

**UNIVERSITY OF WASHINGTON
FACULTY COUNCIL ON BENEFITS AND RETIREMENT (FCBR)**

March 2, 2007 Meeting

The Faculty Council on Benefits and Retirement met in Gerberding Hall, room 36, on Friday, March 2, 2007. Bowen, Chair for the Committee, called the meeting to order at 1:45 p.m.

Synopsis:

- 1 Approval of Agenda/January Minutes/ Introductory remarks
- 2 Continuation of discussion of draft FCBR Mission and Goals
- 3 Update by Director of Benefits and Work/Life
- 4 Update by Vice President for Human Resources
- 5 Continuation of discussion of proposal to support Tuition Waiver initiative
- 6 Recruiting new members for FCBR
- 7 New business

Next month's agenda:

Loose ends on initiatives discussed at January and March meetings including additional data and discussion of a resolution of support for changing a) new hire and b) age 50 retirement contributions from 'opt-in' to 'opt-out.'

Revisit benchmarking data from November 2006 meeting

University Legislative Representative on issues in the legislative session

1. Approval of agenda/Minutes/Introductory Remarks (Bowen)

Corrections to the January 30, 2007 minutes are as follows. Patricia Dougherty's name was misspelled. Paul Constantine was not an attendee. Everett wanted to add that at Cornell all tuition is waived and if a dependent chooses to go elsewhere they still pay 50%.

Minutes were approved with changes.

Bowen said the "opt out" proposal is missing from the agenda because we are still seeking data on how many people are affected. Kornberg said there's no time line as far as the Regents are concerned. Regardless of what we find when we see the data, Bowen thinks that it's still important to pursue this quickly as our current approach is costing many faculty to lose a substantial risk free 100% return on their investment. We will revisit this next month.

2. Continuation of discussion of draft FCBR Mission and Goals (Bowen)

Bowen asked for comments on the draft statement of mission and goals. A suggestion was made to revise the last 2 bullets under assumptions to add thoughtful and practical advice, and Work/Life to the tasks.

Dwyer asked if anyone shared the mission statement with anyone else. Bowen shared it with a School of Business HR Specialist. Bowen will put it on website for future members. Dwyer mentioned that she didn't see the word retiree in it -was that OK? Dougherty said that it was fine as stated.

Motion was made to accept the mission statement with changes and seconded. Vote to approve as modified was unanimous. Kornberg said that it should be sent to Gail Stygall Chair of the Faculty Senate.

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

We are in the middle of the legislative session and there are a plethora of bills, most of which will die, but many bills come back year to year so we track them over time. In regards to the Domestic Partner law that just passed, the PEBB already allows same sex partners. UW's retirement plan has long allowed any beneficiaries. Boxx said that there is a provision that if you name a domestic partner and you later un-register them, then the designee is revoked. Dwyer said that if you name your spouse and

get divorced, then it revokes the beneficiary designation. It's as if the person dies. Dwyer is not clear on how this will affect any of the plans and will look more into it.

A bill is working its way through now that will redefine access to PEBB retiree healthcare. The bill would allow those who separate from state service at age 55 with 10 or more years of service, to join the PEBB Retiree Health plan even if they do not retire from their plan. Under the UWRP, age 62 is the basis retirement age. But what we call the "as if" PERS rules make it possible for UWRP participants to leave with Retiree medical much earlier. For example if you were hired prior to October 1, 1977, and have been here 30 years, you can retire at 30 years "as if" you were in PERS 1. When PERS 3 came into play, it changed the eligibility rules for this group. A PERS 3 member at age 55 with 10 yrs of service can access the PEBB Retiree medical plans if they separate, even if they don't retire from their plan. The PEBB Retiree medical plan has the benefit of providing access to healthcare for the rest of your life as long as premiums are paid. The new bill relates to allowing PERS2 members who are age 55/10 years of service have this same access to the retiree medical. There was discussion around post-retirement employment rules. Kornberg said there is a terrible disconnect. It is difficult for retirees to return to the UW. We have to jump through so many hoops. Once you've earned your benefits they are yours. If there's a break in service and you're the best candidate then we can re-hire a retiree. With the bell-curve of retirements looming, the state will need to come to grips with their view of retiree employment, because there are significant employment shortages looming. Dwyer stated that the legislature takes the view that they still control your benefits even after you have earned them.

