

Council of University of California Emeriti Associations
Council of University of California Retirees Associations
Joint Meeting
October 26, 2016
UC Santa Cruz

Attending

UC Berkeley: Lynn Baiffiff, Marian Gade, Caroline Kane, Antonia Sweet, Kris Thornton
UC Davis: Marjorie Ahl, Mike Chandler, Becky Heard, Richard Keller, John Meyer, G. Tom Salee, John Vohs
UC Irvine: Jeri I. Frederick, George Miller, William Parker, Marianne Schnaubelt, Bernadette Strobel-Lopez
UC Los Angeles: Sue Abele, Sue Barnes, Steve Cederbaum, John Dahl, Adrian Harris, Daniel J.B. Mitchell, Rod Rose
UC Riverside: Maggie Herne, Victor Lippit, Mary Johnson
UC San Diego: Richard Attiyeh, Marjorie Caserio, Marguerite Jackson, Henry E. Powell
UC San Francisco: Gail Harden, Robert Levin, Ernest Newbrun, Sandra Norberg
UC Santa Barbara: William Ashby, Robert Mann
UC Santa Cruz: Roger Anderson, Dave Dodson, Lee Duffus, Ilse Lopes, Dominic Massaro
LBNL: Janis Dairiki, Don Grether
LLNL: John Pitts
UCOP: Jim Dolgonas (PARRA), Kris Lange (Vendor Relations), Joe Lewis (PARRA), Ellen Lorenz (RASC), Susan Pon-Gee (Benefit Programs and Strategy), Michael Waldman (RASC),

Call to Order and Campus Welcome

The meeting was called to order at 1:00 p.m. by co-chair Lee Duffus, who introduced UCSC Chancellor George Blumenthal.

The Chancellor began by acknowledging the importance of emeriti and retirees to the mission of UC. He referenced the “very valuable” emeriti survey, “The 11th Campus,” and noted that the Retirees Association is now undertaking a similar survey. He then went on to talk at some length about the campus and the University. UCSC, now in its 51st year, has had notable accomplishments. Chancellor Blumen-

that noted that eight UCSC emeriti have won the Panunzio Award (more than any other campus), the most recent being historian Peter Kenez. Most emeriti and retirees remain in Santa Cruz and the Chancellor finds their continuing contribution to the campus “heartwarming.” Chancellor Blumenthal noted that UC is growing rapidly, having committed to enrolling an additional 25,000 undergraduates this year. Unfortunately, the State provided only 50% additional funding for these students. UCSC has met its enrollment target and has enrolled the “most diverse class ever,” with 31% of undergraduates identifying as Hispanic. Notable recent news is that College 8 has been renamed Rachel Carson College, supported by an endowment from the Webster Foundation; the acquisition of the Perkle Jones and Ruth-Marion Baruch Photography Collection by the UCSC Library; a new graduate program in coastal sustainability has been launched; and a new Silicon Valley campus has been established.

Hosts’ Welcome and Introductions

Lee Duffus next introduced David Dodson, who, on behalf of the UCSC Emeriti and Retirees Associations, welcomed visitors and provided some practical and logistical information. Lee next invited those present to introduce themselves.

Approval of Minutes

John Pitts presented the minutes of the April 26, 2016 Joint Meeting at UC Los Angeles. The minutes were approved, with one correction noted.

Joint Benefits Committee Report

Richard Attiyeh announced that Roger Anderson has been appointed to the JBC and that he will become Chair next year. In the interim, Richard is serving in that capacity.

Richard then presented highlights of the following report:

Report of the Joint Benefits Committee CUCEA/CUCRA Fall Meetings

1. JBC Membership Reorganization

Due to several resignations, including the chair’s, since the April joint meeting, efforts have been underway for several months to bring the committee back to its full complement of 11 members. CUCRA has appointed Randolph Scott, retired executive director at the Office of the President-Human Resources. CUCEA has appointed Joel Dimsdale, professor emeritus, UCSD. The four CUCRA and CUCEA members have appointed Roger Anderson, professor emeritus, UCSC, and past chair of CUCEA.

