

CUCEA Chair's Report

Oct 28, 2010 - UC Berkeley

This report will focus on the past couple of months, since I served for only 3 months as Chair Elect and then, following the death of Colin Bloor in early September, as Acting Chair. My first concern was determining the site for our next Joint CUCEA/CUCRA meeting since Colin had not had time to establish the location. By CUCEA rotation it would have been UCLA 's turn, but by CUCRA rotation it should be at UC Irvine. After several phone calls and e-mails and waiting for EFA meeting at Irvine in early September, we determined that UC Irvine was not ready to host our meeting. Fortunately Ms. Eddie Murphy and the folks at UCLA EFA quickly responded at short notice that we would be happy for us to meet there in the Spring of 2011. UC Irvine will host us in April of 2012, which leaves them plenty of time to prepare the necessary arrangements and obtain funds from their Chancellor.

Needless to say most of my time since mid-September has been taken up with the issue of post-employment benefits (PEB) and you have already heard the report from Adrian Harris, chairman of the Joint Benefits Committee (JBC). One of the thorny issues has been the problem of Fidelity Investment failing to provide specific details for individuals concerning Minimum Required Distribution (MRD) sufficient to make one's own decision. Other issues that have caused concern are of course the reduction by the University of its share of the cost of health benefits from a high of 92% to currently 89% and eventually by gradual decrements to 70% for those covered by Medicare. These issues have also been the subject of discussion by the University Committee on Faculty Welfare (UCFW) and the University of California Retirement System Advisory Board (UCRS AB). The CUCEA Chairperson is *ex officio* your representative on these committees. Since we all pay for these increasing health care costs out of our after-tax dollars and COLA does not fully keep up with the cost of living, it translates into an erosion of our retirement income. Furthermore other health benefits such as dental insurance with Delta Dental, that covers ~ 90% of retirees, has remained at a fixed annual maximum of \$1,500 for many years and was only recently increased to \$1,700, while dental fees have been raised consistently. My point is that all our health costs, medical, dental, optometry, pharmaceutical, are increasing and we will pay more and more for them.

Early this week we were notified that President Yudof will recommend a plan of University and employee contribution levels to UCRS. Namely that the Regents adopt a plan involving employer contribution of 8.1 % of covered

compensation, and an employee contribution of 7.0 % for future faculty. Present faculty will again start paying into UCRS, 3.5% of their salary this year, 5% next year and eventually 7%. Although this issue does not effect emeriti pensions directly, the fiscal stability of the UCRS is certainly one that concerns us all. These committees have spent much time and effort debating the several options (A, B and C) and I have received an overwhelming volume of e-mail as each committee "wordsmithed" and parsed each phrase of the recommendations sent to the President. Hopefully after the Regents meeting in November I can get back to other business.

Of some concern, at least to several of the campus EFA, is declining membership and how to better publicize our role to the university community. We look forward to working with you on these matters.

Ernest Newbrun
Chair CUCEA
Council of University of California Emeriti Associations