

University System of Georgia Retiree Council (USGRC) Meeting
April 7, 2017
University System of Georgia Office
270 Washington Street, Atlanta, GA
Former Board Room, 7007
10:00AM-1:40PM

ATTENDANCE:

Presiding: Dennis Marks (Valdosta State University, USGRC Chair)

USGRC Unit Representatives Present: Tom Abney (Augusta University, non-voting alternate), Richard Baringer (Georgia Southwestern State University), Ron Bohlander (Georgia Institute of Technology), Jim Braun (Clayton State University), Ray Chambers (Bainbridge State College), Mitch Clifton (University of West Georgia), Missy Cody (Georgia State University, USGRC Chair-Elect), Jim Cottingham (South Georgia State College), John Derden (East Georgia State College), John Hamilton (College of Coastal Georgia, non-voting alternate - via phone), John Hutcheson (Dalton State College), Victoria Johnson (Georgia Gwinnett College - via phone), Mary Mitchell Jones (College of Coastal Georgia - via phone), Bob Kelly (Middle Georgia State University), David Lapp (Augusta University), Tom Lauth (University of Georgia), Judy Malachowski (Georgia College & State University - via phone), Gene Murkison (Georgia Southern University), Barbara Morgan (Atlanta Metropolitan State College), Gwendolyn Reeves (Fort Valley State University - via phone), Anne Richards (University of West Georgia, non-voting alternate), George Stanton (Columbus State University - via phone), Ron Swofford (Perimeter College of Georgia State University, alternate for Bob McDonough), Ken Weatherman (Georgia Highlands College), Dorothy Zinsmeister (Kennesaw State University, USGRC Past Chair).

USG System Office Representatives Present: Karin Elliott (Associate Vice Chancellor for Total Rewards), Marion Fedrick (Vice Chancellor for Human Resources), Marti Venn (Deputy Chancellor, Academic Affairs), Steve Wrigley (Chancellor).

USG Unit Representatives Absent: Patsy Hembree (Abraham Baldwin Agricultural College), Ed Wheeler (Gordon State College).

No Representative Appointed: Albany State University, Armstrong State University, Savannah State University, University of North Georgia (in process of finding a replacement for Sherman Day).

AGENDA:

1. Dennis Marks (chair) welcomed in-person and phone attendees and called this 6th meeting of the USGRC to order at 10:00 am. Attendees listed above then introduced themselves to one another.

2. **Minutes** for the meeting held October 21, 2016 had been distributed in advance of today's meeting. They were approved by a voice vote. Missy Cody was thanked for taking these minutes as Ray Chambers was unable to attend the meeting.

3. **New Payroll and Benefits System:** Marion Fedrick presented information on a new payroll and benefits system that USG is implementing beginning this summer. It is a response, in large part, to the problems experienced with ADP. In short this system will merge as many as possible of the recruitment/payroll/HR data//and benefits programs into one under PeopleSoft. She stressed that, especially for retirees, this system is a change in procedures ONLY and not a change in benefits or costs. This new system is known as **OneUSG**. (See Attachment #1) However, since ADP had been coordinating the direct debit process, retirees will have to work with OneUSG to switch the direct debit process over. Retirees can call OneUSG or go online beginning on June 26 to set up the new direct debit information. In addition, the open-enrollment process will change later in the year. Over the next several months, USG will send information to retirees and include a website. Institutions will do a mail-out to retirees since retirees are more likely to open mail that comes from their institutions than from the System office.

Karin Elliott explained that the OneUSG initiative includes the transfer of payroll and benefits enrollment options to one system for all active employees and retirees. This includes Dental, Vision, and Supplemental Insurance. Most campus HR departments are very engaged with this now. The USG is trying to determine how to stay in touch with retirees it needs to inform of System-wide changes, including those persons who don't expect or wish to have continued contact with their former institution.

The OneUSG initiative was launched in 2014. Its goal, as Marion stated, was to establish a single set of policies, procedures, and technology solutions across all USG institutions. It was also designed to enhance tools and resources for employees and retirees. **A new benefits administration system will be implemented on June 26, 2017 for all institutions. Benefits themselves are not changing, but there will be new ways to access and manage benefits.** This will include an on-line OneUSG Benefits Connect website with an option for calling in by phone to a OneUSG Benefits Call Center. Retiree benefits plans through the Aon Retiree Health Exchange will not be affected by this change.

The open enrollment process will change. The USG will communicate the new process before and after the annual open enrollment process this fall.

Marion Fedrick noted that everyone will have to put their banking information into the new system because laws prohibit an automatic transfer of information from ADP. It will get them into the new System and provide them with opportunities to make sure information is correct, and to change such things as beneficiaries over time if they wish to do this.

Karin Elliott stated that it's important for retirees to understand that the Aon Retiree Health Exchange plans are not changing as part of this implementation. The OneUSG initiative is not about that. Currently, some retirees get billed from their institutions for supplemental benefits. All other institutions bill through ADP currently. Note the statement in the letter to be mailed out next week. **Please do not prepay for USG coverage that extends beyond June 30, 2017.** We want retirees to keep payments current but, beginning on June 26, 2017, we will ask retirees to reach out to the Call Center or online to set up direct debit for the new OneUSG system. Another notice will come in May with more specific information about the change.