With the committee at full strength, Roger Anderson has been elected by the seven appointed members to serve as chair. Since Roger is unable to accept the chair's responsibilities until next spring, Dick Attiyeh has agreed to serve as interim chair.

The membership at this time is as follows:

Adrian Harris (UCLA)	Appointed by CUCRA
Randy Scott (UCOP)	Appointed by CUCRA
Joel Dimsdale (UCSD)	Appointed by CUCEA
Dan Mitchell (UCLA)	Appointed by CUCEA
Louise Taylor (UCB)	Selected by JBC
Larry Pitts (UCSF/UCOP)	Selected by JBC
Roger Anderson (UCSC)	Selected by JBC
Lee Duffus (UCSC)	CUCRA Chair
Marianne Schnaubelt (UCI)	CUCRA Chair-Elect
Dick Attiyeh (UCSD)	CUCEA Chair
Caroline Kane (UCB)	CUCEA Chair-Elect

2. Beneficiary Designations for Retirement Accounts

The JBC continues to have concerns about the inability of current employees and retirees to designate tertiary beneficiaries in the Fidelity 403(B), 457(B), and DCP retirement accounts. These plans enable account holders to designate primary and contingent (secondary), but not tertiary, beneficiaries. It is the JBC's intention to keep pursuing this matter in the hope that CUCEA and CUCRA can persuade the Office of the President to work with Fidelity so that account holders may designate tertiary beneficiaries. (Note that a fuller discussion of this issue can be found in the Fall 2015 and Spring 2016 JBC reports.) Meanwhile, the JBC recommends that an article be included in New Dimensions along the following lines:

Are Your Beneficiary Designations Up to Date?

It is important to periodically check to make certain that you have correctly designated the beneficiaries of your UC pension and any 403(b), 457(b), and Defined Contribution savings plans. Changes in marital status, the death of your spouse/partner or a child or grandchild should likely trigger a change in beneficiaries. To confirm or change your current designations, go to atyourserviceonline.ucop.edu and click on My Beneficiary, or call the Retirement Administration Service Center (RASC) at 1-800-888-8267 for assistance. This is particularly important for any *tertiary designations* you may have made before 2005 when UC contracted with Fidelity for record keeping services.

3. Directors and Officers Liability Insurance

In response to an earlier recommendation from the JBC, campus emeriti and retiree associations recently learned they are now eligible to apply for insurance coverage for liabilities that could arise in connection

with the association-related activities of their leaders. Apparently, although the coverage would be paid for by UCOP, few campus organizations have applied for this insurance, and the October 3rd deadline for this cycle has passed. The JBC recommends that the Risk Management Office provide far greater notice about the application and annual renewal process.

4. Compensation of Emeriti and Retirees Recalled to Active Duty

The possibility exists that taxation of income earned by recalled retirees could be reduced by making payments in the form of contributions to their 403(B) account rather than as ordinary income. The JBC recommends that the chairs of CUCEA and CUCRA explore this possibility with appropriate UCOP staff.

5. Hearing Aid Coverage

Hearing loss is common in the older population, and the cost of hearing aids continues to rise. UC's medical plans provide some coverage for hearing aids; however, it is not clear whether our benefit structure has been increasing along with these costs. The JBC recommends that UC's emeriti and retiree associations survey their members to learn how many retirees are using the hearing aid benefits, and what their average out of pocket costs have been.

Office of the President Presentations and Discussion

Richard Attiyeh introduced Kris Lang (Director, Vendor Management), Ellen Lorenz (Director, Retirement Administration Service Center), Susan Pon-Gee (Director, H&W Policy Planning and Program Design), and Michael Waldman (Manager, RASC).

Ellen Lorenz began by sharing some statistics about the RASC operation. RASC serves 67,000 retirees, dependents and survivors. It serves 34,000 former employees, manages annual benefit payments of \$2.8 billion, answers 110,000 phone calls, 20,000 pieces of written communication, processes 5,000 annual retirement elections.

