



Academic Senate
senate.ucsf.edu

Communication from the Chair **Elena Fuentes-Afflick, MD, MPH**

October 16, 2009

To: UCSF Academic Senate Coordinating Committee

Re: Post Employment Benefits Listening Forums (October 22 & 23, 2009)

Dear Colleagues,

I am writing to ask for your assistance in preparing for the Post Employment Benefits Listening Forums scheduled for October 22 and 23 at UCSF. As a reference point, 'Post Employment Benefits' include the UC pension and retiree health benefits. The Listening Forums have been initiated by Randy Scott, Executive Director of Human Resources at the UC Office of the President, and panel presentations will be held on all UC campuses. The meetings are intended to gather information from faculty and staff regarding post employment benefits. We will develop additional mechanisms for ongoing engagement and evaluation when the options have been developed.

To maximize the value of the listening forums, we have prepared an initial list of questions for the panel (see below). I thank Vice Chair Robert Newcomer, UCSF Committee on Faculty Welfare Chair Jacque Duncan and UCSF Representative to UCFW Jean Ann Seago for serving on an ad hoc planning committee to prepare these questions. I invite you to develop your own questions, which we will send to the Forum speakers in advance of the meeting. After the listening forum, we will ask for formal responses to any questions/issues which were not addressed or with which we have concerns.

Assuring attendance at the listening forums is important because our participation indicates our concerns about the issue, and because participation allows us the opportunity to learn about the issues and anticipate future changes. To achieve a reasonable level of attendance, I urge all members of the Coordinating Committee, the vice chairs of all Senate standing committees, and Faculty Council vice chairs to attend at least one listening forum. Additionally, I invite former APB and Faculty Welfare chairs, and former systemwide representatives, to attend the listening forums.

UCSF Post Employment Benefits Forums

Thursday, October 22

- 12:00 - 1:30 pm at Toland Hall Auditorium, 533 Parnassus Avenue – Intended audience: Faculty
- 3:00 - 4:30 pm – Laurel Heights Auditorium, 3333 California Street – Intended audience: Retired faculty and staff

Friday, October 23

- 12:00 - 1:30 pm – Toland Hall Auditorium, 533 Parnassus Avenue – Intended audience: Staff

If you are unable to attend the meeting designated for your group, you are welcome to attend one of the other meetings. More information may be found at the [Future of UC Retirement Benefits web page](#).

Suggested Questions for the Forums

Trust

1. A dismal financial picture has been painted for both the retirement system and retiree health benefits. Could you please describe the historical context that culminated in this crisis, focusing on the fact there were no employer contributions to the retirement system for 20 years and we anticipated that the retirement system balances were going to drop below 100% funding levels after 2010?
2. Following from this question, did the University attempt to create a trust fund for the retiree health benefits? Is that an option under consideration?
3. What assurance can we have that the Regents and UCOP (or state government), will protect our post employment benefits? For example:
 - What are the legal obligations of the University to honor its contract obligations with UC employees/retirees?
 - What are the loopholes or circumstances that might allow for reductions/discounting, or even voiding of any of these benefits?

Transparency

In the last three to five years, UCOP commissioned and received reports from consultants which forecasted the financial status of the pension plan and the unfunded obligations of retiree health. The consultants also developed options for reducing these obligations and liabilities.

4. Are the consultants' recommendations the basis for the options which are currently under consideration by the Pension Benefits and Finance work teams work groups?
5. Could you give us the highlights of what the options are or likely will be?

The process of consultation between UCOP and various Academic Senate committees, such as Faculty Welfare and Planning & Budget, often consists of PowerPoint presentations. This format is time-constrained and characterized by limited (if any) discussion of underlying methods or assumptions, and creates a situation where faculty have little time to deliberate on the options presented. More importantly, faculty are not proactively engaged in the development of the options. So, in this context,

6. What different types of engagement processes with the Senate will be followed now, as we move to address the challenges to PEB?
 - What will be the role and responsibility of the task force groups?
 - What kind of staff support and/or release time will members have?
 - What type of access to consultant methods and assumptions will they have?
 - What role will they have in formulating and evaluating options?
 - Aside from comparing UC benefits with the comparison 8 institutions, what will be the standards for evaluating the consequences of the various options?
 - Will there be experience-based data on effects on recruitment, retention, and the post-retirement income from other institutions that have moved from defined benefit vs. defined contribution plans? There is empirical data available to compare state employee retirement income for those in defined benefit vs. defined contribution plans; and of University employees in TIAA/CREF-type systems. Will such experience be included in the analysis?

- There are pro and con arguments for many conceivable options. How will the options and their advantages and downside consequences be communicated to the Senate, UC faculty, and staff? Will this be as alternatives emerge, or only after the decisions have been made?
 - Where do the Regents, legislature, governor, and bargaining units fit into these processes?
7. Are UC budgets currently being developed which incorporate ramped-up employer and employee contributions to retirement? What are the assumed contribution levels for employee and employer, and how will they change over time?
- Are the bargaining units included in this process?
 - What is the fallback plan if the investment rate of return does not meet the assumed levels?
 - What is the fallback plan if the state elects to not appropriately fund its contribution?

We understand that the University has a separate retirement system and possibly other PEB for its Senior Management Group (SMG). These include Chancellors, UCOP top executives, and perhaps others.

8. Could you explain how the PEB system for Senior Management Group members differs from UCRS in terms of the maximum income limits, years to qualify, etc.?
9. When options are being considered for changes in UCRS or other PEB, is the SMG PEB going to be equally affected in relation to the UCRS?

I hope to see you at one of the Listening Forums and encourage you to invite a colleague to attend. If you have questions, please contact Vice Chair Newcomer at robert.newcomer@ucsf.edu or 476-1408 or Executive Director Heather Alden at heather.alden@ucsf.edu or 476-8827.

Sincerely,



Elena Fuentes-Afflick, MD, MPH
Chair, UCSF Academic Senate