June 10, 2010

To: Daniel Mark Fogel, President  
    Jan Carney, University Benefits Advisory Council Chair  
    Richard Cate, Vice President for Finance and Administration  
    Gary Derr, Vice President for Executive Operations  
    Barbara Johnson, Associate Vice President for Human Resource Services  

From: Beth Walsh, Staff Council President  
       Ida Russin, Staff Council President Elect  

Re: UBAC Review of Post-Retirement Medical Benefits  

The Staff Council appreciated President Fogel’s Communication from May 29th outlining how the University Benefits Advisory Council (UBAC) had been charged with reviewing Post-Retirement Medical Benefits this summer.

While we believe that the UBAC is made up of dedicated and capable individuals from across our University community, concerns among non-represented staff have been raised about the transparency of this group. Although the UBAC has been active over the past three years at UVM, little is known about this Council. In fact many staff had no idea the UBAC even existed until the communication on May 29th. Currently, meeting dates, minutes, summaries, reports, and decisions previously made by the UBAC are unavailable to the UVM community even though time has been given in past meetings for public comment.

Considering what little is known about the UBAC, it is difficult to remain confident that transparent open dialogue will occur and that relevant information about the complexities surrounding Post-Retirement Medical Benefits will be made available to educate the UVM community when this has not been done in the past.

We cannot stress enough that a lack of transparency will be viewed by many in the UVM community as an attempt by the administration to limit the discussion on this topic or make changes without taking into consideration the wide array of questions and concerns from employees and current retirees. Employees who are informed, included, and respected during these processes are employees who will remain loyal to the University and its future. We cannot lose sight of the fact that we want to retain quality employees who are important to the continued success of the University.
Although we realize that the UBAC needs time to organize itself before diving into the task at hand, we want to make the following recommendations for the process:

1. Communicate regularly to employees and retirees about the work of the UBAC on Post-Retirement Medical Benefits
2. Create a website which has information that explains in detail UVM Post-Retirement Medical Benefits, GASB45, and the reasons that changes must occur for the financial stability of the University.
3. Allow all meetings to be open to the UVM community.
4. Provide at least one Open Forum to further educate the UVM community on possible options for solutions and allow additional questions and concerns to be heard prior to making a final recommendation on September 29, 2010
5. Provide clear guidelines to employees and retirees on how to communicate their questions and concerns through their representative bodies (e.g. Staff Council, Faculty Senate, Teamsters, etc.) to enable the UBAC to efficiently and effectively hear as many voices as possible.
6. Include retired employees, both staff and faculty, on the UBAC and in discussions.

We know that this a very emotional issue for many and a clear, consistent, and transparent approach is the only way to alleviate fear and confusion.

Attached, please find a list of current and retired employees’ comments, questions, and concerns collected by the Staff Council to date in advance of the UBAC’s initial meeting.

Cc:
Larry Kost, Senior Lecturer, Mathematics & Statistics
Tim Murad, Associate Professor, Romance Languages
Beth Mintz, Professor, Sociology
Elizabeth Haggart, Lecturer II, Art
Kate Ash, Student Government Rep.
Dustin Evatt, Graduate Student Senate Rep.
Michael Blow, Police Officer
Sharon Patenaude, Dispatcher
Carmyn Stanko, Utilities Tradesperson senior, Physical Plant
David Hamilton, Sr., Building Access Specialist
Debra Stern, Office Program Support Genl, COM Microbiology & Molecular Genetics
Kelly Circe, Office Program Support Sr., CESS Dean’s Office
Jean Held, Professor Emeritus, College of Nursing & Health Sciences
Jackie Gribbons, Assistant Professor Emeritus Education
Michael Gurdon, Professor, Associate Dean, School of Business Administration
Claude Nichols, Professor & Chairperson, Orthopaedics & Rehab
Claire Burlingham, Controller, Controller’s Office
Clarence Davis, UVM State Relations Officer, VP state & Federal & Cmty Rltns
Lee Stewart, Director Operations HRS
Greg Brown, Manager, HRS Operations
Aleta Sweeney, Admin. Support HRS

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Staff Council
Post-Retirement Medical Benefits
Comments, Questions, Concerns
June 10, 2010

The Staff Council has collected the following comments, questions, and concerns from UVM staff and retirees regarding the upcoming review of Post-Retirement Medical Benefits by the University Benefits Advisory Council. These comments are in their original form. All names and further identifying information have been removed for confidentiality purposes. It is the hope of the Staff Council that these comments will further highlight the points we have made regarding the need for transparency, open dialogue, and further outreach and education to all current and retired employees.

