

**UNIVERSITY OF WASHINGTON
FACULTY COUNCIL ON RETIREMENT, INSURANCE AND BENEFITS**

The Faculty Council on Retirement, Insurance, and Benefits met on March 6, 2003, at 1:30 p.m. Chair Jim Whittaker called the meeting to order at 1:30 p.m.

PRESENT: Professors: Bliquez, Boxx, Frey, Haley, Kochin, Martin, Waaland, Whittaker
Ex-officio: Chamberlin, Dougherty, Dwyer, Olswang

ABSENT: Professors: Brandt, Dugdale, Johnson
Ex-officio: Henley, McKenzie, Rosales

Synopsis:

1. Approve agenda.
2. Approve minutes
3. Legislative Update & UW Benefits Office Report - Katy Dwyer
4. UWRA update - Pat Dougherty
5. Work-group reports:
 - Fund Review Committee - Charles Chamberlin, Katy Dwyer, Chip Haley
 - Benefits Education - Katy Dwyer, Charles Frey, Patti Brandt
 - Benchmarking Benefits -Katy Dwyer, Diane Martin, Charles Frey
 - Long Term Care Insurance –Pat Dougherty, Ross McKenzie, Katy Dwyer, Karen Boxx
6. Dissemination of UW Re-Employment Policy - Steven Olswang
7. Tapping the Wisdom of Retirees- Larry Bliquez, Pat Dougherty
8. Council Ideas on themes/directions for U-WEEK column - Jim Whittaker

Approval of Agenda

The agenda was approved.

Approval of Minutes

The February minutes were approved.

Legislative Update & UW Benefits Office Report - Katy Dwyer

Health Care - Katy Dwyer reported on HB 1870, which is an alternative health care option that would work in concert with a medical spending account, has much higher deductibles, and different coverage from a more traditional health plan. If adopted, this plan would likely draw younger, healthier people from existing health plans and could adversely affect rates for people in conventional plans as the makeup of those plans shifts to a preponderance of people who are not as healthy. Another idea floating around (but not going anywhere) is a sliding scale premium based on income. This might result in a person who got a big raise no longer being able to afford health care. So far, said Dwyer, everything is being discussed but she has heard nothing about rates for next year.

Retirement - There are three or four early retirement bills proposed for PERS1 and PERS2, a couple of them very interesting. One proposes to give PERS 1 staff an additional service credit year for every five years they have worked. Another plan, by Helen Sommers, would turn PERS1 into TERS1 so lump sums could be taken out and annuitized to give an income for life. These options encourage PERS1 staff, of which there are about 1000 at the UW, to take early retirement. There is a sick leave cash out bill circulating, which would give those who retire this year fifty cents on the dollar instead of twenty-five cents.

UWRA update - Pat Dougherty

The IMA is offering more classes for retirees, Dougherty said, including two weight training classes and

gentle restorative yoga. University Week is now accepting ads, so UWRA is placing ads for University House. At the Annual Meeting June 3, Lee Huntsman will speak to UWRA members on the State of the University. The Winter Quarter Eldercare Workshop in Bothell drew thirty people with very little advertising - UWRA will try to do this twice in Spring Quarter.

Fund Review Committee

Charles Chamberlin reported that the Fund Review Committee was approved by the Regents; the next step is to populate the Committee, which will be done by Executive Vice President Weldon Ihrig. It is expected that FCRIB will contribute names of potential committee members, said Dwyer.

The Fund Review Committee has drafted a set of suggested selection criteria for Ihrig to review - he has not seen these yet and Chamberlin did not know whether he would accept them without revision or not. It would be good for the Fund Review Committee to meet no less than every 6 months, and to add or terminate vendors on a logical schedule such as in January or July.

Whittaker asked about a timeline for nominating members. Perhaps FCRIB could give input, then meet with Senate Chair Sandra Silberstein to advise her of the choices. One of the Committee members should be an FCRIB member, preferably an active member, with one or more faculty recommended by SEC. The Executive Vice President would designate the chair of the Committee from among the membership. There should be representatives from PSO and other defined groups.

