

Annual Report
Faculty Council on Benefits and Retirement: 2008-2009
Steven M. Demorest, Chair

The Faculty Council on Benefits and Retirement dealt with several key issues in 2008-2009. 2008-2009 was a very challenging year for the UW and the State of Washington financially. The committee was interested in monitoring any proposed benefit changes in the legislature, as well as insuring that the UWRP was providing optimal support and flexibility to its members.

Our first issue was discovering that an opt out change to the UWRP system for employees turning fifty, that we thought had been approved at the end of 2007-2008, was in fact not enacted. So at this point the University is still using an opt-in system for UW Retirement Plan (UWRP) both (i) upon initial employment and (ii) for the increase in contributions from 7.5% to 10% at age 50. We continue to advocate for making the change to an opt out system for both enrollments because each change could make a substantial difference in the wealth of faculty entering retirement.

The other major issue addressed by the FCBR was reviving the Fund Review Committee. The purpose of the committee is to review and share with the campus community information about the following:

- Existing fund sponsors and funds, including statistics about participation, allocation, and administrative costs;
- Fund performance data, including comparisons with appropriate indices and ratings such as Morningstar;
- Customer service by fund sponsors, including modes of access, customer service ratings, and response times; and
- Any other information or data that may be of use to participants.

In these economic times, the work of this committee is crucial in addressing the issue of expanding choice for various retirement accounts. Unfortunately, the committee had not met since February of 2006. Therefore we made it a priority to offer whatever support we could to Benefits and Work Life to get the committee up and running again. I am pleased to report that the committee met again in April of 2009 and is devising an action plan for future meetings. Since it is important that Fund Review Committee act with all due haste in reviewing and expanding the retirement options offered by the UWRP, the FCBR drafted the following resolution in support of such action:

Resolution concerning expansion of investment offerings available through the University of Washington Retirement Plan.

WHEREAS, the University of Washington Retirement Plan (UWRP) is the primary vehicle for faculty, librarians, and professional staff to engage in saving for retirement.

WHEREAS, the University of Washington Retirement Plan document specifies that investment funds in the UWRP be reviewed twice a year by the fund review committee, but the fund review committee did not meet or take any action on retirement options between February 2006 and April 2009.

WHEREAS, our current retirement offerings do not provide a comprehensive range of investment options within each of the three fund families that currently contract with the University of Washington Retirement Plan.

WHEREAS, the best practices in retirement planning recommend a diverse range of investment options in order to satisfy the needs of different investors.

BE IT RESOLVED, that the Faculty Council on Benefits and Retirement urges the University administration to move as quickly as reasonable, but no later than the end of the academic year 2009-2010, to add a greater diversity of investment options to each of the fund families represented in the University of Washington Retirement Plan.

Finally, the committee appreciates and acknowledges the support of Katy Dwyer (Director of Benefits and WorkLife), Mindy Kornberg (Vice President for Human Resources) and Liz Mason (Assistant to the Vice President for Human Resources). We are excited to welcome Robert Breidenthal as our chair for the 2009-2010 academic year.