I am deeply concerned about the issue of staff potentially losing medical benefits upon retirement. Many staff members, myself included, have remained as University employees only because of this benefit. With only a few years remaining, is there a chance that the University could grandfather in those employees with say 10 or more years of service? It seems that because of the faculty union the topic of their medical benefits is a talking point and little more, with the staff, many of whom make only a small percentage of what a faculty person does, that threatening to decrease benefits is no more than a push to get the staff to also unionize. Two years ago I was diagnosed with cancer and as a single parent my health insurance is a very high priority. Please as Staff Council try to protect the health care benefit that is so critical to so many of us. Thank you.

I was dismayed recently to hear that the University is planning to change health care benefits for retirees. I expect to retire in a few years and have made my financial plans with the current benefit structure in mind. After working here for a quarter of a century, I would be very disappointed if UVM followed through with this plan in a way that inflicts major financial hardship on current retirees or on future retirees with records of long service. I hope that the Staff Council will represent our interests thoughtfully and with resolve as plans progress.

Once again the unrepresented staff are being targeted by the administration. Post-retirement medical benefits are the reason that people work and stay at UVM for so many years. I've been here for almost 30 years and have based my retirement planning on receiving these benefits. I have changed my retirement plans over the years as the medical benefits have been degraded. This is not the way to get and retain competent and dedicated staff.

Thank you for featuring the upcoming review of Post-Retirement Medical Benefits in this month's staff line, and also for writing to the president and administration about informing employees about the proposal of changes to these benefits.
I am one of the staff people who did not know this was under review, so I am very grateful to you for your publicity on this matter.

I am considering an earlier [than age 66] retirement, and have taken great comfort and great confidence in the existence of health benefits for retirees with 15 or 10 years of service, at age 55+ [this is just a generalization of the published benefits] at a co-payment cost comparable to current employee co-payments. This existence of this benefit also gave me some security and some peace of mind during the budget crisis/layoff period of Fall 2008/Spring 2009, when so many of our jobs were under the possibility of being cut.

I would like to do whatever I could to keep this benefit for myself and other staff members. Thank you for alerting us to the possibility of changes or elimination of this important benefit, and please keep us informed about upcoming open information sessions, discussions, etc.

I would just like to feel secure that whatever changes may made that current employees remain on the same post-retirement benefit plan as they were when hired, or grand-fathered in under the same plane. If changes have to be made and are unavoidable, I would like it to effect only new hires beginning in FY'11 or '12, for instance. This is probably a given, but thought I'd mention it. I am also willing to help with any added duties that may be imposed on the Staff Council or Benefits Committee related to this issue. Thank you!

Just my 2-cents worth on the retirement medical benefits issue: It sure seems as if this expense is being investigated by the university, and it's natural to think that decreasing this benefit may be a way to save the university money. I would encourage those doing the investigating to be creative about it. For instance, I'm sure that there are retirees who don't really need the insurance (they are in excellent health, they have a spouse whose benefits cover them, they have long term care insurance, they are retired from UVM but work elsewhere and receive benefits through that employer, etc.). So, why not ask who would be willing to forgo this benefit? You might be surprised as to how many would give it up if it meant continuing to provide it for those who really need it.

Other ideas:

Work on some sort of tiered system so retirees can decide at what level they wish to be covered - not at all, only for catastrophic illness/injury, medical but not dental, Rx only, etc.

How about a trade of retirement benefits with current benefits? A current employee could choose to give up a portion of his/her normal vacation time and/or sick leave over time in exchange for medical benefits during retirement. You may even find some employees who would take a pay cut now in order to "buy" themselves medical coverage in their retirement.

Bottom line: Be flexible. Don't limit your thinking to options that exist now and don't omit possibilities because they may be difficult to arrange. Instead of broad-stroke policies that limit entire groups of people (e.g., those who retired after a certain date), allow some individual choice.

Blue Cross/Blue Shield through UVM is my secondary medical insurance. Is UVM going to remove this option for me? Will they provide other choices that increase the premium I currently pay? Will I be able to
continue with BCBS but at a higher rate? Obviously I am very concerned about this issue. Medicare and BCBS are the only medical coverage I have. So far I have had no medical issues except routine check-ups but that situation won't continue forever. I would be willing to pay a higher premium or have a higher deductible (within reason) but I certainly hope UVM does not eliminate medical coverage options to its retirees altogether.

