

Faculty Council on Benefits and Retirement

2009-2010 Annual Report

Submitted by Robert Breidenthal, Chair

Two issues dominated the discussions at the seven meetings of the Faculty Council on Benefits and Retirement (FCBR) during the 2009-2010 academic year. The first was the re-activation of the Fund Review Committee, which had been inactive since 2006. The second was the Faculty Retirement Proposal advanced by the Administration.

With regard to the first issue, Katy Dwyer acquired funding to select and to hire outside professionals as Fund Advisors to advise the Fund Review Committee on appropriate investments for the UW Retirement Plan (UWRP). A Request For Proposal was released, and a large number of firms responded with proposals. After an initial filtering process, four finalists were invited to make presentations to a selection committee, which judged all four to be acceptable. Hewitt was chosen as the best fit.

In the past year, the Fund Review Committee has met several times, including two meetings with Hewitt. It is anticipated that it will take the FRC several more meetings before specific recommendations are made for the list of acceptable investment funds.

The second issue concerned a new Faculty Retirement Proposal by the Administration, a Voluntary Employee Beneficiary Association (VEBA) program, operated under rules established by the IRS. A tax-free medical expense account, it covers medical expenses similar to medical flexible spending accounts. According to Cheryl Cameron, the VEBA would be available to tenured faculty members if they elect to forego their vested right to partial reemployment after retirement. The minimum age that tenured faculty would be eligible is 62. There is a calculation to determine the amount that would be deposited into the VEBA in one lump sum, with a floor of \$25,000 and a ceiling of \$100,000. Unlike Librarians and Staff, who already have sick leave and thus a VEBA instrument, Faculty do not.

The purpose of this offer is to encourage qualified Faculty to consider retirement, especially those who are reluctant to do so out of concern for health care costs. It is a one-time offer, not necessarily available again. After some discussion, the Council supported this new proposed option.

FCBR Membership, 2009-2010

Faculty: William Bradford, Robert Bowen, Patti Brandt, Jon Brock, Robert Breidenthal (chair).

President's designee without vote: Mindy Kornberg, Vice President Human Resources

Regular guest without vote: Katy Dwyer

Members of representative groups with vote: William Brenc (ALUW), Ellen Barker (PSO), Shanna Sukol (GPSS), J. Ray Bowen (UWRA)

Faculty Senate Staff: Alex Bolton