

UBC Minutes - January 25, 2013

The University Benefits Committee met at 9:00 a.m. Friday, January 25, 2013 in the Human Resources Conference Room.

Members in attendance: Martin Begleiter (Chair); Inchul Suh, Venessa Macro, Chrystal Stanley, Tricia Atterberg, Cheryl Clarke, Gretchen Beckley, Jana Peterson and Marc Busch.

Members not in attendance: Rhea Ann Frost-Clewell and John Stacy.

M. Begleiter opened the meeting at 9:00 a.m. by introducing new Committee member, Tricia Atterberg.

Benefit Plan Year Change

V. Macro introduced Drake benefit consultants, Mark Becker and Brenda Plantz. She then proposed Drake University change its current benefit plan year (June – May) to the calendar year (January – December). Such a change would allow for:

- Consistency of plan limits (deductibles and out-of-pocket maximums) with the plan and tax year
- Coordination of participant annual elections with spousal enrollment periods
- Comparable reporting periods for Drake's 5500
- Coordination with Drake's annual retiree enrollment period
- Timely implementation of required ACA changes
- An additional opportunity to make benefit elections during 2013

Drawbacks to changing the plan year to a calendar year include:

- Implementation of a one-time, short transitional plan year
- Proration of the Health Care FSA maximum amount during the transitional plan year
- Reduced access to vendors during the annual enrollment period
- The need for Committee meetings to be held earlier during the academic year

V. Macro indicated that because Drake's Plans are running on budget, an increase in contribution rates is not expected. She reported that only minimal ACA required plan changes are anticipated June 1st. The plan year change was unanimously recommended by Committee members.

Medical/Dental Plan Review

Benefit Consultant, M. Becker, stated Drake's 3-year trend for the medical plan averaged nine percent, while the 10-year trend averaged eight percent. He indicated that similar short and long-term trend numbers confirm Drake's pricing and plan design. M. Becker also reported current claim data suggest a premium increase will not be necessary for the short plan year beginning June 1st. Likewise, current dental claim data indicate a premium increase is unwarranted for the new plan year.

While rate increases will not be required June 1st, Drake's plan will be required to provide preventive health services required by ACA. Implementation of the Women's Health Mandate will result in an estimated one percent cost increase to the plan. M. Becker also reported Drake will be required to pay additional fees unrelated to these benefit enhancements effective January 1, 2014. He estimated these ACA required benefits/fees may range in cost from \$110,000 to \$120,000. M. Becker also informed the Committee Drake will review the medical and dental plans again this fall for the 2014 plan year.

Retirement Contribution Rate

M. Begleiter informed Committee members Faculty Senate has inquired about the possibility of Drake University increasing its contribution rate to the Mandatory Defined Contribution Plan. He asked when Drake last reviewed this benefit in relationship to other institutions.

V. Macro provided a brief overview of Drake's retirement plans. She indicated a survey was conducted by a third-party vendor in 2002. Because the strategic decision was focused on compensation, Drake elected to target the median contribution percentage (8%) in an effort to remain fair and competitive.

V. Macro reported CUPA-HR survey data indicated a median contribution percentage of 8% for Drake's peer institutions in 2007, as well as a national median contribution rate of 8% during 2011. Current CUPA-HR survey data for the 2012 plan year is not yet available.

Additionally, V. Macro shared data provided by TIAA-CREF regarding employer contribution rates of private institutions similar in size to Drake. It was evident that contribution rates differed across the nation, with rates somewhat lower than 8% throughout the Midwest. She noted some institution contributions vary based upon salary and length of service. V. Macro suggested the Committee could appoint a subgroup to allow for a strategic approach to assisting employees in their preparation for retirement.

The Committee agreed to review Drake's contribution to the Mandatory Defined Contribution Plan, and determined the following information would be necessary to move forward:

- Employee information (age and salary)
- Current employee participation data
- Survey data for peer and regional institutions

M. Begleiter noted the Committee will meet at 9:00 a.m. March 8th in the Human Resources Conference Room; the meeting scheduled February 22nd has been cancelled.

The meeting was adjourned at 9:55 a.m.

Respectfully submitted by Marlene Heuertz.