A question from the floor asked about sharing contact information of new retirees with the campus associations. Ellen and Michael affirmed that it was their desire to do so, but General Counsel has informed them that they cannot. The concern of General Counsel is that the parameters under which the information was gathered did not include sharing the information with the associations. There is a plan to include an opt in/opt out of sharing information with the associations in the future, but this cannot be implemented before the new RASC computer system goes on line in 2019. There was an expression of some frustration on the part of several meeting participants, as this is an issue of great importance to the associations. (Since most retirement processing has been moved off campus, the associations must depend on RASC for this crucial information.) Ellen is a member of the steering committee for the new system and assured us that she will keep the topic alive. She also promised to keep the associations informed as the process moves along. Michael noted that lists of new retirees are sent to the campus Centers three times per year. In response to a question, he confirmed that the Centers get names and mailing addresses, but not e-mail addresses. Michael again stated that e-mail addresses cannot be shared with campuses, per advice of General Counsel.

Michael Waldman then turned to his prepared presentation, which has been distributed electronically and will be posted on the CUCRA website. RASC has supported 70% or 1,200 of 1,800 July 2016 active retirements. He noted that the retirees now have a choice of pension plan or retirement savings plan. This has required additional training and the development of new tools and documentation. RASC conducted 18 on-site presentations, in addition to hosting webinars and participating in on-demand web interactions. Michael reported an increase in customer satisfaction, although one association member questioned the statistical rigor of the data processing. Michael noted that Open Enrollment was to begin on October 27. It is anticipated that RASC will receive between 14,000 and 15,000 calls during Open Enrollment. There is little change in benefit plans this year, except that the Medicare PPO and High Option plans will be administered by Anthem Blue Cross. Optum will administer the Medicare drug program, which means that Medicare beneficiaries will receive two cards, one for the health plan and one for the drug plan. If no changes are desired, retirees need to take no action. Those on the Medicare PPO and High Option plans will be receiving a letter (required by Medicare) asking whether they wish to opt out of drug coverage. They should NOT opt out. Non-Medicare retirees have already reached the 70% floor of UC contribution to health care cost; those on Medicare are at 71% and can thus anticipate a small additional cost next year.

Kris Lang reported on medical plan satisfaction surveys. All Non-Medicare and Medicare plans received satisfaction ratings above the national average. For the first time, Medicare plan members were surveyed in depth; the survey generated a 56% response rate. Medicare members enrolled in all the available UC plans show a satisfaction rating of their health care above the national average. However, satisfaction with most of the plans falls below the national average in ease of getting appointments with specialists. Satisfaction with getting needed care is below the national average for Health Net. There is also some improvement needed in customer service experience for some of the plans. Overall satisfaction with the drug plan is above the national average across the board. UC Medicare members were also asked to report on their overall health. Perhaps not surprisingly, they rated their health better than the national average. With one exception, they reported a lower incidence of major health conditions than the national average.

Kris then briefly touched on the ongoing review of the UC Domestic Partner Policy. There are currently different rules for active employees vs. retirees.

Following the presentations, further discussion ensued, particularly about the frequency of the retirement reports. Michael Waldman noted that they are currently sent to Center directors or other campus officials three times per year. Lee Duffus asked whether they could be sent more frequently, for example, monthly. Michael agreed to study this possibility.

Sue Barnes suggested that RASC might develop an Open Enrollment webinar. Michael agreed to consider this possibility.

Robert Mann asked about long-term care insurance. Michael said that UC employees and retirees are eligible to enroll in the CalPERS plan. Adrian Harris advised comparing plans available in the market place.

Sue Barnes returned to the topic of obtaining e-mail addresses of retirees. She asked whether a small group could work with RASC to see what could be done to resolve the issue before 2019. Michael Waldman agreed to this proposal.

Center Director Reports

Since the Center Director reports are posted online, there was no oral presentation.

Spring 2016 Meeting Preview: UC Irvine

George Miller and Marianne Schnaubelt gave an overview of the Spring 2017 meeting at UC Irvine. The meetings will take place at the Atrium Hotel, across from the airport and near campus. There will be a visit to UCI eSports, a video game center on campus.

Adjournment

Richard Attiyeh thanked Lee Duffus for his leadership over the past four years, then adjourned the meeting at 3:45.

Respectfully submitted,



William J. Ashby
CUCEA Secretary

First draft: 10/30/2016

Second draft: 11/01/16