I am concerned with the potential change in post retirement benefits. I have been working at UVM for 20 years and even though I haven't used this benefit yet, I have been counting on having it. I have read the report about the liability providing this benefit is to the University, but it is valuable to each employee also, and an important part of our compensation. I would like to know if this potential benefit change will be made in a tiered approach, will it be grandfathered in, or will it be simply be eliminated. Will the Staff Council be making any calculations as to the cost to the employee to procure this coverage on their own?

Thank you so much for communicating this potential change to us and for all you do on our behalf.

I would like to see a copy of the May 29th communication which President Fogel sent to the University Benefits Advisory Council and which was copied to all staff and faculty, but apparently not to retired staff and faculty.

As a retiree, I would like to be kept informed about anything which might affect my retirement benefits. Please let me know how retirees like myself can see the May 29th communication.

I thank the Staff Council for sending notification of the current "Staffline" and other information to my email.

What changes are proposed or being discussed for current retirees?

Post-Retirement Medical Benefits: I am a current (2006) retiree (although still occasionally working as a temporary part-time UVM employee!) after having worked for the University for 28 years. I have great concerns about post-retirement medical benefits. Since I am too young to qualify for Medicare, my UVM health benefits are VERY IMPORTANT to me. This is my (and my husband's) only health insurance. I cannot afford to be without it since I have Type 1 diabetes--it is my lifeline! If I had to apply for any other health insurance, I could very well be disqualified due to a pre-existing condition! I have been and am very grateful to pay to have this benefit and want to see it continued. Please do all possible to keep retirees covered.

It is with great interest and concern that I write to you regarding the potential changes to retirement health benefits. I realize the need for cutting costs, but also realize that many people that this will impact have no other options with these changes. As some of us are nearing retirement and looking at the benefits that we earned over the years it is quite stressful to think that our retirement health benefits would not be there. I hope that Staff Council will have a loud voice around these discussions and bring our voices to the table.
I appreciate the memo you sent to President Fogel regarding the discussion of post-retirement medical benefits.

In the first paragraph you write that 'some employees are unaware or have little understanding of this matter.'

I would suggest that staff have largely been unaware that action might be taken on this issue within this very tight time frame without formal communication to the community (as you correctly note).

The University certainly faces challenges regarding benefits - as does every campus, every large institution in the country. I am not surprised that the issue has been raised, but I am dismayed that there has been no dialogue to date.

It is a relief that Staff Council is attentive to this now, and I appreciate your work on our behalf. I just wanted to add my name to the list of those concerned about the transparency of the process.

After reading the Burlington Free Press yesterday and having conversations with other UVM employees, I am extremely anxious regarding the future of medical benefits for retirees. I have worked for UVM for 16 years, am almost 63 years of age and qualify for these benefits should I retire today. This benefit has been one of the reasons that I have remained at the University. I hope that in your discussions with the Board that proposals are not "all or nothing". I understand that the financial instability of the University is concerning, however, to focus on this one area, especially affecting a more vulnerable population (those nearing retirement), is a strategy that minimizes the high standards that the University has stood for during my tenure. I am willing to assist in any way possible in an effort to maintain these benefits.

Dear President and Representatives of Staff Council, I am deeply concerned about the possible changes to retirement health benefits for UVM employees. I know that costs need to be contained but I also know how important it is to preserve those benefits in order to recruit and retain a highly functioning, strong and productive community of UVM employees. Please, speak loud and clear on this issue; do not let this simply get pushed through without full input from the UVM community and full and thoughtful representation around the table. I have grave concerns about the speed with which this is being managed and hope very much that your collective voices will be heard and that you will consider retaining the expertise of an expert team who can speak to the importance of retaining our current benefits. Any compromise must take into full account the interests of UVM staff. Hundreds of UVM staff, many of whom have given years of service to the University have built not only their current budget but their future hopes, dreams and goals for retirement on the current model and any compromise must take that into account. There must be fairness and equity in all decisions and the needs of those with 10 years of service like myself must be weighed against the needs of those with 30 years of service. The burden must be shared between those earning a high salary, those earning far less and the current retirees themselves. Please make sure that all voices are heard around the table; do not let this just happen without strong support for the needs of the UVM staff. How will any future compromise impact those many UVM staff members in the upper divisions who earn a strong 6-figure salary? To put it mildly, I am scared...very scared and I know I'm not alone. Respectfully,

Dear President and Representatives of Staff Council,
I am greatly interested in - and concerned about - potential changes to retirement health benefits for UVM employees. I appreciate the need to contain costs. I also appreciated the importance of preserving anticipated benefits at a level that helps maintain a productive, collaborative community.

