

Faculty Council on Benefits and Retirement
2012-13 Annual Report
Submitted by Ashley Emery, Chair

Summary

The council met on October 22 and November 26, 2012 and January 28, April 22, 2013.

The topics covered during these meetings were: (detailed information is available in the meeting minutes on the Senate Web site)

Retirement Plan Transition

A review of the Retirement Transition involving the new record keeper, Fidelity. Statistics indicate that the transition has been well handled and university personnel are generally satisfied. Approximately 19000 members made the transition. A subtopic was the enrollment in the VIP (Voluntary Investment Plan). About 6000 participate in this plan. The Benefits Office will increase the level of information sent to university faculty/staff about the advantages of this plan.

UWRP Plan to Pay Independent Investment Advisors

A. Nowell has proposed that the FCBR recommend that financial advisor costs be paid by members from pre-tax monies within the UW Retirement Plan (UWRP). This topic is also being considered by the Fund Review Committee. Implementing this option will require changes in the UWRP and Regental approval. The topic will be considered during the 2013-2014 year.

Pre-retirement Calculations of the UW Supplemental Retirement Plan

Currently a member can ask the Benefits Office to determine their eligibility only after they have retired. The Benefits office is looking into providing a tool to allow members to estimate the benefits before they retire in order to optimize their retirement.

Revisions to the UW VIP Plan Document

Contributions to the Voluntary Investment Plan are limited by Federal law. Currently those opting for the 10% retirement plan have the 2.5% contribution included in this limit. Some Washington schools have made the 10% mandatory. In this case, the 2.5% does not count against the VIP limit.

Proposed Opt-out Increase in Matching Contributions in the UWRP

Because some faculty (approximately 400) do not take advantage of the additional 2.5% university contribution, the Council has recommended to the Provost that

this be changed to an opt-out plan to ensure that all eligible members are fully aware of the financial advantages of choosing this option. The status of this policy is not known as of July 2013

Healthcare Plans

The advantages/disadvantages of the FSA and CDHP-HAS were discussed. With the new payroll system to be implemented, employees will have the benefits more clearly explained. Information about the life insurance smoker/non-smoker option suggests that some members are paying higher rates than necessary because they did not check the appropriate box.

Long Term Disability Insurance

The Benefits office noted that except when applying for insurance at hiring, evidence of insurability is needed. FCBR needs to request that the Benefits Office contact the Health Care Authority to see if an open enrollment period can be created. FCBR will look at this during the 2013-2014 year.

Representative to the Fund Review Committee

Changes in the Federal law/IRS are such that it is advisable to add another administrator to the fund committee. This would be balanced by adding another faculty member. The Senate Executive Committee is aware of this need. The FCBR is waiting to see if SEC wishes the FCBR to recommend an appointee or if they will.

Council Members for 2012-13 Academic Year:

Faculty: Robert Breidenthal, Aeronautics and Astronautics; Ashley Emery (Chair), Communications; Glenn Govin, Dentistry; Bradley Holt, Chemical Engineering; John Mittler, Microbiology; Nancy Nihan, Civil and Environmental Engineering; Arthur Nowell, Oceanography.

Presidential Designee: Mindy Kornberg, Vice President, Human Resources

Ex-Officio Representatives: J. Ray Bowen, UWRA; Thom Deardorff, ALUW; Christopher Glenn, PSO; Allison Navarrete, PSO.

Regularly Invited Guests: Patricia Dougherty, UW Retirement Center; Katy Dwyer, Benefits and WorkLife.