

UNIVERSITY SYSTEM OF GEORGIA RETIREE COUNCIL (USGRC) MEETING  
October 21, 2016  
Middle Georgia State University  
Professional Science Center, Room 212  
10:00am - 2:00 pm

MINUTES

ATTENDANCE:

Presiding Dennis Marks (Valdosta State University, USGRC Chair)

USGRC Unit Representatives Present: Richard Baringer (Georgia Southwestern State University), Jim Braun (Clayton State University), Mitch Clifton (University of West Georgia), Missy Cody (Georgia State University, USGRC Chair), Sara Connor (Armstrong State University), Jim Cottingham (South Georgia State College via phone), Mark Eason (University of Georgia, non-voting alternate), John Hamilton (College of Coastal Georgia, non-voting alternate), Mary Mitchell Jones (College of Coastal Georgia), Bob Kelly (Middle Georgia State University), David Lapp (Augusta University), Tom Lauth (University of Georgia), Connie Leggett (Albany State University via phone), Judy Malachowski (Georgia College & State University), Bob McDonough (Perimeter College of Georgia State University), Gene Mukison (Georgia Southern University), Barbara Morgan (Atlanta Metropolitan State College), Len Parsons (non-voting alternate), Julia Perkins (Kennesaw State University, non-voting alternate), Gwendolyn Reeves (Fort Valley State University), Anne Richards (University of West Georgia, Vice President), Ross O'Mark Eason (Assistant Secretary for Total Rewards), Linda Noble (Vice Chancellor for Academic Affairs), Marti Venn (Deputy Chancellor, Academic Affairs)

USGRC Unit Representatives Absent: Ray Chambers (

2015 and that plan is still available, you will not have to go through a re-enrollment process." 2015 was changed to 2016

- III. Report from the Total Rewards Steering Committee (TRSC) [Karin Elliott]  
Dennis Marks introduced Karin and thanked her publicly for being "simply wonderful" to work with, getting information out to retirees, and responding so supportively to questions retirees had. He also thanked our about-to-be-retired Chancellor, Hank Huckaby for all his support for the USGRC.

Karin distributed a handout, Total Rewards Steering Committee Structure (Attachment A).

Although the TRSC had largely focused on healthcare changes, its focus is much broader, including all compensation and benefit programs. The earlier committee was largely composed of individuals with healthcare expertise, but now the TRSC has approved a new structure to include a smaller core committee and subcommittees that are focused on specific areas of Total Rewards (well-being, data analytics, voluntary benefits, innovative healthcare delivery, compensation, retirement and healthcare strategies). The TRSC's job is to make recommendations to the USG HR Office for total rewards, insuring due diligence, thoughtful analysis and fiscally responsible programs that will be competitive for recruiting and retaining faculty and staff. The first meeting of the core committee for the next planning year (2018) will be in January 2017. The committee is chaired by Max Burns (President, Gordon State College). The committee members are selected for their content expertise and do not represent constituent groups; the USG Faculty, Staff and Retiree Councils are not represented on the TRSC. The TRSC meetings are not open because of the medical and pharmacological data that are examined; members are asked not to discuss the data outside of the committee meetings.  
Dorothy Zinsme

New Hire Retiree Healthcare approved by the BOR on October 9, 2012  
 For employees hired on or after January 1, 2013, the employer contribution for healthcare retirement will be based on years of service in the USG. It will be based on a sliding scale that goes down from 30 years of service. USG will recognize former state service in the state of Georgia, but not in other states. The USG will not recognize federal employment, including military duty.

USGRC questions and comments (italics) with USG responses and comments (plain text)

