

Remarks on the proposed amendment at the 11-28-12 Faculty Meeting.

The issue this amendment is addressing has a long history that has been presented in the Compensation Committee Report (See 2-22-12 Faculty Council Proposal) and in the answers given by the AVP and the Chair of the FHC to a request for an interpretation of the Faculty Handbook (See Faculty Handbook web page). The present wording in the Faculty Handbook grants retirees and Faculty who are terminated due to financial exigency the option of remaining in the group health plan available to all Faculty members: “certain benefits are also preserved by each retired Faculty member. Among these are:...purchase of hospitalization and medical insurance at the University’s group rate, but at the expense of the retiree.” (The same statement but “at the expense of the terminated Faculty member” is made for Faculty terminated due to financial exigency.) The wording in the latest printed Fringe Benefit Handbook (2000) and all the Fringe Benefit booklets since the early nine-teen seventies is that “retirees may remain on the group health coverage by remitting the full premium to the University each month.” (It does not address health coverage for Faculty terminated due to financial exigency.) However, since the 1990’s, and possibly much earlier, the University has offered retired Faculty 65 years old or older only supplemental health insurance on the condition that they enroll in Medicare A and B. It is not clear whether this practice constitutes a reduction in fringe benefits and, whether it is or not, there is no evidence that the Faculty were ever notified in writing of this change in benefits as required by the Faculty Handbook. That is why Faculty Council, on the recommendation of the Compensation Committee, put the change to a vote of the Faculty last spring. As a result of that vote (146-1-7) the Faculty Handbook Committee is proposing this amendment.

We can only conjecture why the present practice was instituted. No doubt the insurance premium necessary to keep retired Faculty on the group plan open to active Faculty would be prohibitive. This and the availability of Medicare A and B seem to be the primary reasons for the practice. The language in past Fringe Benefit booklets unfortunately did not make this clear. This amendment makes the past practice consistent with the Faculty Handbook. Last spring’s vote of the Faculty to accept this change in health benefits for retired Faculty was overwhelmingly positive (146-1-7) and the Faculty Handbook Committee unanimously recommends that the amendment be approved. It is important that all Faculty vote since a majority vote of the Faculty eligible to vote is necessary to adopt an amendment to the Faculty Handbook.