

University Of Washington  
Faculty Council on Benefits and Retirement  
10:30 a.m. – 12:00 p.m., April 23, 2012  
36 Gerberding

**Meeting Synopsis:**

- 1) Call to Order
- 2) Review of Minutes from December 14, 2011 and January 30<sup>th</sup> meetings
- 3) Update on roll-out of new UWRP offerings
- 4) Role of FCBR in annual review of investment performance
- 5) Recruitment of Council personnel
- 6) Adjournment

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**1) Call to Order**

The meeting was called to order at 10:31 a.m. by Chair Gerry Philipsen.

**2) Review of Minutes from December 14, 2011 and January 30th meetings**

Minutes were approved with changes.

**3) Update on roll-out of new UWRP offerings**

Katy Dwyer was introduced to discuss the “roll-out” of the new UWRP offerings. She informed that 5-6 presentations were offered during two days, were broadcast via UW TV and archived online. The questions and comments collected from individuals during this period were communicated to Provost Ana Mari Cauce. The decision was made to proceed with the Fund Review Committee’s recommendations, selecting Fidelity as the record keeper.

Discussion followed on the timeline and communication of these changes. A letter will be sent to UWRP / UW VIP participants, notifying of several large group discussions on the changes. Individual appointments can also be arranged with individual staff or faculty members to meet with Fidelity onsite, should they be unable to arrange these, they can also visit Fidelity’s offices in Bellevue, Lynnwood, Tukwila and Seattle. The approved funds for participants will displayed online and participants will be able to shift their funds accordingly beginning in June. They will have until November 1<sup>st</sup> to change their investments to approved funds and can do so through Fidelity’s website, which all participants will be required to use. Communication will be focused initially on active participants; separated or retired employees will have the choice of whether to port their plans to the new plans or maintain their old plans.

Questions followed on how departmental meetings will be conducted. The UW Benefits Office will work directly with departmental administrators to set up these meetings, but departmental administrators can also directly contact Fidelity to present to faculty. All UW VIP participants will have the same

timeline, independently of their classification. Informational meetings will be roughly an hour long, and will serve as an opportunity to answer general questions.

The deadline for transitioning accounts will be in November. A “blackout” period of two weeks will be in effect at the end of October, during which contributions will be suspended to these accounts. Reminders of this will be sent periodically through the entire transition period, and the Benefits Office is taking account of staff that will be away during the summer. Participants were noted to have the option to transfer to cash, but not during the “blackout” period. Council members emphasized the need to articulate that no transactions will be allowed during the two-week blackout period. Additionally, the choice of the date was raised as a potential concern with the upcoming election. This was due to a mandatory period for participants to transition their accounts to adapt to changes. Council members asked why the federal law mandates this blackout period, which was attributed in the complexities in transitioning between investment firms.

#### **4) Role of FCBR in annual review of investment performance**

Philipsen asked Council members what role FCBR may have within performance review, as he noted interest expressed in this capacity during meetings. The suggestion was made that FCBR report to the Provost on performance and changes in fund options. Dwyer emphasized existing oversight within the Fund Review Committee (FRC), which already has Retiree, PSO, ALUW and faculty representation. Discussion followed on the dissemination of investment performance information. Recommendations could be forwarded to the Fund Review Committee. As to the process for receiving such recommendations, Dwyer will investigate how feedback is performed at other universities. Dwyer also suggested that she and Bob Breidenthal discuss the standard practices in transparent reviews of fund performance in May. Setting a goal was noted to be important prior to providing such transparency, to avoid misperception amongst participants that they have the ability to make changes when they cannot.

Instead of reporting on fund options, providing faculty with visibility of the process of review would be important. However prior to proceeding with such transparency, the legal and practical concerns of such a mechanism need to be considered. In regards to fund performance, it was clarified that faculty will be able to monitor this on Fidelity’s website. Mindy Kornberg commented that another tool that she considered to be interesting for participants to have would be an integration of all a participant’s investments, (bank accounts, property and other assets) to help them to better understand their overall finances. A suggestion was made to make a list of FRC members on the FRC website.

#### **5) Recruitment of Council personnel**

The recruitment of members for the Council next year was discussed. Recruitment efforts are being conducted by the Secretary of the Faculty Marcia Killien, and Philipsen suggested council members inform Killien of colleagues who may have interest in serving on this Council.

The next meeting will consist of further discussion of FCBR on the investment process, and investigate the letter to participants turning age 50 informing of eligibility to increase their University matched contributions to 10% of their salary. Discussion during the last meeting had suggested that FCBR may be

supportive of making this increased contribution opt-out rather than opt-in and Thom Deardorff noted that ALUW was supportive of this change. It was proposed to use the next meeting to vote on proposing that the increase in match be an opt-out model, and have a broader discussion on the financial implications of such a policy shift. Arthur Nowell volunteered to draft a motion and letter for the Provost on behalf of the Council, and Katy Dwyer will provide data on the financial implications of such a change. Now would be a good time for bringing this to the Provost's attention, as the Board of Regents will meet in June. Philipsen emphasized the need for quorum at the next meeting to make a formal recommendation.

## 6) Adjournment

The meeting was adjourned at 11:27 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:** J. Ray Bowen, Guerra, Masterson, Deardorff,  
                          **Guests:** Dwyer

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