

ERAC Committee Meeting April 2013 Minutes

Retirement Plan Changes

TIAA-Cref has been selected as the vendor to serve as the plan record-keeper. The next part of the implementation is to finish up all the work on what funds are going to be available for you to invest in. TIAA-Cref's role is to record-keep. It does not mean that we will have all TIAA-Cref funds available. In fact we are not going to have all TIAA-Cref funds available on this platform.

The funds are almost finalized. The committee is having their final planning meeting tomorrow, 4/26/2013. They are still looking at issues related to the mutual fund window and allowing people to go outside the plan and what the fiduciary liabilities issues are related to that. They want to get comfortable with that before they put a stake in the ground. We are hoping by mid-May, we will be able to announce what funds will be available for investing after January 1, 2014. Funds that were previously supported in the past may not be supported going forward. People that have already invested will have the choice to move it to a different plan. If kept in the same plan, those funds would be frozen – no more contributions can be made. The existing voluntary plans that include TIAA-Cref, Vanguard, Fidelity and American Century will be terminated effective December 31, 2013. There should be no fees associated with transferring the funds into different funds.

Socially conscious investment options will be available in the upcoming plan.

Health Care

We are much further behind with this. What is being presented is quite preliminary.

- Holding down the rate of cost increase to avoid future excise tax exposure
 - Discontinue the Comprehensive Major Medical Plan (lowest enrollment plan)
 - Increase co-payment amounts in the Preferred Provider and HMO plans
 - Specialist copay
 - Emergency room copay
 - Hospital copay per admission (HMO only)
 - Increase deductibles and out-of-pocket maximums in the Preferred Provider plans
 - Introduce multi-tiered pharmacy formularies
 - Consider a Consumer Driven Health Plan as a future plan option
 - Consider eliminating the Health Care Flexible Spending Account
- Responding to changes at other employers and related impact on the number of participants – will other employers deny coverage to spouses sending our “no coverage” group back to Lehigh’s plan
 - Is the spousal surcharge sufficient disincentive for spouses and partners to take coverage with their employer?
- Other concerns
 - Mandate to provide coverage for individuals working 30 hours per week for 3 months or more – what does this mean for:
 - Adjunct faculty employment
 - Wage and temporary staff employment
 - Student employment
- Creating a culture supporting wellness and expanding current program
 - Newest recommendations are to offer immediate rewards for participation rather than the delay gratification of reduced premiums

- Need an external provider for the wellness program to guarantee that personal information is maintained in a manner that protects confidentiality
- Multiple year roll-out starting with awareness and participation – expanding and growing in future years

Elections

236 faculty/staff voted.

Seth will be meeting with Peggy Plympton this afternoon with the two recommendations of Dan Zeroka and Travis Spencer.

To get broader representation on ERAC, perhaps invite the people who didn't win the election, to serve on committees. Also through ERAC events, when asking for feedback, include if they would like to be on ERAC.

Meeting was adjourned at 1:38 pm. Ainsley Lamberton made the motion to adjourn the meeting and Yatin Karpe seconded the motion.