

**Marquette University
Faculty Welfare Committee
Meeting Minutes**

January 16, 2008 , 2:00 – 4:00 p.m; Raynor Library

Present: Dick Abrams
Jackie Kazik
Todd Hernandez [had to leave early]
Iga Hjertstedt
Vicky Romans
Jean Zaroni

Excused absent: Steve Melching
Judi McMullen

Next meeting: Tuesday, February 12, 2008

**I. Discussion with Steve Duffy and Steve McCauley
a. health insurance for retirees < 65**

Steve Duffy provided an historic review of the changes that have occurred in retiree health insurance benefits since 2003. It was explained that “outside auditors” recommended that retirees be separated from the rest of the self-funded insurance pool with premium rates now determined by the experience of that retired group. On 9/3/2003 a letter was sent to active employees warning of the increase in premiums for future retirees. Admittedly, most active faculty are not aware of the letter. Dick Abrams said that it was his understanding that the separation of retirees from active employees was not required by any accounting rules. Steve Duffy said that was correct, but that Marquette would have to show future insurance costs as a liability on its balance sheet if retirees’ insurance were blended with employees. Dick Abrams said it was his understanding that the MU had to show this as a liability on its balance sheet, but that the actual funding of this liability was not required. Steve McCauley said that he would check on this and get back to him.

The committee reviewed several other Catholic/Jesuit school’s [Cardinal Stritch, Alverno, Notre Dame, and Georgetown] benefits/premiums for retirees < 65 and it was discussed that even the most expensive premium from the representative schools was far less than the MU premiums.

It was also discussed and agreed that the cost is prohibitive and retirees are forced to either continue to work until age 65, or look on the open market for insurance coverage. Retirees with pre-existing health problems often are uninsurable and are, essentially, “forced” to stay in the MU plan. Of note is the fact that insurance premiums for this group have increased 40% in 2006 and 40% in 2007, creating these extraordinary premiums.

There is a Healthcare Taskforce currently at MU, but there are no known plans to restructure or reevaluate the current plans. Both Steve Duffy and Steve McCauley encouraged the Committee to seek changes in the current retiree

plan, as they felt the premiums were too high for most people to afford. (see attached premium comparisons)

b. tuition remission

The University changed from the tuition exchange program to the current tuition remission program 4 years ago. The reason for the change was fiscal, although not completely understood. The Fachex system currently is much more restrictive than the tuition exchange program, which includes limited ability to exchange tuition at another Jesuit university – few seats exist.

II. Review/Approval minutes November meeting

Review: minutes were reviewed by the committee

Corrections: there were no corrections to the minutes

Approval: Motion for approval by Iga Hjertstedt

Second: by Jean Zanoni

Motion passed: all in favor none opposed.

III. Discussion – email to University faculty concerning our committee

The committee discussed the email (see November minutes) that was to go out to the entire University, informing them of the existence and charge of our committee.

It was decided as a group that this email might better come from Kristy Nielsen and could discuss the restructuring of the entire faculty governance system. Dick will send an email to Kristy re: sending out such an email.

IV. Committee changes

Dr. M. Roy resigned from the University, and will be replaced with another PT employee. Jean Zanoni has received a promotion and is no longer participating faculty and will be replaced with another faculty member who is participating. Dick will email Kristy Nielsen about these changes to the committee.

V. NEXT MEETING

Next meeting is scheduled for February 12, 11:30 AM - 1:00 PM, Room AMU 233.

The meeting was adjourned at 3:45 p.m.

Attachments that were presented at meeting:

Health Insurance for Retirees Under Age 65

I thought it would be helpful to see what other Catholic/Jesuit colleges provide for retirees, so I decided to look at a few. As you can see below, Marquette University's

health insurance premiums are FAR higher than the other colleges. Considering that Marquette prides itself on its motto: *cura personalis*, I wonder how and why this large discrepancy exists. The costs/premiums listed below all are for 2008.

Alverno College

I spoke with Cindy Meyer in Human Resources, and she told me that Alverno has three types of coverage for retirees: Gold, Silver, and Bronze, with Gold having the best coverage, but Bronze coverage still is very good. Alverno pays 70% of the premium and the retiree pays 30%. The monthly premium for the Gold coverage for retirees under age 65 for single people is \$1,010 and for married people: \$2,463 – the retiree will pay only 30% of these premiums. Thus, the actual cost for a single retiree will be \$303, and for married people \$738.90.

Cardinal Stritch University

Spoke with Sabrina Hooks, who would not tell me precise numbers, but told me that retirees can keep their health insurance and the premium would be about what it would be if the retiree were using COBRA. Under COBRA, an employee can keep their health insurance and would pay 105% of their prior premium.

Notre Dame University

[<http://hr.nd.edu/benefits/documents/RetireeGuidebook2008.pdf>]

You can examine their entire website on line and see all their retiree benefits. Their monthly premiums for health insurance for those under age 65 for single people range from \$310 to \$362, depending on the plan selected, and for married people range from \$620 to \$725.

Georgetown University

[<http://www1.georgetown.edu/benefits/benefitsretirees/medical/14097.html#Plan%20Options>]

Again, their online website has all the retiree benefits listed and discussed. For retirees under age 65, who worked for Georgetown over 25 years, the monthly premiums for single people are \$31.21, and for married people \$343.30. For employees who had 15 to 24 years of service at Georgetown, the monthly premiums for single people are \$93.63 and for married people \$405.72.

Marquette University

[<http://www.marquette.edu/hr/2008RetireeInsuranceRates.shtml>]

For single retirees, the monthly premiums range from \$1,165 to \$1,314, and for married retirees, the monthly premiums range from \$3,085.85 to \$3,611.37. Marquette also has a plan with an EXTREMELY high deductible [\$5,000 for single and \$10,000 for married], and the single person premium is \$815.56 and for married people \$2,141.19.