- Does this mean that other agencies will not be paying for healthcare costs? Some State retirees have two healthcare benefits. A retiree will have only one healthcare benefit. For example, if a school principal works for the state for 25 years and then goes to work for 5 years at an institution in the USG, the former years will count as state service, and the retiree healthcare benefit will be through USG.
- This is part of an earlier attempt by the USG to put a cap on healthcare costs. Healthcare used to be a defined benefit. The USG paid about 70% of the cost and the individual employee paid about 30%. Then the USG said when you come into the retiree system, you'll have full benefits if you're here 30 years, and less if you haven't got 30 years. Then they moved from a defined benefit to a defined contribution plan. Because employees are on this sliding scale, that same scale will be applied to the amount we get in the HRA. If you have 15 years credit, you only get 1/2 of the full HRA. The USG wants to have it both ways. Those who have fewer years in the system will be penalized. So there's an ambiguity about whether this is a percentage matter where there is not the same administrative effort to look at us in terms of when we left the system. There's no individualized attempt to maintain early employees' benefit levels or to increase benefit levels for those with more than 30 years of service. Our HRA for 2018 is the same as for 2017. But our premiums are going up. So we're no longer guaranteed the same percentage of benefits we now have. In the future, employees will be held to the percentage of the subsidy that matches their years of service. We're talking about a percentage of the benefit of \$2736. If you have 30 years of service, you'll get the full \$2736. If you had only 10 years of service, you will get a lesser percentage. The HRA is not a % of benefit. The HRA will be established each year. The New Hire Retiree Healthcare statement is based on % current HRA, not a percentage of healthcare costs. The active employees now have a standard subsidy. We will subsidize at lower rates for current employees. It's not 70/30 any more. Prior to this policy, whether you had 10 or 15 years, you got the same health benefit.
- What are other states doing? What about service in other state systems? What if you teach at the University of Alabama for 25 years and come to the USG for 5 years. Does the USG just count your years of service in Georgia? Other states are making changes, but I tesub

- ii. Exchange premiums will increase by approximately 17%
- iii. USG will continue to provide catastrophic drug coverage to help retirees with very expensive drug costs
- iv. Other insurance changes for USG insurance (not through Aon): dental premium increases by 1.7%; vision and life insurance premiums are not changing
- v. If the retiree spouse is also a retiree the spouse is entitled to only one HRA

USGRC questions and comments (italics) with USG responses and comments (plain text)

- The HRA is not changing, but costs are increasing. You cannot keep up dollar for dollar; you wouldn't meet goal. It is not reassuring to know that costs increase and the HRA does not. Once you have paid for Medicare, nothing is left of the HRA. We want to be sure that retirees are protected, but we won't pay all increases.
- If the drugs retirees are prescribed are not in any formularies, does any of the money that they pay get reimbursed through the catastrophic HRA? They must go through Part D tiers through insurance to get this coverage. When retirees reach this stage they will get a letter in the mail from their Plan D insurance carrier. They will need to provide a c

- d. Retiree enrollments
  - i. 95% enrolled through Aon during the enrollment period
  - ii.

- e. Other updates and questions
  - i. Medicare Part D– Coverage Gap Closing
    - 1. In 2017, drug costs to retirees decrease
      - a. Retirees pay 40% of the cost of a brand name drug instead of 45% (2016)
      - b. Retirees pay 51% of the cost of generic drugs instead of 58% (2016)
    - 2. Cost will go down by 2020 (no donut hole)
    - 3. \$4950 to qualify for catastrophic phase in 2017. [Karin Elliott: The most a retiree will pay is \$2800-\$3000 at the highest level if catastrophe is reached.]
  - ii. April 1, 2017 00 retiree benefits billing will move to a single system (OneUSG), which will include a call center to answer questions USG is moving to PeopleSoft from ADP; mm2c -(e)10.7( Tc S)7.9a 1( at)2.1(e m)6%at1m. USCe a cal(v)5(i)-38(t)2.1(

- ix. permanent office space provided at Kennesaw State, Valdosta State and UGA; UGA set up a satellite office for retirees to get advisement regarding the transition to AON. This is an exemplary program 1200-1500 retirees were seen there for advice and counsel. The university gets a lot of credit for supporting that. The President immediately embraced that idea. The Center is in existence about 3 months, 6 hours a day, 5 days a week. It was helpful for both retirees and the USG.
- x. Finances vary. Four retiree organizations have dues (\$120/year). Some have lifetime memberships. Seven get institutional support. Foundations are the best source of travel funding to attend meetings.
- xi. Perks vary. Many include library privileges. Clayton State University has the most robust set of privileges.
- xii. Retiree contributions to their institutions are large and include financial and time investments. One of the best things Denmark .9( )3.508911.3(o)5.4(.9(.8( b)8.5(e)E98n