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

Dwyer covered all of the issues.

5. Continuation of discussion of proposal to support 50% Tuition Waiver Proposal for dependents of Faculty, Professional Staff and Librarians

Kornberg says there's a finite number of dollars. Provost Wise will weigh the priorities, which gets back to the issue of what the faculty really wants --salary, tuition remission or child care? From a University perspective, what's the best bang for the buck? A piece we don't have is why do all of the private schools offer tuition remission? They must figure is it working – enticing people to come and stay? Dwyer – we don't have a way to measure.

Bowen asked whether the tuition proposal is still viable. Kornberg indicated that it's still on table. Everett asked Constantine what he thinks given he came to UW from Cornell. Constantine said it was different than it is now. His kids were young. Now his kids are going to college and he is wondering if it was the right choice. He had a variety of reasons for coming here.

A comment was made that potential faculty aren't applying here because of low salaries and high cost of living.

Kornberg –we are trying to change the culture. Staff use the Tuition Exemption -faculty aren't using it much.

Everett asked about loans – Kornberg said it is not permitted by current legislation.

Demorest stated access to higher education is important --the housing benefit is different.

Age difference – older faculty own their home.

Bowen says to add the housing issue as a future agenda item. Housing and childcare can be easily integrated if built from scratch.

Provost Wise believes there is a bigger need at this time for childcare and affordable housing to be able to competitively recruit.

How do we pursue most effectively? Should we send up the 2004 draft through our chain? Might we be more effective if sent up as a portfolio? Talk to Gail Stygall

Demorest says it would more effective to tie them together. Put proposals together. We value new families, higher education -a total package.

Gray did go to PSO board and gave them a summary of the issue. What did they think? Prioritize.

They had concerns about benefits that advantaged people with certain lifestyles. (kids, etc.) They want more cafeteria style.

Kornberg says that, because of the way that healthcare is purchased in this state, cafeteria plans are not effective. We are mandated by the state to take the big cost out of the picture (healthcare), so the remaining amount of money that would be available in a cafeteria plan would be negligible. The legislature would have to change the healthcare purchasing system for a cafeteria plan to have any meaning.

Boxx says that Eldercare comes up most. Even if they don't have kids, they have parents. Dwyer says we do have limited eldercare and long term care.

Boxx mentioned of the article in NY times on long-term care insurance.

Dwyer says that the current long-term care insurance contract is being reviewed by HCA.

Everett asked about UW acquiring land? Dwyer says that we have looked at a huge array of options but ultimately there is limited impact for any options. We can put millions into a building a facility and the result is to have a small amount of children in day care, but there is still a long list.

Bowen asked regarding tuition remission – do we want to put it forward as a combined proposal. Childcare in the beginning – tuition remission in the end. Do we want to get the package together and submit in April? Dwyer and Demorest to get the numbers together.

Demorest mentioned that the numbers will be askew because, once it's offered; there will be an increase in enrollment. It doesn't have to be perfect. We'll look at in April. Everett questioned will Benefits will be portable? Right now no.

UW has a number of benefits not currently available to all state employees. Kornberg says the budget and state relations offices believe there's a real concern about perception if UW is too different. It would have to be open to all schools. Is the state saying that we are going to all have to be the same?

UW has more benefits than other state agencies. Other universities in the state don't have it either.

Kornberg says that the faculty senate buy-in is important.

Kornberg says there is a window here so it is good to move this discussion ahead now.

A motion was made, seconded and unanimously passed to attempt to forward a revised tuition waiver proposal to the faculty Senate Executive Committee by their April meeting. Steve and Katy will take the lead in preparing the revised document. Bowen will contact Gail Stygall about putting the proposal on the agenda.

6. Recruiting new members for FCBR [Bob Bowen]

Bowen sought recommendations on potential members for FCBR.

7. New Business [Bob Bowen]

There was no time for new business. Meeting adjourned at 3:16.

Next meeting scheduled for Thursday. May 10, 2007; 1 – 2:30 pm; 36 Gerberding Hall

ATTENDEES: Bowen, Boxx, Breidenthal, Demorest, Dwyer, Kornberg, Constantine, Gray, Henley, Dougherty, Everett