

FINANCE & BENEFITS COMMITTEE MINUTES

October 23, 2012

Attending: Jim Manaro, Chair, Joe Holt, Alan Chesney, Karl Kehm, Eugene Hamilton, Ken Schweitzer, Ed Guseman, Lansing Williams, Shirley Haymaker, Annie Krotee and Peggy Fulton.

Jim reviewed the attendance at the pension plan change informational sessions. Things went pretty well; there were a lot of questions from the audience. Alan noted there has been an upswing in employees contacting HR and either beginning contributions for the first time or increasing contributions. Jim advised that TIAA-CREF will need to provide more personal visits and perhaps small groups should be set up to meet with TIAA representatives. There is still a lot of education that needs to be passed along to employees concerning investments in their pension. Charlie indicated the sessions were very helpful and asked how the payments to 401(k) Advisors come out of the budget. It is an expense fee, but very necessary as the 403(b) committee does not have the expertise necessary to navigate this new realm of fiduciary responsibility without an advisor. Charlie asked if there was anything to prevent 401(k) from accepting kickbacks? Government regulations prohibit anything of this sort and 401(k) only advises – the committee makes the ultimate decisions in which funds to offer.

Alan reviewed some benchmark information provided by Willis regarding our health insurance plans. The information indicates that 91% of current College employees have migrated to the Choice Plus Plan (HMO). The amount of premium that individual employees contribute is well below the benchmark while the family coverage is slightly lower. The College deductibles are half the average deductibles of other schools. The College co-pay for office visits is slightly higher than the benchmark while all other co-pays are in line with the benchmark. Washington College currently requires no out-of-pocket expense maximum while the benchmark shows \$1,500 for individual and \$4,000 for family as the average. The College co-pays for pharmacy are higher for preferred and non-preferred brand and much higher for mail order pharmacy. The College will consider this information in upcoming meetings concerning health insurance premiums. Jim noted it is important to analyze all benefits costs, not just health insurance.

Consumer driven health plans are being offered by 20-25% of Colleges and it is probably time for Washington College to consider a plan. Joe shared that he recently read an article about Indiana in which the state government introduced the consumer driven health plan six years ago and currently have 90% of state employees enrolled in that plan. It will take time to educate employees and for them to feel comfortable with this type of program so it requires an investment of a few years.

The PPO plan generally follows the same benchmark trends as the Choice Plus plan although the family contribution to premium is much higher. Alan stated that this plan is generally chosen for a specific reason and everyone who is enrolled in the PPO has been educated in the relative costs and benefits of each plan.

HR is working with Radcliffe School to improve their child care offerings to accommodate more WC employees.