**Presiding:** Phillips, John, Chair, EBC

 **Present**: Flowers, Melody, EVPFA

 Pistilli, Judy, Pharmacy Central Business Operations

Poston, Lance, LGBTQ Resources

 Bradshaw, Jennifer, College of Arts & Sciences

Collins, Craig, UKHC/EVPHA Administration

Ellis, Christy, Retail Pharmacy Services

Buchheit, Rudolph, College of Engineering

Shotwell, Christian, College of Agriculture, Food, & Environment

Ex Officio:

Stamper, Shannan, University Legal Office

Wilson, Kimberly, Chief Human Resource Officer

Amos, Richard, Chief Benefits Director

Carbol, Gail, Benefits Manager

**Absent:** Noe, JoLynn, Enrollment Management & Administration

Riddell-Peavler, Vicki, College of Dentistry

Alexander, Martha, Institutional Equity & Equal Opportunity

Gleason, Melissa, Athletics

Martin, Troy, Staff Senate, Library Administration

 Tearney, Michael, Retiree

Kelley, Scott, Marketing and Supply Chain

Cofield, Bo, EVPHA Administration

Martin, Angie, Financial Planning

 Krauss, Susan, Treasurer

**Recorder**: Sara Snowden, Employee Benefits

| Agenda Item & Speaker | REPORT | ACTION |
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| **Call to order – John Phillips** | Mr. Phillips called the meeting to order at 8:33 am.  | No action needed. |
| **Review of the September 12, 2018 Minutes** | Mr. Phillips asked for review and approval of the minutes.  | Melody Flowers made a motion to approve. Rudolph Bucheit seconded the motion. Minutes were approved. |
| **Medicare Advantage RFP Outcome – Richard Amos** |  A new vendor has been chosen for the Medicare Advantage plan that will be used for UK’s retirees. The Medicare Advantage Committee is to meet with the new vendor after the EBC meeting. Several members of the Employee Benefits Committee are also on the committee responsible for choosing this new vendor. The committee has been focused on who will provide the best service and they picked this vendor unanimously. Mr. Amos couldn’t announce the new vendor until Purchasing officially signs off on the deal. This vendor will increase the coordination of care for the retirees. The vendor is motivated to keep retirees healthy so they can keep their costs down. There is a very competitive and stable market for these kinds of plans. The change will go into effect 1/1/19 and costs will go down for everyone. Ms. Stamper pointed out that it is also like a passive PPO plan because retirees can use any provider that accepts Medicare. The federal government reimburses the vendor, not UK. The plan will be fully insured for medical, but the prescription benefit will remain the same via Know Your Rx Coalition / Express Scripts. There will be a $0 premium for medical for three years. Retirees and UK will only be paying for the prescription benefit. Mr. Phillips asked if the current retirees will be automatically enrolled in this new plan. Mr. Amos said yes and that it will be a smooth process. | No action needed. |
| **Policy 94.0 Change – Richard Amos** | Mr. Amos proposed to change some of the wording of Policy #94.0, as it applies to retirees. This policy refers to the health plan credit (the portion of the health premium that UK pays) and for which employees and retirees can be eligible. The current verbiage is confusing. A handout was provided with the current Policy #94.0 and changes notated. Retirees who were hired on or after January 1, 2006 are not eligible for the health credit, but retirees hired before that date do qualify for the health credit. Three thousand retirees currently qualify for the health credit. The current wording implies that UK will always charge eligible retirees $25 or more. It needs to be clarified that UK will pay 90% of the premium and the retiree will pay the other 10%. Ms. Wilson pointed out that the wording sounded like there is a monthly cap for the premium at $25. Ms. Carbol said that the intention was it to mean that it will be a minimum of $25. It can be interpreted in different ways. The current premiums are $330 for the full amount and $33, or 10% charged to the eligible retiree. UK pays 90% of the $330 as the health credit. This ties into the Medicare Advantage plan change. UK will be saving millions in the years to come. Retirees eligible for the UK health credit will in 2019 pay $18 per month instead of $33. Retirees eligible to have access to the medical benefit (not eligible for the health credit) will in 2019 pay $180 per month instead of $330. Ms. Flowers clarified that what basically needed to be done was to clean up the verbiage to support being able to say the premium is going down to $18 for eligible retirees. Ms. Pistilli suggested putting something online about what to do and what to expect when you will be retiring and enrolling in Medicare. She said it could be a nice gesture to help employees plan for the future. Mr. Amos said that our Retirement Officers provide this information for each individual retiree in face to face meetings and that ensuring we have this information it on the website is a great thought. Mr. Phillips recommended to approve the proposed changes to the policy. Ms. Pistilli made a motion to approve and Ms. Bradshaw seconded the motion, so the proposed changes will be implemented. | Judy Pistilli made a motion to approve the changes. Jennifer Bradshaw seconded the motion. The proposed changes will be implemented. |
| **Retirement Vendor Survey – Richard Amos**  | Mr. Amos explained the idea of giving a five-six question survey to employees about retirement vendors to aid in the Retirement Vendor RFP process. The survey would probably not be sent out to everyone, but to enough people to obtain a good sample. This will give the RFP committee some valuable information to deliberate on. The surveys could help to find the level of engagement that employees have or don’t have with the retirement vendors. Another option would be doing three or four focus groups using existing and established committees such as the EBC or Staff Senate. The focus groups would dive deeper while the surveys are short and simple. Ms. Bradshaw suggested involving faculty members if/when focus groups are arranged. Mr. Amos said that the RFP committee will ensure a broad cross-section of UK employee population is included. The surveys and focus groups would take place in November. The RFP committee is trying to choose the vendor that provides the best overall quality. This RFP process also serves as good fiduciary practice and mitigation against possible future litigation. Even if UK remains status quo with its vendors, employee investors will have lower fees. Four vendors have responded to the RFP. There isn’t a certain date that the possible change must be effective, but a target date is 4/1/19. There are three options being considered: two vendors (how it is currently set up), one vendor, or two vendors with one being the master record keeper. The model plan is to have one record keeper, reasonable fees, and core investment options including Target Date Funds. Currently, around 88% of new hires are choosing to do Target Date Funds. Mr. Amos stated that employees could experience like investments options as well as like investment fees and returns through either existing vendor. So, a question being explored is why have two vendors? Ms. Flowers pointed out that you’re not guaranteed the same funds and returns if the vendor changes. She said that more sophisticated investors may be up in arms because they might have chosen specific funds. She suggested providing some form of education about this to employees because they may be upset about a vendor change. Mr. Phillips questioned if we’ll lose leverage in three to four years if we moved to just one vendor instead of two. Mr. Amos responded that we need to do an RFP every three to five years as a good practice that this is our leverage, whether we have one or two vendors. Ms. Stamper added that the RFP has driven the costs down. Ms. Flowers pointed out that employees could say that UK is requiring them to contribute 5% of their salary but they don’t provide any choices. Mr. Amos replied that too many choices are already confusing to employees, that only a small select few will care about having certain options. These options would be provided through what is called a Brokerage Window and would in effect not be taken away. Mr. Amos said the simpler we make it for employees, the more they engage and appreciate their benefits.  | No action needed. |
| **Meeting convened – Mr. Phillips** | Mr. Phillips ended the meeting at 9:24 am.  |  |
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