Benefits and Finance Committee Meeting
February 14, 2014

The following members attending the meeting: Joe Holt, Alan Chesney, Shirley Haymaker, Ken Schweitzer, Lansing Williams, Andrea Lange, Leslie Sherman, Susanne Kelly, Lane Conaway

Joe opened the meeting by introducing Dean Mariaca, Senior Account Executive of Willis Group. Mr. Mariaca presented a preliminary health insurance renewal forecast to the committee. Mr. Mariaca outlined a twelve month plan performance comparison that showed total claims cost, target claims cost, and billed premiums. He stated the overall college’s performance is good and is a significant factor in the cost of United Health Care’s rate determination. The calculated renewal rate, prior to the Affordable Care Act (“Obama Care”) is 9.37%. Mr. Mariaca explained the new added fees and taxes due to the Affordable Care Act will pose an additional 4.3% increase to premiums. These fees include: mandated plan change, reinsurance fee and comparative effective fee, and fully insured tax. After negotiated savings and renewal premiums, United Health Care’s final negotiated cost increase is 6.0%. It was agreed, that these new additional fees and taxes mandated by the Affordable Care Act are out of our control; employee behavior in addition to plan design change, the wellness program, and introducing the high deductible health care option played a huge role in the final negotiated cost increase. Discussions will continue regarding strategy options for future higher health care costs.

Joe presented an update from the Child Care Task Committee. He provided the Benefits and Finance Committee handouts from the Faculty and Staff Ad Hoc Committee on Child Care at Washington College and the Hildebrandt Learning Centers Feasibility Study. The task force committee has been working on identifying options for faculty/staff that have indicated the need for child care. The committee discussed the child care center model (space allotted for 88 students) from the Hildebrandt Feasibility Study and the associated costs. Alan relayed a similar scenario utilizing an existing building in the Chestertown area, the SOS building. The estimated cost was comparable to the child care center model with slightly fewer child care spaces. Discussions are continuing with local child care centers in regards to increasing the number of infant care spaces. Joe urged the committee to review the documents and be prepared for future discussions concerning child care options.

Alan provided a summary regarding the Retirement Plan Committee (RPC) and changes from individual retirement plans to institutional retirement plans. The purpose of the RPC is to accept fiduciary responsibilities that are now required in the changes in the administration of the 403(b) plan the government has enacted. The IRS and the Department of Labor is looking at how colleges are implementing this plan. The (RPC) has consulted with an Employee Retirement Income Security Act (ERISA) attorney and has hired a consultant, 401(K) Advisors for guidance and to share the fiduciary responsibility as well as identifying investments options to offer employees. The most significant change is that individuals will no longer be able to continue to invest in the TIAA Traditional plan, the annuity plan that has a guarantee of 3%. The RPC presented this to the Audit Committee of the Board of Visitors and Governors. Final attorney review of the Committee’s Charter and Investment Policy Statement is complete. A meeting is scheduled later this month with a TIAA CREF representative to select the implementation date for the new plan (July 1, 2014, suggested).

The meeting adjourned at approximately 11:35.