Even if retirees have direct debit currently, they will have to enter this information into the new system. If they don't enter the information by July 9th, they will receive a paper bill in the mail in July and August. Then they will need to set up direct debit by November 30, 2017. You will receive a paper bill until that time. We are doing this because we want to make sure that no retiree is dropped from coverage. We will need members of this council and retiree organizations to reach out to retirees who haven't set up this debit system. We will be extending the grace period during this time. **Board policy requires direct debit for supplemental benefits billing.** In part this is because retirees travel a lot. It helps our institutions as well so they don't have to remind retirees to pay their bills so as not to risk withdrawal of benefits. However, if a retiree does not have any of the services provided (dental, vision, etc.) he/she still HAS to log into the System. This will be the portal we use to contact retirees. If retirees are not able to log in, someone has to do this. This will be our opportunity to communicate better with everyone. Through OneUSG you can add or change beneficiaries, review current benefits, make benefits changes due to some life event (e.g., marriage, divorce, birth), or get information about insurance carriers. A number to call if retirees have questions is 1-855-214-2644 for information. This information will also be on our website in May.

In response to questions concerning the technology involved. Karin Elliott reported that USG is setting up an infrastructure that can accommodate thousands of contacts at one time. And if some cannot or will not log onto a computer to complete the direct debit information, a paper form will be mailed to them which they can fill out and return. In addition the new system should facilitate matters by having the member's name and id number readily available.

In response to questions concerning data security, Karin noted that the server has encryption and a secure firewall.

4. Chancellor Steve Wrigley addressed the council. First, he reported on projects the University System is working on:

- a. Graduating more students.
- b. Ensuring affordability (especially regarding tuition and fees).
- c. Generating more efficiencies (especially OneUSG, consolidation of schools, and simplifying administrative overhead).

Second, he addressed the recently adjourned legislative session:

- a. The Budget for the University System was improved, best in recent years.
- b. The Campus Carry bill was passed. The University System has concerns with this law and has communicated with Governor Deal the System's concerns.
- c. Efforts to generate a constitutional amendment to restrict the System's ability to determine tuition and fees "went away quickly."
- d. Health insurance costs are running around \$500 million per year. This year the Legislature funded the colleges' portion of the insurance cost.

Third, he addressed health insurance:

- a. Health insurance costs are running around \$500 million per year.
- b. Last year the Legislature did not fund the employer's share of health insurance. This year they did.
- c. Health insurance for USG employees should not be combined with health insurance for other state employees.

The Chancellor opened the floor for Questions & Answers. In response to a question about retiree health insurance as deferred compensation, he stated that the USG would try to continue providing health insurance, but that it is dependent on funding from the Legislature. In response to a question on Campus Carry, he stated that it would be hard to administer and that the USG is likely to get sued, either way. He said that he had encouraged a veto.

5. Marion Fedrick gave a Report on information concerning enrollment in the healthcare and Health Reimbursement Account plans. (See Attachment #2)

- a. In general there was satisfaction with the AON Advisors.
- b. 98% stayed with their current health plans.
- c. About 1,554 plan changes were made
- d. But the largest change was in drug plans.
- e. Dental and Vision plans were largely unaffected.
- f. The major reason for leaving Aon plans was Tricare or spousal coverage.
- g. Premium increases averaged 1.7%.
- h. Regarding Health Reimbursement Accounts: 606 did not use them, 4913 exhausted their accounts.
- i. As for the Catastrophic category in drug coverage: 82 retirees received reimbursement for drug coverage in the Catastrophic phase of coverage. (USG offers the Catastrophic HRA reimbursement for retirees with high prescription drugs costs).

- j. Finally, the survey reported general satisfaction with the current operation except for prescriptions.
6. Other reports.
 - a. Dennis reported on his meetings with the USG Faculty Council. Generally there was concern about the various consolidation efforts and the status of retiree organizations.
 - b. John Derden reported on his meeting with the USG Staff Council. Their concerns included the communications between administrators and their staffs with the USG, the retiree health system, tuition assistance, and equity especially concerning benefits.
7. Elections. Dennis reported the results of the committee nominations and called for a vote. Next year's chair will be Missy Cody. The chair-elect will be Ron Bohlander, and the secretary will be Ray Chambers. No other nominations were made and the slate was elected unanimously.
8. Old Business.
 - a. Dennis reminded the membership that they should continue to encourage participation at these meetings.
 - b. He also stressed that campus communications should be open and comprehensive.
 - c. The effort to examine "best practices" continues.
 - d. Preparation of a publication relating to "Steps To Retirement" is continuing.
9. New Business.
 - a. Missy Cody discussed retirement workshops and the steps that should be followed. (See Attachment #3) She stressed that retirement planning should begin 5 to 8 years in advance. There are several common components to retirement planning which should appear in the above referenced publication.
 - b. In response to some questions/suggestions, Karin Elliot noted that the "donut hole" in prescription costs is closing and Marion Fedrick suggested that our next meeting a representative of Aon could be available.
10. Dennis handed the gavel over to Missy who adjourned the meeting at 1:40PM.

Respectfully submitted,

Ray Chambers
USGRC Secretary

Attachments:

- #1. A New Approach to Benefits Administration.
- #2. Medicare-Eligible Retiree Health Care: Updates.
- #3. Pre-Retirement Planning.