeting was called to order at 1:05 p.m.

Approval of Agenda

The agenda was approved.

Approval of Minutes

The April minutes, which were lost in a failure of the recording equipment, were reconstructed in brief and will be presented for approval at the June meeting.

Update on medical benefits and costs in 2002-2003

Katy Dwyer reported that the medical benefits situation looked dire in March, but the legislature has since shifted some money into increased employer contributions to medical costs, up from \$458/mo to \$482/mo. Premium costs are almost certain to increase, but the amounts of the increases to employees are still unknown, since the contracts are being put out to bid at this time and will not be finalized until June or July.

Under the new contracts, it is likely that co-pays will increase and that pharmacy benefits will be restructured, which may result in cost increases for some drugs. These costs are paid at time of use, so they are not technically medical premiums. However, they do represent out-of-pocket cost to employees and should be carefully watched since they are another way of shifting benefit costs

to employees. The Uniform Medical Plan, which for some counties is the only medical plan available, is trying to control costs by making it much more attractive for members to use Preferred Providers.

The Healthcare Authority is partnering with UW Benefits to begin a pilot program on Flexible Spending Accounts - it is not certain when this will take effect. The program enables participants to use payroll deduction to accumulate pre-tax dollars in a spending account to pay for certain out-of-pocket medical expenses and for childcare costs.

Faculty Retirement/Reemployment/Appointment Reduction Policy

Olswang presented the final draft of the retirement/reemployment/reduction policy, which has been under review by the Council. Olswang said he received several comments from Council members, but no substantive changes. In drafting the policy, Olswang said, the subcommittee looked at the data on actual faculty retirements and reemployment. They found that, contrary to what past data showed, a significant number of faculty members are now continuing their reemployment for five years instead of three. The fact that reemployed faculty members are being reemployed longer creates a bigger drain on Central Funds and reduces the amount of money available to fund the salary system. This is having a real impact on the merit pool.

In 1999-2000, three-quarters of retired faculty were reemployed, with most taking a year off and coming back to the University the second year. UW faculty are older on average than faculty at their peer institutions - currently, 80 faculty members who are more than 70 years old are still working full time.

In view of the surprises encountered in the new data, Olswang said he would continue to track these data and would also provide the Council with a yearly report on the data so an annual review can be done. Whittaker would also like to see information on the ages of retirees and those who are requesting a sixth year of reemployment.

Olswang will see that the new reemployment document is posted on the Web, is published in the DDC list to deans and chairs is published in brochure form to make certain that everyone, especially those for whom retirement is imminent, has the latest information on the options for retiring, reemployment, and appointment reductions. Martin recommended that the information also be emailed to all faculty. Olswang suggested it be included as an appendix to Martin's report, which goes to everyone as a Class C bulletin. Martin agreed to include this information

Statistics on use of the Senior title or others like it

Ernest Henley has been researching the use of the Senior vs. Emeritus title, and reported on his findings. In the California system at Berkeley, Henley said, professors who want to continue their grant funding can use the title "Professor {or Associate Professor} in the Graduate School." The University of Wisconsin is also contemplating this change, but has not acted yet.

Henley also talked to the National Science Foundation and the Department of Energy. Neither would put anything about their policy on paper, but verbally acknowledged the Emeritus title does not help with grant funding, although "it depends on how good you are" Henley reported. Olswang said the UW would be ahead of the curve to recognize that, rightly or wrongly, the Emeritus title can handicap those seeking grants, and do something about it.

Martin asked the Council to consider whether this is enough of a problem to warrant Class A legislation, or whether the Council should just emphasize to faculty that they don't have to use their Emeritus title if this is a handicap in securing grants. Olswang said that Faculty Affairs also intends to take up this issue. Charles Chamberlin recommended that FCRIB advise FCFA of the move UC Berkeley has made.

Fund Review Board

At Katy Dwyer's request, the Council has been forming a recommendation to create a Fund Review Board to oversee the quality and quantity of investment funds offered to UW employees.

Chamberlin passed out a handout on the formation and duties of the proposed Fund Review Board, and asked for discussion by the Council. He said he believes the document also needs legal review before it is final. He deferred to Dwyer, who said that the draft, if approved by the Council, would be reviewed by legal staff and would become a new section in both the UWRP and VIP fund documents.

