Resolution Concerning
University System of Georgia
Retiree Healthcare Strategy

Whereas the Board of Regents has approved a multi-year strategy for reducing retiree costs;

Whereas that strategy entails replacing the current defined benefit of health care insurance with a defined contribution to a healthcare account which retirees will use to purchase coverage through market place exchange options outside of the USG healthcare plan;

Whereas a defined contribution plan places the fiscal risk of healthcare costs on the retiree rather than on the Board of Regents;

Whereas having each retiree select coverage from a number of options reduces the bargaining power of the Board of Regents to negotiate a better price with competing insurance companies on behalf of all retirees;

Whereas most individual retirees do not have the expertise to evaluate numerous competing insurance options, while the University System of Georgia does have expertise available;

Whereas the University System of Georgia has made no commitment to the amount it will contribute to the Defined Contribution Healthcare Account;

Whereas the University System of Georgia has made no decision as to whether future contributions will be constant year-to-year or will be indexed to keep up with healthcare cost inflation;

Whereas keeping future contribution constant puts increasing cost on the retirees in future years, while indexing future contributions to health care cost inflation conflicts with the Board of Regents’ goal of reducing costs;

Therefore be it resolved that [name of endorsing body]

1. urges the Board of Regent to rescind the implementation of a defined contribution plan for retiree healthcare;

2. urges the Board of Regents to consult widely with the retirees of the University System to devise new ways of controlling healthcare costs without disadvantaging retirees.