

**Employee Benefits Committee Meeting Minutes**

January 19, 2016 10:30-11:30 AM

Room 100 Hardyman – Windstream Solutions Center

**Presiding:** Harris, Bill, Chair, EBC

**Present:**

Sigler, Pam, Program of Staff Development  
 Ellis, Christy, UK Athletics  
 Sizemore, Stephen, Library Administration  
 Matuszak, Stella, Arts and Sciences  
 Susan Campbell-Agriculture Cooperative Extension  
 Patty Bender – Institutional Equity and Equal Opportunity  
 Denise McCarthy – College of Health Sciences  
 Sarah Nikirk – Auxiliary Services  
 Robyn Morefield – College of Engineering

Michael Tearney – Retiree  
 Marcy Deaton – Guest Speaker – Office of Legal Counsel

Ex Officio:

Smith, Ann, Chief Administrative Officer  
 Carroll, Shannon, University Legal Office  
 Wilson, Kimberly, VP Human Resources  
 Payne, Joey, Chief Benefits Director  
 Carbol, Gail, Benefits Manager

**Recorder:** Gail Carbol, Benefits Manager

<b>Agenda Item &amp; Speaker</b>	<b>REPORT</b>	<b>ACTION</b>
<b>Call to order – Bill Harris</b>	Mr. Harris called the meeting to order at 10:30 am.	No action needed.
<b>October 20, 2015 Minutes - Bill Harris</b>	Mr. Harris asked for review and approval of minutes. Christy Ellis motioned for approval, seconded by Ann Smith.	Approved
<b>Changes to Phased Retirement Regulation – Marcy Deaton</b>	<p>Ms. Deaton explained the history and evolution of the Phased Retirement Regulation. She outlined how the regulation has changed since 1996. The regulation started out for full-time tenured faculty, with 15 plus years of service and could only be for 3 years. Since then it has extended to include staff and can be entered into for up to 5 years. It also removed the stipulation of being tenured for faculty.</p> <p>Ms. Deaton then outlined the proposed changes to the Phased Retirement Regulation. She explained that the employee would be responsible for confirming their eligibility with HR before submitting their request. Ms. Smith and Ms. Campbell expressed concern with the language and wanted to make certain that employees were aware that HR is only confirming eligibility and not approving the change of status. Ms. Deaton agreed to change the language to explicitly state the role of HR in the Phased Retirement Regulation. Ms. Deaton then explained the employee must submit a written proposal to their unit administrator to determine the unit’s ability to accommodate the request. After this step, the final proposal is submitted and will only be granted if in the best interest of the University. Ms. Deaton explained that salary and vacation time would reflect the new FTE, but disability, life insurance and AD&amp;D would remain at the full time salary prior to Phased Retirement. Ms. Deaton then stated the new maximum FTE for an employee on Phased Retirement would be 80% and that retirement upon the conclusion of Phased</p>	Committee endorsement of 80% cap approved, with modified language to time limits of Phased Retirement.

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	<p>Retirement is irrevocable. Mr. Payne explained that only 2 employees currently on Phased Retirement are above 80% FTE.</p> <p>Ms. Deaton stated that Provost Tracy is not an advocate of the 5 year Phased Retirement, but that 5 years is usually only granted by him under special circumstances. Committee members expressed concern over the language in the regulation, stating it may set up an expectation of being approved for 5 years. Ms. Deaton said the language can be altered to set up different expectations. Mr. Payne stated that most staff employees are simply attempting to bridge to Social Security.</p> <p>Ms. Smith asks if we can vote to approve under the stipulation of modified language concerning the time limits of Phased Retirement. Ms. Deaton said we can look at the language, that there should be no expectation of how many years will be approved. Phased Retirement can be year to year or multiple years, but cannot exceed 5 years. Mr. Payne suggested using the word “renewable” to set up expectation for shorter versus longer.</p> <p>Ms. Campbell motioned to support the FTE cap at 80% with modified language regarding the amount of time for Phased Retirement, Ms. Sigler seconded. The motion was approved unanimously.</p>	
<p><b>Changes to Age/Service Table for Retiree Medical Benefits – Joey Payne</b></p>	<p>Mr. Payne stated that anyone hired after 1/1/2006 would receive no subsidy for their health plan once they retire. He explained the current Age/Service Table to show how current pre-65 retirees are paying for health insurance (if not eligible to retire prior to 7/1/07) and that once you retire, you are locked into that age category until you reach age 65. Mr. Payne stated we had actuaries look at the table to add employees with 30 plus years of service. Adding this would cost \$200,000 per year. We currently have roughly 750 pre-65 retirees and about 6,000 employees hired prior to 1/1/2006.</p> <p>Mr. Payne explained the new percentage would go into effect as of 7/1/2016 and he estimates it would only impact about 50 current pre-65 retirees. Ms. Carbol asked what the current budget for retiree health care is, Mr. Payne answered that our current budget is roughly \$23 million dollars per year.</p> <p>Mr. Tearney motioned to approve the addition to the Age/Service Table, Ms. Ellis seconded. The motion was approved unanimously.</p>	<p>Committee will make recommendation of revision to the Age/Service Table.</p>
<p><b>Meeting convened-Bill Harris</b></p>	<p>Mr. Harris ended the meeting at 11:30 am.</p>	<p>No action needed.</p>