

EMORY UNIVERSITY SCHOOL OF MEDICINE

WINSHIP CANCER INSTITUTE

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MEMORANDUM

TO: Nadine Kaslow, President
Emory University Senate

FROM: Sidney F. Stein, Chair
Fringe Benefits Committee

SUBJECT: Annual Report 2007-2008

DATE: April 29, 2008

The Committee's membership is as follows:

Sidney F. Stein (chair-term expires 2009) Peter Barnes (Ex Officio) Colin Bragg (Emp. Coun. 2007-2009) Kathleen Brennan (Emp. Coun. 2007-2008) Jeff Busse Erica Caplan Beverly S. Cormican Toby Director Kate Garber Christina King Harriet King	Frank Maddox (Oxford College) Jodi Martin (Ex Officio) Theresa Milazzo (Ex Officio) Debbie Moyers Judy Raggi-Moore Kim Rask Brenda Seiton William Small Cyril Spann Donald G. Stein Douglas A. Unfug (Emeritus Faculty)
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The Fringe Benefits Committee has met three times so far during this academic year and will meet one additional time next week. During the course of its meetings, the Committee focused on proposals to repair the retirement program.

Active recommendations from the Committee for this academic year and from prior academic years include the following:

1. Repair of the retirement program: After reviewing data prepared for Human Resources in 2004 by Watson-Wyatt, showing that Emory's retirement plan ranks from 8th to 14th when compared with 15 peer institutions (depending on an employee's salary and age), the Committee proposed that the University increase its matching contribution for all employees who participate in the match and additionally provide enhanced matching

when employees reach ages 45 and 55. The details of the proposal can be found on a PowerPoint presentation on the Senate website and are incorporated herein by reference. The Senate voted to adopt the proposal and sent it on to the President and his senior staff for review. It should be noted that in 2007 the Committee unanimously recommended that the repair of the retirement program be completed before additional resources are expended on enhancing the program of courtesy scholarships for dependents.

2. Implementation of autoenrollment: The Committee again discussed the fact that many Emory employees still do not participate in the retirement program match and reiterated its 2007 recommendation that the University initiate autoenrollment in September pursuant to provisions of the Pension Protection Act of 2006. The methodology for implementing autoenrollment at Emory can be found in the 2007 Committee report.
3. Access to retirement benefits for employees who have reached retirement age: At the present time, the University has agreed to allow employees who have reached age 59.5 years to withdraw money that they have saved for retirement in Emory's 403(b) plan. However, the University will not grant these same employees access to the University's contributions unless they retire. To gain access to their retirement funds, some employees have retired and then been rehired; others have simply retired even though they were still interested in working. The position of the Pension Board is that the money should be saved for retirement and not released until an employee retires. Concern has been expressed on the Committee that no valid policy objective is served by withholding retirement money from individuals who have earned it after they have reached full retirement age (currently 66 years for Social Security) and that the current policy may be used as a lever to pressure tenured faculty to retire. The Committee understands that phased retirement is being studied, but views access to retirement money as a separate issue. The Committee has not concluded its review of the matter and intends to discuss the issue with the Pension Board and report to the Senate at a later date.
4. Health benefit inequity: When employees who are at least 55 years old retire and are eligible for retiree health benefits, their spouses and dependents are also eligible for them. However, if employees, who would otherwise be eligible for retiree health benefits if they were to retire, die before retiring, their spouses and dependents are not currently eligible for full retiree health benefits; rather, the spouses are covered by health insurance only until they become eligible to enroll in Medicare. The Fringe Benefits Committee has discussed this apparent inequity and has referred the matter to the Health Plans Steering Committee where prompt resolution is expected.
5. The Employee Council requested that the Service Award Program be revisited to see if rewards that were more Emory-centric could be added to the list of options. Examples of such rewards might include free membership for a period of time at the Blomeyer Fitness Center or dinner certificates at the Houston Mill House. The Committee thought that this idea merited further exploration, and Human Resources will discuss the

feasibility of adding Emory-centric awards with the program vendor and report back to the Committee at the beginning of the next academic year.

6. The Employee Council also suggested that training and educational opportunities for career advancement were somewhat limited and that a more flexible program with more generous benefits could operate to the benefit of both Emory and its employees. A number of suggestions were made for improving the Courtesy Scholarship and Tuition Reimbursement programs. Also, there were suggestions that Emory make its courses more accessible to employees and that larger discounts be offered for some of the courses available through the Center for Lifelong Living.

The status of other pending benefits issues:

1. Leave donation: Both the Fringe Benefits Committee and the Benefits Review Committee had previously recommended that employees be able to donate sick leave to employees whose health problems had exhausted their sick leave. Human Resources has been working on the implementation of this program and a pilot version of the program may begin as early as May. Employees will likely be required to maintain a short term disability policy if they wish to benefit from the program.
2. Retiree health benefits: Both the Fringe Benefits Committee and the Benefits Review Committee have previously recommended that the retiree health benefits in place at the time of an individual's retirement be frozen both for early retirees and for those who were Medicare eligible. Action on this proposal has not yet been taken by the University.
3. Basic term life insurance: The Benefits Review Committee recommended that basic term life insurance for employees be increased from \$10,000 to \$25,000. Human Resources estimates that this benefit will cost the University \$500,000 annually. Action on this proposal has not yet been taken by the University.
4. Courtesy scholarship for dependents: The possibility of offering portable courtesy scholarships will be revisited this summer by a special committee. The Fringe Benefits Committee recommended in 2007 that in lieu of offering portability, the University might wish to explore the possibility of extending the benefit to dependents who did not use it for undergraduate education if they enrolled in one of Emory's graduate schools. Again, it should be noted that the Fringe Benefits Committee voted that no additional resources be expended on the courtesy scholarship program until the retirement program is repaired.
5. Retirement investment options: The Fringe Benefits Committee has been interested in expanded investment options for the retirement program since they became available at Emory Clinic. The Pension Board is in the process of offering ready-mixed (including targeted retirement funds), core, and expanded investment choices along with the option of a brokerage account to all Emory employees. Although implementation of the plan is

not yet complete, expanded investment choices are now available through all of the University vendors, TIAA-CREF, Fidelity, and Vanguard.

6. University holidays: The Benefits Review Committee recommended that all the days between Christmas and New Years become holidays for non-essential employees. The Committee recommended that the benefit be phased in over several years. One additional holiday was added in 2005; none were added in 2006 or 2007. A schedule for implementing this proposal is awaited.