The Universitywide Benefits Committee met on Thursday, April 16, 2009 at Varner Hall in Lincoln, Nebraska.

I. Introductions

Members Present: Lola Young, Beth Benson, Sharon Skipton, and Debra Hope (UNL); Kerry Lytle and Joe Anderson (UNMC); Marie Lee, Scott Dickey, and David Corbin [Polycom] (UNO); Mary Heater and Kathy Smith [Polycom] (UNK); Turan Odabasi (UNCA).

Ex Officio Members Present: Greg Clayton (UNL); Jayme Nekuda, and Joanne Watkins (UNMC); Mollie Anderson and Esther Scarpello [Polycom]; (UNO); Cheryl Bressington and Linda Clark [Polycom] (UNK); Keith Dietze and Ed Wimes (UNCA).

II. Review of Meeting Minutes

Universitywide Benefits Committee minutes from the September 18, 2008 meeting were approved.

III. Health Plan Trend Update

Keith reported on the medical, dental, and prescription drug trend and the impact on the Health Care Trust Fund. As of January 31, 2009, medical claims were trending 17.4%, dental 11%, and prescription drugs 15%.

IV. Health Insurance Budget Update

Keith reported that administration was requesting $3.7 million health insurance funds from the legislature for fiscal year 2009-2010. In addition, another $4.0 will be requested for fiscal year 2010-2011. These amounts are subject to change based on the final budget allocation from the state.

V. Basic Retirement Plan Communication

Due to changes in the Basic Retirement Plan as a result of the plan restatement with the IRS, notices will be sent to all benefit eligible employees to communicate those changes that could impact plan participants. Notices will be emailed to employees and highlight the following: 1) Normal Retirement Age, 2) Disability Retirement, 3) Access to Accumulations, 4) Order of Beneficiary Designation, and 5) Access to Basic Retirement Plan funds via loan.

VI. Access to Basic Retirement Plan Funds via a Loan

Employees participating in the Basic Retirement Plan may access funds via a loan through TIAA-CREF or Fidelity. Loans will be limited to the IRS Safe Harbor hardship events including certain unreimbursed medical expenses, purchase of a primary residence, payments of certain post-secondary education expenses, eviction or foreclosure of primary residence, burial or funeral expenses, or repair expenses for primary residence as a result of a casualty loss. In addition, loans are limited to the amount of employee funds and corresponding earnings. Loans may not exceed $50,000 and must be at least $1,000 and cannot exceed the amount necessary to satisfy the immediate and heavy financial need of the hardship event. An employee may only possess one Basic and one SRA loan at a time, regardless of the vendor.
VII. COBRA Changes due to ARRA

The American Recovery and Reinvestment Act of 2009 (ARRA) includes significant changes to the COBRA continuation coverage rules. The Recovery Act adopted a broad range of tax and spending incentives designed to promote economic development and provides premium subsidies to help pay for the continuation of health coverage for certain individuals who lose their jobs.

Several of the COBRA continuation features include establishing new rights for individuals who were involuntarily terminated from employment between September 1, 2008 and December 1, 2009, providing individuals who qualify a subsidy equal to 65% of the cost paid for COBRA coverage. Individuals who were eligible for COBRA coverage but not enrolled in such coverage will have a one time opportunity to enroll. In addition, the employer is responsible for the 65% subsidy with reimbursement from the federal government by an offset against payroll tax payments.

VIII. Universitywide Wellness Committee Update

Keith reported that President Milliken has approved the Universitywide Wellness Committee wellness recommendation to offer Health Risk Assessment (HRA) to employees on a voluntary completion basis. Those employees completing the HRA would be eligible for the following benefits for employee, spouse, and dependent children.

- Annual adult preventative allowance increased from $250 to $300.
- Annual child (under age 2) preventative allowance increased from $500 to $600.
- First dollar coverage for a routine preventative colonoscopy every 10 years beginning at age 50.
- $0 generic prescription drug copay at mail service only.

The above benefits (Enhanced Wellness Benefit) would be offered to employees in January 2010. Employees electing to not complete an HRA will continue to receive the same preventative wellness benefits that are currently being offered.

IX. LB 551

Keith reviewed LB 551 that would extend medical insurance coverage to unmarried dependent children to age 30. An employer may charge the dependent child a premium that is actuarial equivalent to the full cost of coverage eliminating any additional claim cost by the employer. If approved by the legislature, this extended dependent coverage would be effective January 1, 2010.

X. Health Care Reimbursement Account

Discussion was held regarding the UNL Faculty Senate request to extend the Health Care Reimbursement Account period to incur claims from December 31st to March 15 of the following year. Since the Health Care Reimbursement Account plan was changed to comply with the “Uniform Coverage” rule, forfeitures are used to cover the deficit expense incurred by those employees (early departures) who separate before contributing their full contribution amounts. In order to extend the claims incurred period an additional 2½ months, the annual contribution maximum would need to be reduced from $5,000 to a lesser amount which would impact many more employees than those benefiting from extending the incurred period.

XI. Campus Representative Input
None

XII. Next Meeting
   September 2009

XIII. Adjournment
   There being no new business the meeting was adjourned at 10:30 am.