Frey asked whether the Board's only functions would be to add or delete plans, or whether they could also give recommendations for improving the funds. Dwyer said typically the funds are charged to have published criteria, but it is probably not the proposed Board's role to define plan features.

Martin raised the issue of how best to get true experts to serve on the Board - this needs some thought and should be addressed in the document. Board members, said Whittaker, should have the expertise to evaluate the fitness of the funds to operate on the UW campus, and also to evaluate how the funds are performing. Kochin added that changing the relationship with the funds sponsor, as opposed to just changing the number of funds (add/delete), should also be within the purview of the Board. Karen Boxx pointed out that the description of the Board now says the Board "shall consist of" certain members. This wording does not give much flexibility - it might be preferable to say "shall include" so that other members might also be added as deemed necessary.

Martin wondered if it would be appropriate to designate how administrative and statistical support for the Board is to be provided - Dwyer and Olswang agreed that this should be done. Whittaker said that the relationship between the Review Board and FCRIB should be further defined.

Next steps, said Martin, will be to take gather today's comments, produce a new document, and send it for legal review. UWRP should also be notified that this is in the works. Chamberlin said FCRIB should ask that a Fund review be undertaken, and also recommend that a Fund Review Board be established per FCRIB's recommendation.

Martin asked Chamberlin's subcommittee to draft a letter to the Executive Vice President, recommending that these steps be taken. The council can vote on the final draft and review the letter at the June meeting.

If the proposal is reviewed by FCRIB, Dwyer will ask her lawyers to draft a proposal to the Board of Regents so that the formation of the Fund Review Board can be approved. It may also be desirable to make the Fund Review Board an official requirement of the Plan documents, which would strengthen the Review Board's authority.

Dwyer will see that the final draft undergoes legal review. Chamberlin will draft a letter to Weldon Ihrig describing the proposed Review Board and recommending that such a Board be included as a requirement in the Plan documents. Dwyer also said other campus groups such as the Professional Staff Organization should be consulted before the entire package goes to the Regents. It is expected that this will continue to move through FCRIB and will reach the Regents by early Fall.

Benefits for Retirees

Pat Dougherty gave Council members a copy of a document that is handed out to prospective retirees detailing the benefits to which they are entitled as UW retirees. For all retirees, these benefits include:

- Library privileges
- Faculty Club membership discount
- Free campus parking for retirees and surviving spouses
- ACCESS course audits
- UW campus arts and sports discounts

In addition to the above, UWRA members are entitled to

- University Bookstore Patronage refunds
- Priority wait list and reduced or no entrance fee for University House retirement communities

Emeritus retirees are also entitled to

- Apply as PIs for UW research grants
- Be considered to continue as chairs or members of student supervisory committees
- Be listed in UW directory and catalog
- Be appointed by chairs to serve on UW Administrative Committees

Another important benefit, which is presently extended to faculty members only, is the UW email/computer account. Dougherty said email accounts are a current issue for all retirees - the argument is that all retirees, not just faculty retirees, are members of the UW community and should be able to continue their email/computer accounts after retirement.

Other Issues

Because time had run out, Martin postponed agenda item 6, the general discussion and prioritization of other benefits that the UW could provide to faculty, until the next meeting.

Martin added that she is a member of the Rose Committee, which is examining the possible restructuring and decrease of Faculty Councils and Committees. At the last meeting, the Rose Committee proposed that FCRIB become part of Faculty Affairs. FCRIB members expressed various reservations about this move, chiefly that retirement, insurance and benefits issues might tend to get lost and that FCRIB really represents more than just faculty concerns. Martin said she would have more information on the restructuring at the next Council meeting. In any case, the changes probably cannot take place for a full year.

Marge Baylor, PSO Representative, announced that, unless she finds another job at the UW, she will no longer be part of the Council. She has been laid off from her position as Academic Counselor as a result of the current budget crisis and is interested in finding other work at the UW. If Council members know of any openings, she would appreciate knowing about them.

The meeting was adjourned at 2:32 p.m. *Minutes by Linda Fullerton, Recorder.*