Dwyer will take the draft selection proposal to Ihrig today, and FCRIB can begin to develop a list of nominations to move the selection process forward. If the Committee is selected during Spring Quarter, they could possibly meet over the summer.

Benefits Education

Dwyer said the Education Committee wants to do benefits education on the basis of choices retirees had made, why they made them, and how their choices worked out. How did others allocate their funds? How did they avert risk? This will involve coordination with the Statistics Committee, who will need to find a way get useful statistical data from vendors and retirees. The format and content of the data received from vendors has been a problem in the past. In order to collect vendor useful data, it will be important to first define what the data will be used for.

Diane Martin is also very committed to the idea of comparing UW stats with peers and other groups. This is the benchmark piece of the research, which can also be used to show the erosion of benefits over time. Dwyer said that erosion should be identified sooner than later, so the information can be used in budget discussions. This information could be put on a Web page, and linked to various data from the vendor Websites.

Vendors have said they can manipulate the data in various ways, depending on what the UW wants to see. It might also be possible for them to do peer comparisons. To illustrate, Dwyer showed a booklet from Fidelity that showed a comparison between the UW and Higher Education as a whole.

Martin said some additional educational information could be put on the Web right now - Long Term Care, for example, is a hot topic that the UW Website does not address. Dougherty suggested a seminar to clarify UW retirement benefits - an Investing 101 that would be broader than investing, or when to take LTC, etc. That would be significant outreach.

Perhaps a Life Course timeline could be developed to address the kinds of benefits that are needed at various times of life. Combined with a targeted email triggered by age, known life changes, or specific circumstances, this could be a powerful tool. A good first step would be laying out a draft report, which

will make apparent the kinds of information needed and from whom. The Education group will explore developing such a timeline.

Also important is a Benchmarking study, which will show how far we are behind our peers and allow UW staff to bargain for a reasonable level of benefits. There should be a discussion of priorities in this regard.

Long Term Care Insurance

Dougherty passed around a list of features the LTC Committee would like to see included in a UW policy. The LTC group consulted other Websites and drew on the resources of the Statewide Health Insurance Benefits Advisers (SHIBA) to compile the list. It might be possible for UW employees to develop an LTC plan of their own with a vendor, or the HCA might be open to more than one policy.

LTC is extraordinarily complex, with many variables. Dougherty is hearing a lot of questions from employees and would favor developing a pilot seminar on the subject, to educate older employees on LTC insurance. She will post the resource list on the UWRA Website. This information might also go out in a Class C Information Bulletin. Whittaker will ask Tasha Taylor about that possibility.

Reemployment Policy

Steven Olswang reported that the reemployment policy brochure will be in the mail to all faculty members within two weeks. There has been a delay in producing the brochure, which was formatted as a tri-fold but cannot be folded that way by mailing services. It will have to go out as a bi-fold. As decided previously, FCRIB should send an email to all faculty to alert them to the brochure mailing.

Tapping the Wisdom of Retirees

Larry Bliquez would like to pull together and pass on some stories, experiences and anecdotes from colleagues who have retired and are willing to share successes and mistakes they made in the process of making retirement decisions. Some are widowed, some have spouses, some had TIAA-CREF and some did not; the variety of experience is wide. There are perhaps ten interviews in all - if it seems worth doing, he will pursue it. What does the group think of such a project?

Haley commented that TIAA does something similar, but not about people at the UW. Martin said she would love to read something like this, which could perhaps answer the question "what would you have done differently?"

The group was very supportive of this project, and Bliquez will proceed with it. Whittaker asked FCRIB members to send Bliquez any suggestions for the project.

University Week Article

Whittaker asked for suggestions for the upcoming FCRIB article in University Week. Suggestions included:

- Reemployment Policy
- Long Term Care Needs and Insurance
- Benchmarking Benefits
- Fund Review Committee

Whittaker will choose one of these topics and will devote the entire column to it, including resources for further study.

The meeting was adjourned at 3:03 p.m. *Minutes by Linda Fullerton, Recorder.*