To be approved: (4-0-2) FEBC #3

FINANCE AND ECONOMIC BENEFITS COMMITTEE

2014-2015

September 18, 2014

11:00 a.m., College of Education Room 210

Present: M. Affan Badar; John Conant; Noble Corey; Mark Green; Veda Gregory; Erin Hampton; John Pommier; Jim Smallwood;

Absent: Shelley Arvin

Visitor: Candace Barton

Agenda Item: Explanation of the University Policy for early withdrawal of TIAA-CREF funds

Candace first spoke to the Handbook Section 505.12, which states the University contributes 10% into employee retirement fund. This contribution is not taxed until the employee reaches 70.5 years unless hired after 2009; when the government revamped the policy and the taxable age was raised to 75 years.

The University is restricted from hardship early withdrawal (in-service cash). The reason this restriction is in place is because the goal is for ISU employees to have 80% of their total salary for retirement.

The University at this time has 40 different investments available to their employees.

The question was raised as to the importance of Long-Term Care Insurance and if it something employees should consider. Candace stated that it depends on the individual's situation and that it is only to protect family assets. It may not be worth the investment if there are no assets.

The question was asked as to why the tobacco test cannot be administered without also completing the wellness screening; even if the employee is willing to pay the higher premium. The major reason is to encourage employees to participant in the wellness screening. It was also noted that Union Hospital will be conducting random tobacco testing after the initial one.

Candace shared that the University Life Insurance Company would be changing to Symetra in November and there will be opportunity for employees to obtain more life insurance for themselves and spouse without evidence of insurability. This will be available one-time during open enrollment. Employees will be able to apply for an additional $170,000 and the spouse an additional $50.000.

The University provides $100,000 life insurance coverage for employees until age 70 or retirement and then it drops to $5,000.

A question was asked as to why the post retirement insurance has a $2,500. Candace explained that Medicare Part B pays 80% and the University will cover the remainder 20% per year after the $2,500 has been reached.

Meeting adjourned at 12:00 PM