Faculty Benefits Committee  
October 22, 2013  
8:30 a.m., 519 Elliott Bldg.  
Minutes

**Members Present:** Jayant Acharaya, Susan Basso, Jo Anne Carrick, Gary Catches, Linda Clark, Rebecca Craven, Amy Dietz, Peter Jurs, Lori Miraldi, Daniel Nugent, Robin Oswald, Ira Ropson

**Members absent:** Rajen Mookerjee, Chris Muscarella

**Guests:** Mary Beam, Senior Director of Recruitment and Compensation

Call to order – The meeting was called to order by Dr. Ropson at 8:30 a.m.

Introduction of Mary Beam, Senior Director of Recruitment and Compensation

Approval of the minutes—Minutes of the of September 10th, 2013 meeting were approved as written.

**New Business**

Affordable Care Act Presentation – Mary Beamh (30 minutes)

Discussion was held on the requirements that our organization must comply with related to the Affordable Care Act. Important considerations that we are proactively addressing:

- We will be required to offer affordable health care for employee’s working an average of at least 30 hours/wk. If we do not comply the penalties can result in $34 million for non-compliance. Tracking required by the Federal government starting 2014. The measurement period for PSU will be the calendar year as 1/1/14 to 12/31/14 that will identify eligibility for benefits for 2015. It is anticipated that the impact of having to provide benefits to employees could be as higher as $23 million. We need to have thoughtful discussion on addressing this situation.

- Draft information and recommendations were shared with committee.

- PSU approach will be to first examine our employment patterns throughout the system to determine how we are employing people. We need to determine if we should be employing full-time instead of multiple part-time. Our challenge is that we do not have an HR system that can easily track this information. There are many categories of employment that people are working in multiple positions that may constitute a 30-hour employee.

- PSU HR will be required to provide a report to the federal government of our employment status and who is receiving health care coverage.

- PSU will need to examine faculty who are teaching in FT2 contracts to determine the number of credits/semester and whether they qualify for benefits. A measure that is proposed to be used is >9 credits/semester for faculty.

- Discussion continued on the challenges of record keeping, tracking and meeting the compliance with the federal law. Susan Basso shared that there are resources planned to address this issue for the future.
• HR will be working with work units to identify ways to address these concerns and issues. The committee members shared ideas and strategies and things to be explored. These include resources for employees to discuss their eligibility for benefits.
• There may be a risk of setting up a special classification for students who work multiple assignments and restricting non-student employee multi-unit assignments. This is being addressed by examining those wage-payroll individuals to determine if these people should have full time benefits.
• Tracking of this data and employment patterns will require collaboration with HR and the individual work units.
• Discussion was held on ways to share this information with faculty, staff, and work unit managers. Recommendations from the committee included taking a more global approach. Bring into the discussion regarding the benefits or limitations to our current employment patterns. Include that we are making these changes not just to comply with the law but to really look at our employment patterns both in the academic and the staff components. We have to think strategically how to use our resources. We need to get this out sooner than later to people. We need to look at the plan that is not set in stone. As we start measuring we may need to adjust the plan. Recommended to develop a report with key information
• Linda Clark volunteered to examine the information provided and send revisions and recommendations to Mary Beahm mjb12@psu.edu. Other members are encouraged to send their ideas and recommendations also to Mary and to copy Susan Basso smb43@psu.edu.

Old Business
1. Report from the Officers and Chairs Meeting – Ira Ropson (5 minutes)
   Ira reported that discussion was held on the formation of the taskforce.
2. Report from the Joint Committee on Insurance and Benefits - Ira Ropson (5 minutes) – The presentation that we received today on the ACA compliance was the primary content of that meeting.
3. Discussion: Health Care Initiative – Current status and Task Force (45 minutes) Ira Ropson reported that an update is going to be provided by Chair Yarnal at this afternoon’s full Senate meeting.
4. Future Retiree Benefits (TIAA-CREF and SERS) – Robin Oswald (10 minutes) Robin discussed the employee’s received a letter regarding changes in Vanguard share costs expense ratios that reducing fees people pay. The second thing, there is a retirement oversight committee to examine our retirement plan. A consultant was hired and negotiated a lower expense paid to TIAA/CREF to administer our plan. This resulted in a $2 million savings that will be returned proportionally to employees based their current total accumulation in the plan. It was recommended that HR provide a scenario on how the amount the employee will receive will be calculated.
5. Adjournment – The meeting was adjourned at 10:37 a.m.

Next meeting: Tuesday, December 10th, 2013 in 519 Elliott Bldg.

Minutes submitted by
Ira Ropson, Committee Chair