

REPORT FROM THE JOINT BENEFITS COMMITTEE (JBC) TO THE COUNCIL OF UC EMERITI ASSOCIATIONS (CUCEA) & THE COUNCIL OF UC RETIREES ASSOCIATIONS (CUCRA), AT THEIR MEETINGS - AT UCR - 4/23 & 4/24/2013

CUCEA and CUCRA function, among other things, as partners and advisors to the Office of the President on matters relating to retirees, annuitants, and retirement benefits. JBC, as an agent of both Associations, advises CUCEA and CUCRA by providing insights and information to aid in their partnership with the Office of the President.

(1) With respect to various issues related to **Health Care**, we have a number of questions, comments and concerns:

(a) We expressed in our last report, concern about the significant increase in **co-payments**, and believe the explanation for those increases did not fit the facts. As we explained, this has a great impact on annuitants, because they typically have many more doctor's visits and prescription drugs than those who are younger. Further, annuitants do not have available to them the benefits of using before tax dollars to cover such costs, as is the case for active employees, with Flexible Spending Arrangements. With the added complications of the Federal Affordable Care Act, we propose that **decisions in the future should be preceded by timely consultation with representatives of CUCEA, CUCRA and the JBC**. We believe that our perspectives and insights in the decision process would be very helpful.

(b) We are grateful for the decision to continue UCOP funding of the **Health Care Facilitator (HCF) Program**. We agree that there needs to be additional accounting so that the size and effectiveness of the efforts on each campus can be monitored. In order to do the data gathering, additional resources may be necessary, particularly since there has been no increase in the funding since the inception of the HCF program, eleven years ago. Also, the work load has increased with the changes in health care benefits approved by The Regents, changes in Medicare, and will be increased with the changes in health care plans being explored by Human Resources, following the recommendations of the Health Care Benefits Work Group. The HCF Program has obviously benefited Human Resources on the campuses and at OP, as well as the Insurance companies. Ideally, the benefits accruing from this program should be pointed out by University negotiators, and recognized by the Health Care Providers when determining their University rates.

(c) Periodic **status reports** from UCOP representatives **on** the various **recommendations from the Health Care Benefits Work Group** would be much appreciated.

(2) We are pleased to report that agreement has been reached between representatives of CUCEA, CUCRA, the JBC and UCOP and Fidelity on the processes by which annuitants are informed about and can arrange for **Minimum Required Distributions** (MRDs) from their UC deferred compensation program accounts. Individuals now will receive timely information regarding the annual deadline date for exercising their right to notify Fidelity of what they would like done, including naming specific withholding amounts for Federal and California taxes. The consultation process worked extremely well!

(3) We recommend that CUCEA Campus Representatives ask their local Faculty Welfare Committee to suggest to Robert May, Chair of the UCFW Health Care Task Force, that they should request from UCOP an **assessment of the value of Stay Well versus other health management options**.

(4) We have been made aware of the wide **disparity** in the quality of **financial reporting on retirement investments** between UC annuitants and CalSTRS members. It would be helpful if similar detailed, easily understood and accessed reports could be made available to UC employees and annuitants.

We continue to look forward to cordial and cooperative relations with OP staff with whom we deal, for the mutual benefit of the University and its family of annuitants.

Adrian Harris, Chair, UCLA,

Julian Feldman, UCI; Jack Fisher, UCSD; Charles Hess, UCD; Richard Jensen, UCSC & UCSB; Larry Pitts, UCSF; Louise Taylor, UCB; *Ex-Officio*: Lee Duffus, UCSC; Doug Morgan, UCSB; John Marcum, UCSC; Marianne Schnaubelt, UCI