University Benefits Committee Minutes

September 5, 2013

Members Present: Therese Arado, Terry Borg, Cliff Bottiglierio, Dennis Davito, Liz Guess, Deborah Haliczer, Brian May, Sue Mini, Pamela Rosenberg, Gina Shannon, George Slotsve, Sherilynn Spear

Haliczer called the meeting to order at 12:05. The Committee introduced themselves and new members Arado and Slotsve were welcomed. Borg and Spear were re-appointed to the Committee. The Committee reviewed the purpose and mission of the committee. The agenda was approved with two additions to “New Business” (i.e. Dual Career issues, and salary and raise concerns). The amended Agenda was approved (motion, Borg, second, Spear). The Minutes from the May 2 meeting were approved. (Borg motion, Bottiglierio second. Abstentions from Arado and Slotsve).

Elections: Haliczer was elected as chair. Co-secretaries are Brian May and Gina Shannon.

Old Business:

Davito reviewed the status of pension reform efforts, which remain stalled despite a good deal of work, research and hearings by the Governor’s pension committee, and multiple proposals by legislators and the university presidents. The Committee will be closely following developments when the legislature returns to session. Many faculty and staff have said they are waiting to see what the legislators will do, and are prepared to make retirement decisions based on what takes place. The Annuitants Association have noted many changes in their insurance, including paying premiums for the first time, paying for portions of medical care not covered by Medicare, which used to be covered entirely by the Quality Care Program (CIGNA). Annuitants are closely following developments in pension reform, and it is widely speculated that lawsuits might be initiated as a result of changes to benefits.

The Annuitants Association reports that there is not uniform support of the Presidents’ plan. Their Board has written to SURS pointing out problems with tying increases to the CPI. They also raise many concerns about upcoming changes in health insurance, and many retirees are considering opting out of the State insurance. The communications on upcoming changes have seemed confusing to many annuitants, though it appears there will be opportunities to make changes during Benefits Choice, or in the event of a qualifying event.

The Committee discussed proposed information sessions / open forums proposed by the Faculty Senate, and Operating Staff and SPS Councils this fall. There was interest in sessions inviting public officials to come and hear the concerns of university employees. A question was raised on the impact on self-managed plans of pension reform. Self-managed retirement accounts, (defined contribution plans) once vested, allow the member to retain both employee and employer
contributions, though the employee manages both the benefit, and the risk that result from their investments.

Guess and Davito indicated that Central Management Services (CMS) will be conducting a dependent audit among all insured groups this fall. Most of the new employees have now been enrolled in benefits and the new fall hires have all participated in orientations.

Mini discussed the implementation of the HB 4996 law on re-hiring retirees. The University is carefully reviewing the hiring of any retiree, asking them to sign an affidavit. All retirees who have returned to work after retirement were sent a letter explaining the new law and policy, and HRS sent campus mailings explaining the new care we must take to control hiring retirees.

In discussing morale and workloads, again the UBC discussed the impact campus-wide of workload pressures that have resulted after faculty and staff who have retired or left the university, positions that have not been filled, and pressure to maintain high performance. One of the proposals discussed by the UBC in the spring was to advocate against raising fees for parking. In light of no raises, higher workloads, rising cost of health insurance and threats to the pensions, including the possibility of paying more for the pension, the UBC is writing a letter to the President and Campus Parking Committee to ask that parking fees not be raised. Borg was asked to finalize the draft and circulate it to the UBC and a vote taken electronically to allow the letter to go forward. The UBC has also drafted another letter to the President and administration about the Committee’s concerns about pensions, and the unintended consequences of pension “reform”, including driving out mid-career employees who seek to move to universities with viable pension systems, and decreased benefits for new employees, which makes it more difficult to attract and retain qualified and productive professionals. A benefit structure that is not attractive, will not recruit or retain the kind of faculty and staff who can provide the kind of education and research productivity the university strives to provide.

New Business:

- SURS will be offering retirement counseling sessions on campus in late October. They now also offer these individual sessions at their office at NIU Naperville. SURS retirement seminars are now offered at NIU Naperville.

- The Annual Report was discussed, and approved, with minor edits.

- The Committee discussed priorities for the 2013-2014 year: These priorities are: pensions, morale and workload, insurance and benefits, retaining the dependent tuition waiver, looking into the possibility for offering a spousal tuition waiver, dual career issues, re-hire of retirees, salaries and increments, determining how NIU salaries compare to other institutions, in an effort to remain competitive, to be an ‘employer of choice’.”
• For upcoming meetings, focus on the impact of CMS insurance changes on employees, and discuss the impact of the Affordable Care Act.

• PCSW has asked that the UBC consider dual career issues as a benefit, and an asset to recruitment and retention.

• Operating Staff Council has asked that we look at salary and increments as a retention issue.

Next Meeting: October 24, 12:00 – 2:00.

Respectfully submitted,

Deborah Haliczer, Chair