

**COUNCIL OF UC EMERITI AND RETIREES ASSOCIATIONS JOINT MEETING
UC RIVERSIDE
OCTOBER 2, 2003**

CUCRA CHAIR HUGH PATES called the meeting to order at 9:15 am.

PROFESSOR EMERITUS DERICKSEN BRINKERHOFF, our UCR host introduced

UCR CHANCELLOR FRANCE CORDOVA,

who expressed appreciation for both CUCEA and CUCRA as organizations keeping retirees active in UC affairs. She reported on the present status and future plans for her campus, having just completed her first year on the job. Plans are to add 1200 students to the current 17,000, and 50 new faculty over the next year. Strategic planning, involving everyone, is on going to meet budget challenges. She values partnership with the community to enhance California's commitment to education, which may be fading since California has slipped from first to third place in the fraction of students going into higher education.

MARK ESTEBAN, Director Health and Welfare, Office of the President, reported on the status of UC health plans. Rate increases percentages are in the teens this coming year in the changing healthcare environment. In 2004 there will be no changes in benefits, however. A proposed pharmacy partnership with Pacific Employers' is not forthcoming because it offered no cost advantages over the present arrangements.

The health plan rate increases are being absorbed by a progressive rate structure with 4 salary levels: (1) less than \$40,000, (2) 40-80,000, (3) 80-120,000, (4) greater than 120,000. The rate increase for those in the first category will be partially decreased by higher rates for those in categories 3 and 4. All annuitants will be treated as being in the neutral category 2.

Kaiser has the highest increase in rates, reflecting ageing facilities and population.

60% of retirees are in Medicare.

No changes have been made in the Delta Dental plan.

MICHAEL WALDMAN, Senior Administrative Analyst, OP, explained that UC requires eligible employees to sign up for part B of Medicare because those over age 65 without Medicare cost double. UC formerly paid the offset, but now non-signers will lose the benefit. UC will offer a COBRA for 18 months and permit rejoining the plan if they sign up between January and March.

About 7000 retirees are not coordinated with Social Security.

CUCEA CHAIR CARL ZYTOWSKI introduced

KAY MILLER, Executive Director, Client Relations, OP, who commented that those returning to UC employment no longer are required to have Medicare as their primary carrier.

Open enrollment packets are to go in the mail by mid October and should be received by November 1. Personnel have been trained for fairs, and material has been revised. There is a unified form on the web for beneficiaries.

Health Care Facilitators from all campuses meet next Monday.

UC TREASURER DAVID RUSS presented the status of the Retirement portfolio. As of December 2002 it returned 5.9% and is 129% over-funded. Total funds amount to \$53.2 billion.

TIPS (Treasury Inflation Protected Securities) are planned to be added to 403B options.

RFPs (Requests for Proposals) are going out for portfolio managers.

Because UC lost the lawsuit demanding greater disclosure of private equities, Russ believes that UC will now be excluded from venture capital investments. (Private equity constitutes about 2% of UCRS portfolio.) A question challenged this assumption.

Are not UC and University of Michigan (also required by law to disclose) such large investors that VCs will seek their participation? Answer: No. There are other large, eager participants not constrained by law, such as Stanford, ready to fill in.

ADJOURN for lunch.

Separate CUCRA and CUCEA meetings followed in the afternoon.