

Employee Benefits Committee Meeting Minutes

August 29, 2013 8:00-9:00 AM

231 Student Center

Presiding: Bill Harris, Chair, EBC

Present: Burton, Debbie , Staff with A&E
 Cox, Penny, AVP Administration & Finance
 Deaton, Marcy, University Legal Office, AR Committee
 Cheser, Kristin, Provost Budget Office
 Krauss, Susan, Asst. Treasurer-Endowment Services

Bender, Patty, AVP, Office of Institutional Equity
 Sigler, Pamela, Program of Staff Development
 Nikirk, Sara, Auxillary Services
 McCarthy, Denise, College of Health Sciences
 Erway, Ed, EVPFA, Revenue

Carroll, Shannan, University Legal Office (Ex-Officio)
 Payne, Joey, Director of Employee Benefits & Self-Funded Plans (Ex-Officio)
 Monday, Eric, EVPFA (Visitor)

Recorder: Carbol, Gail, Employee Benefits

Agenda Item & Speaker	REPORT	ACTION
Call to order – Bill Harris	Mr. Harris called the meeting to order at 8:00 a.m.	No action needed.
Review/Approval Of 3/25/2013 Minutes - Bill Harris	Mr. Harris moved to pass the EBC minutes for the March 25, 2013 meeting. Motion carried.	The minutes will be posted on the EBC web site.
Presented Proposal to Change 403(b) Retirement Plan Vesting Schedule from 5 to 3 Years-Joey Payne	<ul style="list-style-type: none"> • Change 403(b) Mandatory Retirement Plan to 3-Year Cliff Vesting <ul style="list-style-type: none"> – Effective 1/1/13 <ul style="list-style-type: none"> • Employees hired prior to 1/1/10 vest immediately. • Employees hired on or after 1/1/10 who separated prior to 1/1/13 would remain under 5-Year Cliff Vesting. • Employees hired on or after 1/1/10 who were employed by the University as of 1/1/13 would be under 3-Year Cliff Vesting. • Employees who were hired on or after 1/1/13 would be under 3-Year Cliff Vesting. <p>Rationale for proposal was introduced: The current 5-year schedule impedes hiring top talent. Hiring officials indicate we have lost our top candidate for a number of positions and Aon Hewitt survey indicates 5-Year Cliff vesting for Defined Contribution Plans is not competitive. In addition, actual recovery of funds is not as great as anticipated and the poor economy has led to lower employee turnover. Approximately one-third of employees who have separated the past two fiscal years were under age 30 and not in the retirement plan.</p>	EBC voted and unanimously approved to recommend the 3 year retirement plan vesting schedule to the BOT.

Agenda Item & Speaker	REPORT	ACTION
	<p>The committee asked several questions regarding the process in place for forfeited monies and the effect on the current budget and departments. Joey explained the money forfeited is not realized until one year after the employees' separation date (Human Resources Policies & Procedures #15) and the monies forfeited are credited back to the miscellaneous fringe account. The change will result in a reduction to the fringe account of less than .03% of the total payroll future fringe benefit rate. There was discussion around the effective date of the change between January 1, 2013 and January 1, 2014. The committee is recommending 2013 based on the financial impact to the University will be immaterial, whereas the impact to the individuals impacted is material.</p> <p>Susan Krauss made a motion to carry forward the recommendation to the Board of Trustees and Shannan Carroll seconded the motion.</p>	
Meeting convened-Bill Harris	Mr. Harris ended the meeting at 9:00 a.m.	No action.

