

UNIVERSITY OF WASHINGTON
FACULTY COUNCIL ON BENEFITS AND RETIREMENT
TUESDAY, April 29, 2008, 2:00-3:30 p.m.
36 Gerberding

Chair Bob Bowen called the meeting to order at 2:08 p.m.

Meeting Synopsis:

1. Old Business. Note minutes will be delayed until next meeting (Bob)
2. Update by Vice President for Human Resources (Mindy Kornberg)
3. Update by Director of Benefits and Work/Life (Katy Dwyer)
 - Status of draft surveys of over 50 UWRP participants who have not opted in at 10%
 - Why are some Schools dropping TIAA/CREF?
 - Other?
4. How can FCBR support the Benefits and Work/Life communication plan? (Bob)
 - Please read and provide comments on this near-final draft of a forthcoming *University Week* article on the 'top 6' underutilized UW benefits?-see attachment A
 - Communicating to UWRP participants about the UWRP supplemental benefit including: a) increasing awareness of the benefit, and b) estimating the supplemental benefit (if any) *before* retirement.
5. Discuss potential agenda items for 2008-09 including:
 - Follow up on past initiatives: auto-enrollment in UWRP, dependent tuition benefit, supplemental retirement benefit
 - What do we want from UW Systems—build a list to send on?
 - Long term care
 - Sick leave and long term disability insurance
 - How can we support Benefits & Work/Life to get the resources they need?
 - Update on the UWRP Fund committee including fund coverage
 - Update on retired faculty and professional staff health benefits
 - Revisit benchmarking UW benefits to Global Challenge States (vs. the HECB 24)- What should be the UW benefits portfolio going forward?
 - Opportunities for partnering with the UW Retirement Association
6. New Business

Final Spring QTR meeting: THURSDAY, June 5, 2008, 1:00-2:30 p.m. in 36 Gerberding

1. Old Business. Note minutes will be delayed until next meeting (Bob)

Chair Bowen announced that the minutes would be approved at the next meeting.

Bowen also announced that he would be stepping down next year as Chair of FCBR. He asked faculty council members to consider taking over the position.

2. Update by Vice President for Human Resources (Mindy Kornberg)

President's Designee Mindy Kornberg updated the council on an upcoming May meeting with the Board of Regents. She alerted council members to three important items:

1. Removal of the prohibition on third party trading and reciprocity. This allows participants to elect to have someone else trade the UWRP or VIP on the

- participant's behalf. Whether or not a fund sponsor allows this option is up to the fund sponsor.
2. Effective July 1st Medical Residents will be added as an eligible group to the UW Retirement Plan
 3. Discussed the Voluntary Investment Program Plan (VIP)

Regular guest Katy Dwyer updated the council on a workforce housing meeting she recently attended. She explained that it was a meeting of many employers and others key partners, called together by Charles Royer, former mayor of Seattle, because the median middle class are being shut out of housing in King County. Conference leaders addressed the broad range of people affected and the particular impediments to housing for the middle class. Dwyer noted that all ideas for a solution are being considered, and the group is reviewing, among other things, changing housing laws. Participants are being asked to be creative with solutions: one even suggested the use of church parking lots as space for affordable housing. The UW has agreed to participate in this effort as we look for solutions. A potential UW property for developing into public housing is Building 9 on Sandpoint Way. While it has a lovely situation, some challenges facing its development are that it, has limited uses because it was given to the UW by the Federal Government with strings attached to development, and it has asbestos problems. Estimated costs are 4-5 million dollars to convert it into a condominium. It might be possible to develop it for public housing in some kind of public-private partnership. There was discussion about the issue of whether middle class folks could even get into a unit like that, and also whether the UW had considered using some of the buildings or land associated with the UW Tower acquisition for housing. Kornberg explained the drawbacks involved in developing the UW Tower properties for housing and childcare needs. Council member Patricia Dougherty offered the idea of using property in the University district for intergenerational housing. She inquired if the university was working with key people in the city on this issue.

3. Update by Director of Benefits and Work/Life (Katy Dwyer)

- **Status of draft surveys of over 50 UWRP participants who have not opted in at 10%**

Dwyer reported on the status of the surveys of over 50 UWRP participants who have not opted in at 10 percent.

- A total of 386 surveys were sent out with a response rate of 21% (80 responses)
- No deadline was given to respondents. However they were reminded twice about participation.
- Professional staff responded more frequently than either faculty or librarians
- Written comments seemed to illustrate that the 10% contribution rate is an emotional issue for people. The responses indicate that some can't afford it, some don't trust the market, and some feel that they will not get anything out of it

A discussion began about the results and responses received. The survey was narrowly focused on the UWRP 10% option. However written comments show that a small percentage of survey participants did not really understand benefits and retirement. However it was also clear that a percentage of respondents simply hadn't gotten around to signing up. Dwyer noted that UWRP participants can not currently make changes online, but that the process of opting in is quite easy. Asked about whether someone could come in to talk over retirement issues, Dwyer explained that the bulk of contact to

the office is by phone and email, which meets the needs of most people. People do come in but her office has a limited staff, three benefit consultants and four who answer the phones. She noted that even if someone is only a block or two away, there can be a feeling that the Benefits office is too far away and people are too busy,. A question was raised whether there are Benefits staff who specialize in retirement only, and who could manage this one aspect of employee calls. Dwyer replied that her office doesn't have the capacity to do that now. Last year the call volume to her office exceeded 75,000 calls. Dwyer explained how they would like to adopt a new platform which would involve a degree of outsourcing using a neutral vendor.. A point was made about a percentage error on question1, page 2. Dwyer was also asked if she will be able to check again in a month's time to see if there have been any changes in benefit enrollment among the 386 survey recipients.