I appeal to you to have a strong voice in the discussion around this issue. If compromise is required, as no doubt it will, I hope you will bring strong, informed - if possible, expert - representation to the table to ensure that compromise takes into full account the interest of UVM staff. I also hope a solution will be complex - considering length of service to UVM, age, access to other coverage, etc., and other important factors. I hope you will gather and share facts about the benefits administrative officers will maintain. Overall, I hope any agreement will spread responsibly the burden - among current staff and perhaps also current retirees.

I welcome an opportunity to help Staff Council address this important issue.

PLEASE don't let them take away the 10% match for non-represented staff! since i get no tuition remission benefit for children (don't have any), the 10% is really the only benefit that's worth much to me... although the medical benefits are excellent, with only a 2% raise each year, increases in medical premiums these last few years are already decreasing "total compensation" every year; meaning, our salaries are continually going DOWN, not UP...

being fairly close to retirement, i need that extra 10% because i can't afford to play "catch-up" ~

thanks for listening,

I'm responding to the recent e-mail message concerning Post-Retirement Medical Benefits. This is such a major benefit. I know that times are tough right now, but why is staff being targeted as a means to save money. It's tough enough not knowing if you are going to have a job or not. What can be done to help staff keep this benefit?

As far as health insurance is concerned, now I am just trying to breathe and not panic. Certainly, I have been counting on this benefit since I started at UVM in the early 90s. Despite a couple of years out due to grants ending, I have always returned to UVM as I love my work as a research nurse and appreciate my benefits. I am 63 this year do the medical benefit question looms.

Thanks!

I understand that hard economic times make for hard decisions by organizations like UVM. The retirement health benefit is one of the main reasons I remain working at UVM. I am completing my thirteenth year at UVM this month. I worked commercial construction for ten years previously where the money was excellent but the benefits poor. Benefits are why I am working at UVM. Please do all you can to ensure that a fair and equitable solution is reached as the talks on benefits progress.

I have worked at UVM for 27 years for fairly low pay but very good benefits. I have 6 more years of employment at UVM until I am 55 and have the option of partaking of my post-retirement benefits. That is one of the biggest reasons why I chose to continue working here instead of taking a job offer from the state a few years ago. I will not stand still and let post-retirement medical benefits be taken away from me. I do not
like unions and have ignored their attempts to unionize staff for many years; however, if our benefits continue to be whittled away, I will have second thoughts about championing a unionization of currently unrepresented staff.

Thanks for listening. I appreciate the efforts Staff Council makes on our behalf.

I am saddened by President Fogel charging the University Benefits Advisory Council (UBAC) with reviewing Post-Retirement Medical Benefits. I am one year away from the magic number of 75 and hope consideration will be made for those of us who either could have retired sooner and taken advantage of the post-retirement medical benefits or who are close. If changes are to be made, I certainly hope a grandfather clause will be also established to cover those of us who have given so many years to UVM.

I am a retired secretary who worked in the ACCESS office for more than 10 years. I worked part-time, half days. I did get health benefits at 50%, I paid one half and UVM paid one half. At this time the cost for me is $542.10 for three months. If this benefit is eliminated it will be a catastrophic hardship for me as I no longer am able to work and my husband is deceased. I have been able to keep up with the premiums in the past but do not know what I would do if I am no longer eligible for the insurance. Thank you for allowing me to express my concerns.

As a retiree of 5 years, I just want to say how much I appreciate our medical benefits, and while I am now using Medicare as my primary, the J Carve-out with BC/BS has been very, very helpful. Having been widowed within 2 years of my retirement, this has been a significant help to me. Anything that might be done to continue this coverage will be most appreciated.

As a retired staff/faculty member who has reached medicaid eligibility a year ago, I need to say that our BC/BC "gap" insurance benefit as well as our Delta Dental coverage is enormously important to both my wife and I. I accepted early retirement six years ago after 30 years at UVM with the assurance that the benefits would continue. Please do everything possible to continue these benefits to those of us that were assured of their continuation.

Thanks very much for your help and support.

Hello,
I recently read the June Staffline and learned about the post-retirement medical benefits issue. I may be naive about the issue -- honestly it was the first time I had even heard about it -- but it seems clear that it will undoubtedly put tremendous pressure on us, unrepresented staff! especially those with less than 15 years.

