

Faculty Council on Benefits and Retirement (FCBR)

April 8, 2008 Meeting Minutes

The Faculty Council on Benefits and Retirement met in Gerberding Hall, room 36, on Monday, April 8, 2008. Robert Bowen, Chair for the Committee, called the meeting to order at 2:00 p.m. Guest: Gary Quarfoth, Interim Vice Provost for Planning and Budgeting

Synopsis:

- Old Business
 - Priorities among our proposals on auto-enrollment and tuition waivers
 - Updates
1. Approval of minutes from the February 12, 2008 and March 3, 2009 meetings. Minutes were unanimously approved.
 2. Discussion with Quarfoth. Setting priorities among our proposals on auto-enrollment and tuition waivers. How would we prioritize?

Quarfoth gave an overview on how the budget process works. Provost puts out the preliminary budget and asked what are the priorities? There are always more requests than money. Tuition waiver and auto enrollment have been on the list for several years. Provost did not have good numbers on the cost for auto enrollment last year and it was deferred to this year's budget request. Budget goes to the regents in May.

Tuition waiver would be more costly and would probably have to offer it to classified staff also (although it's a negotiation). State has generally taken the approach that if a benefit is available, then it should be available to all employees.

Some are concerned that it would only be taken advantage of by a sub-set of the population – those employees with children. Would they rather take that money and use it for faculty salary increases?

Question from Bowen: Did the UWRP "auto enrollment" to 10% at age 50 receive approval? Senate leadership understood it had. Quarfoth: He had responded to questions from the senate leadership saying that the financial impact with auto enrollment would be small. It still needs to be presented to the provost and prioritized. So no "approval" has occurred.

General discussion regarding costs for Tuition program for dependents: Demorest: for partial tuition waiver, if the UW is willing to take these students on an overload basis – beyond the cap, the cost would be low. But agree it would place extra burden on the faculty and would make it difficult for these students to enroll in classes they are required to take.

This benefit, if allowed, would be sending a message that we are investing in our own product – sends a good message and a good retention tool.

- The regents have the legal authority to implement new waivers.
- It only serves some, but other benefits are like this too.
- For represented staff, it would have to be negotiated with the unions.
- Will IRS allow benefit to apply to some but not all employee groups?

Affordable housing, safe workplace, childcare are some of the other issues that the Provost is having to address.

Dwyer distributed statistics:

Exhibit D –

- Estimated \$3.6 million to pay for “auto enrollment” benefit.
- In January there were 508 employees over 50 that were still at 7.5% rate who were eligible for 10%.
- End of February the number dropped down to 405 after Benefits office targeted mailing.
- March data may show further drop.
- There are 405 employees over 50 not using 10% Option.
- Cost would be approximately one million to fund this.

Discussion: About 1000 people who have dependents would be eligible for tuition benefit vs auto enrollment for a benefit which is available if selected by the employee.

Additional discussion comparing tuition benefit with retirement “auto enrollment”:

- Enrollment targets - Olympia expects that we will have approximately 34,000 students enrolled. We usually are over enrolled by several hundred.
- UW will not take students that aren't funded by legislature.
- UW could choose to be above capacity if the students paid full tuition. Tuition is local revenue. UW doesn't get state funding for the over-enrolled students. UW encourages more out of state students to maximize revenue.
- If the tuition is incremental – would faculty still think it's a benefit?
- Committee agrees that faculty would think this was a good benefit.

Housing and childcare are both equally important. Brandt would like to figure out what would be accepted across the board and move forward on that issue.

Chamberlin asked to add another column to Exhibit D– incremental tuition waiver (phasing in).

Vote was taken on which was the number top priority for benefits to present to the Provost.

- 1 – auto enrollment into UWRP at employment
- 2 – auto enrollment in UWRP to 10% contribution rate at age 50+
- 3 – ½ partial tuition waiver (phased in)
- 4 – 25% partial tuition waiver phased in (5 year vested)

Auto enrollment into UW Retirement Plan was voted as number one.

Are there any legal limitations around this?

- Dwyer: requires change to plan documents.
- Implement in stages to spread out the cost.
- Strategy around implementing such a thing?

3. Update by Vice President for Human Resources [Mindy Kornberg]

Kornberg has no update.

4. Update by Director of Benefits and Work/Life [Katy Dwyer]

Age 50 UWRP 10% option survey reminder will go out Friday. . Gave the participants 2 weeks to respond and will send out one reminder.

Benefits office will be sending out letters to the temporary employees letting them know they aren't eligible for benefits. .

Read Exhibit C – and send Bowen feedback. Will be published in UWeek 5/8/08 issue.

- Add web links

Attendees:

Voting Faculty: Robert (Bob) Bowen (Business, Chair), Patricia Brandt (Nursing), Robert (Bob) Breidenthal (Aeronautics and Astronautics), Betty Gallucci (Biobehavioral Nursing and Health Systems)

Voting Representatives: J. Ray Bowen (Retired Faculty), Charles Chamberlin (Association of UW Librarians)

President's Designee: Mindy Kornberg (Vice President for Human Resources)

Regular Distinguished Guest: Kathleen (Katy) Dwyer (Director of Benefits and WorkLife)

Representatives:

Notetaker: Liz Mason – Assistant to Mindy Kornberg