

MEMORANDUM

TO: Administrative Professional Council
Faculty Council
Vice President for Administrative Services

FROM: University Benefits Committee (UBC)
Dr. Judith Barth, Co-Chair
Dr. Frank Johnson, Co-Chair

SUBJECT: University Benefits Committee Annual Report

DATE: February 26, 2007

The following presents the work of the committee for FY2005-06.

At the request of the new members, we began the year by a broad review of the issues before the committee. From that discussion, a list of operating principles was formulated and unanimously agreed to. We then focused on the following:

1. The UBC submitted the following recommendations to the VPAS:
 - a. The UBC recommends that the term “Ben Pay” be changed to “Benefit Allowance.”
 - b. The UBC recommends that effective January 1, 2007, the calculation of the Benefit Allowance be based completely on average salary, in place of the current method of calculation (4.2% of average salary plus 2.5% of individual salary for DCP participants or 0.7% of individual salary for PERA participants). This change would result in a flat percentage of annual average faculty and non-classified staff, not including summer session earnings, depending on the individual employee’s retirement plan as follows: DCP – 6.7%; PERA – 4.9%. The UBC recommends that faculty and non-classified staff whose salary exceeds the University salary average be held harmless from the effect of this recommendation. The UBC makes no recommendation as to how the “held harmless” be implemented.
 - c. The UBC recommends an annual consideration of increasing the Benefit Allowance percentages in addition to the percentage increases in salaries.
2. The UBC continues to support the inclusion of domestic partners in addition to the employee and family for University benefits.
3. The UBC updated a benefits survey originally conducted approximately five years ago and solicited faculty and administrative professional responses. The 2006 survey was more comprehensive in that it was directed toward all cafeteria benefits, rather than the original focus on medical plans in the previous survey. The survey and responses are completed. Results of the survey will be provided to faculty and administrative professionals and will be used by the UBC to direct its work in FY2006-07.
4. The UBC is in the process of developing “white papers” on a variety of topics to provide background and issues that the UBC has considered in its work. The white papers will be posted on the Human Resource Services/Benefits Committee website. The topics include, but are not limited to: University self- insurance, off-campus use of tuition benefit, PERA retirement benefits, DCP retirement benefits, leave pooling, and health savings plans.
5. The UBC is in the process of preparing a series of Frequently Asked Questions (FAQ) and answers that are intended to provide factual information to faculty and administrative professionals regarding CSU cafeteria benefits. Some of the questions are directed at answering why certain policies and benefits have been developed and the rationale for these decisions. Other questions are directed at helping faculty and administrative professionals understand the options available to them in utilizing such benefits as the flexible medical reimbursement account, employee tuition benefit for off-campus employees, and benefit options at retirement for PERA and DCP enrollees.