While I appreciate Beth Walsh's call for transparency and open discussion, I am not optimistic that University administration will share and/or discuss this issue any more than any other financial issue... I'm sad to say that I've come to distrust the administration and do not feel they have staff's best interests in mind.
Basically, without a union -- like the faculty and some staff have -- we are sitting ducks. Yes, there is no guarantee that having a union will ensure any benefit, but at least the unionized employees are not at the whim of administration's quick decisions.

As fellow staff, you know that UVM is a wonderful place to work -- and that staff really do make a difference to make this university a top notch institution. And you know how dedicated staff are, regardless of often being under-appreciated and often under-paid... for many, we continue our employment at UVM because of pride in our institution and our work, and overlook / tolerate little/no salary increases because of the other benefits the University provides (and claims as part of our salary/benefits package). As these benefits continue to erode/disintegrate/be threatened, so too does my sense of security, my morale, and my goodwill (i.e. donating countless hours to the university over these past 20 years).

To me, the post-retirement medical benefit issue is just another indication of administration's disregard for its dedicated staff. I do hope Staff Council can help administrators hear our voices... but honestly, at this point, I'm not convinced that University administrators are listening...

After reading the memo from President Fogel regarding the post-retirement medical benefits (PRMB) issue, I am a bit nervous. I have been a long term UVM employee - over thirty (30) years. I am still not eligible to retire from UVM due to the 55 year old age requirement. I have two young children that I support. I have been counting on the PRMB for a long time now. UVM has always prided itself in its benefits package that it delivers to its employees. As employees, we have been told time and time again that compensation is made up of salary PLUS benefits. As employees, we have accepted below market salaries with the promise of the great benefits. Since I have worked here I have slowly watched our "great" benefits erode away. Yes, times have changed and costs are going up. When I started working at UVM, it cost $5.00 (five dollars) per year, to park a car on campus. Health care was free to employees AND their families during employment and after retirement. Neither is the case anymore. And now, UVM is looking at reducing the benefit package even more? I can see reducing PRMB for new employees, ones that can plan for the future and set something aside if they choose. But to change/drop a benefit that has been counted on through many, many years of dedicated service is a very bad decision. I have always been under the impression that money was being set aside from my benefits package to cover my post-retirement medical benefits. Wasn't this the case? If it wasn't, it should have been. For many years now, UVM has been actively promoting wellness, not only for the employee's benefit, but also for the university's benefit. A "well" employee means fewer sick days and greater longevity, both of which translate into lower costs for the university. However, the increase in longevity is a dual edged sword. Since employees are now living longer, the PRMB premiums are paid for a longer time. So yes, it costs more for the University, but long term employees also cost the university less in the long run. What is the answer? I don't know. Should the PRMB be on a sliding scale? The more years of service one gives the university, the better PRMB package they receive? Think about it, why should the employee who retires while minimally meeting the requirements receive the same benefit as one who far exceeds the minimum retirement requirements? I would be happy to come to one of your meetings and talk about the situation. I served many years on the Staff Council until I relocated to White River Junction. Due to the long distance, I have not felt that I could justify traveling to the meetings on a regular basis, thus I have not run for Staff Council in many years. I look forward to you representing us in this very important issue. Thank you.

One good option for us to look into for retirement health benefits would be a defined dollar benefit that individuals could apply to a menu plan of health coverage.
I have sixteen years of employment with UVM and hold the opinion that the medical benefits available in retirement are of great value. I hope everything possible is done to continue to make this benefit available to retirees. At the very least, if changes must occur, I am in hopes it will be phased out with current staff and retirees being grandfathered to retain the benefit. Then new hires would know from the start of their employment that they need to plan for the change in coverage. I believe loss of this benefit will significantly impact me as well as other employees who work for UVM and do not earn six digit figures. At a point in my life when I am most likely to need the benefit, I may be facing the possibility of not having it.

Thank you for your letter to President Fogel, et al regarding the study on post-retirement medical benefits. It appears that those who will be affected now and in the future might not be part of the process without your intervention.

May I suggest that the Staff Council advocate that a retiree (more than one, perhaps) be included when the task force is formed? It is necessary to have the perspective of someone who is paying for Medicare B and supplemental Blue Cross/Blue Shield from their retirement. This is especially true if that retiree is someone who was in a lower pay grade throughout their career at UVM and now does not have a lot of money coming in each month.

Again, thank you and the Staff Council for being ever vigilant!!