University Benefits Advisory Council
September 10, 2010 Meeting Minutes

Attended: Jan Carney, Deane Dudley, Jackie Gribbons, Jean Held, Larry Kost, Gary Mawe, Beth Mintz, Tim Murad, David Shiman

Unable to attend: Michael Blow, Claire Burlingham, David Maciewicz, Deb Stern, Kelly Circe, Michael Gurdon, Elizabeth Haggart, Claude Nichols, Sharon Patenaude, William Sioss,

Non-voting: Richard Cate, Barbara Johnson

From Hewitt: Steve Mendelsohn

Handouts: Retiree Medical Strategy Sept 2, 2010, Summary of Public Comment and Draft for Discussion Only

Jan: Agenda overview, process and timeline

The focus of the Council’s work for the next 2-3 weeks will be getting additional employee feedback and creating a draft report before the two open information sessions, which are scheduled for 10:00 – 11:30 a.m. and 2:00 – 3:30 p.m. on Monday, Sept 27 in Memorial Lounge, Waterman Building. A final UBAC meeting is scheduled for 9/29/10 to discuss the draft report.

We will review the outline of the report structure today and send the draft to the committee as soon as possible, with the goal of posting the draft report on the web site before the information meetings on the 27th.

It is important to have the UBC members attend both forums.

- The following peoples signed up for the a.m. session:
  - Gary Mawe, Jackie Gribbins, Jean Held, Tim Murad, Larry Kost, Deane Dudley, Beth Mintz, Carmyn Stanko, David Shiman, Richard Cate, Barbara Johnson, Jan Carney.

- The following people signed up for the p.m. session:
  - Gary Mawe (maybe) Jackie Gribbins, Jean Held, Tim Murad, Larry Kost, Deane Dudley, Beth Mintz, Carmyn Stanko, David Shiman, Richard Cate, Barbara Johnson, Jan Carney.

It was noted that a special meeting will be scheduled for employees needing translation.
Barbara went over the handout titled Summary of Public Comment:

- 65 individuals wrote comments/statements/concerns
- Numbers at the end on each sentence indicate number of people who expressed the same concerns
- Keeping the benefit unchanged for long term employees not yet eligible to retire and for current retirees is the highest concern
- Pay equity concerns are a close second

It was observed that the UBAC’s guiding principles are consistent with the concerns of employees, as expressed in the feedback received. Jan noted that public comments and other feedback may be used as an appendix to the report to President Steve Mendelsohn: Handout Retiree Medical Strategy Sept 2, 2010

Added Approach 3B: all pay levels expire at the same time; however, the accounts will run out.

- It was noted that People will be fully on Medicare when the account runs out

Approach 4: Life time benefit w cap on what UVM will spend (Pg 6)

- UVM will agree to the retirement cost amount and the retiree will pay the difference when there are changes) “Sample” Premium is 5000/Cost cap is 4500/Difference is 500
- The retiree pays the $500 + their share of the premium cost.
- The expense to retiree increases every year but coverage is guaranteed for life.
- Can include inflation clause.
- Education needed for current employees to encourage savings to offset this extra expense

Council Comments and observations:

No scenarios include spouse or dependants in the examples

Choices in plans will determine cost differences

Can we get a model with data that is integrated with the dollar amounts people have/could have in their 403b?

- Too many variables to get a model from true data. Income, investment choices, % choices, all are very individual/hard to model.

There are other wrap-around choices at other costs. People need to be aware and educated. We can know there are costs without creating a model.

Jan noted that we are not being asked for a solution. We are being asked to come up with different, reasonably balanced options for long term benefits. These are hypothetical scenarios.

Would like to see the UVM contributions include building in for inflation and see other models that can make a more significant change for the lower income employees. Their chance of running out of coverage and/or not being able to afford premium increases and giving up coverage is high.
Option 4 & 4b require no change for eligibility for coverage.

Can we look at something other than defined cost? Is there something more aggressive than 3b? Can the higher end cap of 30% change? We could even require no contribution from UVM for incomes over a certain dollar amount, with access to insurance for full premium by retiree.

What is practical? We need to give options, pros & cons.

Steve and Richard can come up with a more radical, progressive model for the next meeting. Consensus is that people want something that keeps on going over the lifetime.

Maybe create a defined 1b and/or 4c lifetime model with an inflation factor. Let’s revisit the yellow box (Actives not yet eligible to retire).

Reviewing the Report timeline, Jan described the plan:

- Draft report on the table by the week of September 20th
- Hoping for 4 models on the draft
- R. Cate and Hewitt will come up with the 1b model, add it to the draft and forward it to committee for mark up
- Will post the draft and send out another invitation to open forum

The DRAFT FOR DISCUSSION was reviewed, using Approach 1 – Transition to access only as a sample for report layout.

Council members agreed that the Report should:

- Use charts for each example….population, demographic, UVM share projected
- Include the graph and compare the curves to see greatest impact.
- Illustrate the effect of pros and cons
- 1b and 4c will be added
- Compensation package needs revisiting & spousal coverage needs to be addressed

Beth presented a message from UA & UE to be included in the report as an addendum:

United Electrical, Radio and Machine Workers of America and United Academics very much appreciate the hard work of the University Benefits Advisory Council in considering the issue of post-retirement medical benefits. Our participation on the committee, of course, cannot be interpreted as an endorsement of anything outlined in the committee report, since any change in benefits for bargaining unit members is subject to negotiation.

Public Comment:

C: Current employees need to be grandfathered

C: Power points are hard to understand without attending all of the meetings

C: Please title each example, and use the same number of years for all examples for continuity

C: Make it clear that we are not making a decision but offering options. Need to make that clear in the open forum.
C: U of Maine may have a process already completed.
  - Will ask HRS group to get that information

Jan noted that UBAC is a phenomenal group with a difficult task. We want our information to be read and received by president. Next meeting we need to get to the task. Let’s come together and agree to our best possible thinking.

Meeting Schedule:

The additional UBAC meeting is on Thursday, September 23, 2:30-4:30 in U Heights N1 Multipurpose.

Open forum Monday, September 27th 10 – 11:30 and 2:00 – 3:30 in Memorial Lounge.

Final UBAC meeting is on Wednesday, September 29th 10 – 12 in Billings North Lounge