- **Why are some Schools dropping TIAA/CREF?**

Dwyer next reported on the current pull out by some colleges from the TIAA/CREF Fund Sponsor. She explained that TIAA/CREF went through some big changes updating their system. There were errors in the movement of data which caused a great deal of frustration for both schools and participants. TIAA-CREF did not work effectively with schools on the transition or communicate well their plan on how to do it so that many schools were frustrated. Several schools have recently been in the news as having dropped TIAA-CREF from their Fund Sponsor line up. Dwyer emphasized that the UW experience was good because we took steps to avoid the problems that frustrated other schools. Council members suggested getting the word out to faculty and staff how the UW saw the problem and avoided it, using the FCUL minutes or annual report. Council member Steve Demorest inquired about how often the list of retirement fund sponsors is updated. Dwyer explained that it is very difficult even though there is a committee with that charge because they have no professional Consultant with the expertise and credentials to make recommendations for change. She explained that the process requires a proposal and funding. Mandatory legal work is underway as the priority for 2008, after which a new project could be developed.

Dwyer explained how a "master record-keeper" arrangement could work, which would address current systems limitations, and also free the UW from relying on individual fund sponsors. She described the relationship with a master record keeper as an easier interface and one that gives flexibility to the university to manage its own retirement plan. It also provides participants with an easier, one-stop portal for all UWRP, VIP. In addition future offerings such as a Roth 403(b) could be housed in the interface. The plans require ongoing professional assistance to provide appropriate management and consulting services. Dwyer said that she hopes to have that plan laid out by fall. She described the many benefits to using a master record keeper but said that they would need funding for the range of services that is not available now.

A question was raised about funds that TIAA/CREF offers but the UW has not approved. Dwyer explained that decisions on funds are based upon university task force criteria. She noted that there are currently 75 funds available and people are easily overwhelmed by too many choices. She also explained that while each Fund Sponsor would like to have all of their funds available, that would overwhelm participants. Chair Bowen noted that this topic will be on the agenda for the next meeting.

4. How can FCBR support the Benefits and Work/Life communication plan? (Bob)

- **University Week article on the ‘top 6’ underutilized benefits at UW**

Chair Bowen discussed (as Exhibit A) the upcoming University Week article on the “Top 6 underutilized benefits at UW.” He suggested that it be sent through email to the faculty. He will ask the Senate leadership about using the mailman list. The article will be in UW Week on May 8th. Bowen thanked council members for their many comments on the article. GPSS rep Andrew Overton offered the idea of having one web page linked to the UW Week article in which direct emails would have links to it.

- **Communicating to UWRP participants about the UWRP supplemental benefit including: a) increasing awareness of the benefit, and b) estimating the supplemental benefit (if any) before retirement.**

Bowen handed out a review he had created of the supplemental benefit plan (SBP) and described who he understood would be eligible for it among faculty, librarians, and professional staff. He spoke passionately about the need to educate UWRP participants about the value in the SBP, especially given the current market conditions. Bowen noted that he believes approximately 98% of the faculty don’t know about the SBP and he feels that making it more transparent would be a good move. He asked if they should be doing more to help people understand this, and if so, what should they be doing to help? He suggested putting a question and answer on the benefits web page. Concerns were raised by council members about the function of the benefit and whether there was a potential for its abuse. Members noted that the spirit of the SBP is as a safety net, and was not intended for those who do not need it. Dwyer spoke about changes to the UWRP 403(b) that are being made at UW and all the other state of Washington higher educational institutions. She noted that once the legal work was completed, there would be better documentation available on the web as part of that work. Also that a communications plan beginning in 2009 would include information about the UW Supplemental Retirement Plan. She noted that the request to provide on-demand calculations for the SBP is challenging, because the calculation itself is manual and very time-consuming even for those who are retiring. She said that developing on-demand calculations would require a consensus with the other schools, and given other priorities, is not high on their priority list and that the monies would be better placed helping people with their investments now.

5. & 6.

There was no time to address these agenda items.

The meeting was adjourned at 3:30 p.m.

Minutes by Melissa Kane, Faculty Senate, mmkane@u.washington.edu

Present: Faculty: Bowen (Chair), Brandt, Breidenthal, Demorest, Gallucci, Hess

President’s Designee: Kornberg

Ex-Officio Reps: Chamberlin, Everett, Overton, J.R. Bowen

Regularly Invited Guests: Dougherty, Dwyer

Absent: Faculty: Brock

Ex-Officio Reps: Gray