

Faculty Council on Benefits and Retirement
2019-2020 Annual Report
Submitted by chair Gowri Shankar

Summary:

During the 2019-2020 academic year, the Faculty Council on Benefits and Retirement (FCBR) met five times in regular meetings and once in a special meeting, conducting its routine business of all matters of policy relating to faculty retirement, insurance and benefits. Details of these actions can be found in the meeting minutes, which are located on the council's page on the UW Faculty Senate website. In addition to the routine business outlined above, the following non-routine business was conducted.

Major topics the council worked to address and/or completed during the year include:

❖ **UWRP Contributions (automatically increase from 7.5 percent to 10 percent at age 50)**

Thanks to the efforts of UW HR, UWRP participants turning 50 years of age after May 28, 2020 will now see their UWRP contribution automatically increased by 2.5% (with matching employer contribution), unless they opt-out. The switch from the opt-in to the opt-out system has been a constant item on the FCBR for nearly a decade and it is gratifying to see these efforts finally come to fruition.

❖ **Supplemental retirement income calculation under UW Supplemental Retirement Plan**

FCBR was able to work with TIAA and UW HR Benefits to develop an excel spreadsheet model that faculty can use to estimate their UWSRP benefit, using their UWRP contribution data (that can be obtained from HR Benefits). Next year, the FCBR will work on ways to make this model more accessible to eligible UWRP participants.

❖ **Voluntary Retirement Incentive (VRI) review of termination decision**

In Fall 2019, the Provost decided to suspend the VRI for the foreseeable future, after offering it one last time in Spring 2020. The FCBR was told that this was done to save money and to retain faculty. However, the FCBR has unresolved issues about this analysis and reasoning:

a. On the VRI cost issue, some FCBR members argued that VRI has actually helped UW Schools save money because the retiree faculty spots were either not replaced in some Schools, or were replaced after a gap of at least a year in other Schools, during which the salary savings exceeded the VRI benefit offered.

- b. The VRI, by offering an incentive for voluntary retirement, helps renew and refresh the UW faculty pool by attracting new, highly qualified faculty to UW.
- c. There is also a question of fairness. The University of Washington is the only major public university in the State that does not allow faculty members to earn or accumulate leave. Our librarians, professional staff, classified non-union staff, and contract classified staff can earn leave and cash out 25% of their sick leave at retirement. The VRI was designed to offer a similar benefit to faculty but this has now been taken away by executive action.

The Provost has agreed to support further analysis of the costs and benefits of this scheme. Conducting this analysis in coordination with the Provost's office could be a priority for FCBR next year.

❖ **Review of UWRP plan changes under CARES Act**

FCBR was asked to hold a special meeting by UW Human Resources in response to the "Coronavirus Aid, Relief, and Economic Security" (CARES) Act, which passed the House of Representatives and was signed into law by the President on March 27, 2020. The bill is intended to be a third round of federal government support in the wake of the Covid-19 public health crisis and associated economic fallout.

There was consensus on the idea that the UWRP should be opened to withdrawals allowed by the CARES Act via necessary plan amendments, and that efforts should be made to make clear the financial impacts to UW faculty opting to take those provisions.

❖ **Information from UW Benefits and Academic HR regarding the state paid family and medical leave plan**

The situation on paid family leave/ medical leave is still evolving. Washington State launched this benefit in January 2020 and was quickly overwhelmed with processing the requests. This is an issue that should be revisited next year.

❖ **UW Benefits, UW Retirement Relations and UW Retirement Association coordinated pre-retirement planning communications and events**

The Council worked with UW Benefits and UWRA to develop a letter that should go out to all UW faculty, providing information on pre-retirement planning, among other things. This letter, co-signed by the UW Faculty Senate Chair and the FCBR Chair, would be emailed to the faculty in late October every year; a copy of this letter could also be posted on the Senate and FCBR webpages.

Council members during 2019-20 academic year

Faculty Code Section 21-61 A: Gowri Shankar (Chair), Ellen Covey, Nicole Hoover, Pete Johnson, Mary O'Neil, Monika Sobolewska, Jason Wright, William Yuh

Faculty Code Section 21-61 B: Laura Lillard, Deci Evans, Charles Hirschman

Presidential Designee: Mindy Kornberg

Guests: Stefanie Starkovich, Cathy Randolph, Rachel Gatlin, Tanya Eadie