

**Annual Report**  
**Faculty Council on Benefits and Retirement: 2007-2008**  
Robert M. Bowen, Chair

The Faculty Council on Benefits and Retirement had four key accomplishments in 2007-2008.

First, we continued to advocate that the University convert its opt-in system for UW Retirement Plan (UWRP) contributions to an automatic-enrollment (opt-out) system (i) upon initial employment and (ii) for the increase in contributions from 7.5% to 10% at age 50. We estimated that each change could make a substantial difference in the wealth of faculty entering retirement. The good news is that the University has decided to convert to automatic enrollment at 10% for those turning 50. One can still opt-out but this would be a bad idea financially as one would give up the University match on the incremental 2.5% contribution. Thus, anyone who opts out forgoes an instantaneous 100% return on his or her investment. We were told that auto-enrollment at initial employment was meritorious but too expensive to implement at this point.

Second, we continued to advocate our proposal that dependents of Faculty, Professional Staff and Librarians receive a discount in the base undergraduate tuition at UW. We believe this benefit will help retain talented faculty, professional staff and librarians that are concerned about the cost of tuition and might otherwise be attracted to Universities that offer a tuition benefit for dependents. The University indicated that they found the proposal meritorious but that adequate funds were not available given other competing needs.

Third, with the help of Katy Dwyer, Director of Benefits and Work Life, we learned about the features of the poorly understood Supplemental Retirement Benefit feature of the UWRP. In certain conditions such as severe declines in the stock market, the supplemental benefit provides UWRP participants a defined benefit floor that protects them as they enter retirement. When market conditions are strong, this benefit is not likely to kick in for the vast majority of plan participants. Unfortunately, one has to retire before the University will provide information about the magnitude of this benefit (if any).

Fourth, I wrote an article that appeared in the May 8, 2008 *University Week* outlining the top underused benefits at UW. The goal was to get more faculty, professional staff and librarians taking advantage of the benefits we already have. See:  
<http://uwnews.org/uweek/uweekarticle.asp?Search=Bowen&articleid=41592>

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).