

**College Benefits Committee  
Meeting Record  
April 11, 2002**

<b>Members Present</b>	<b>Members Absent</b>
Patricia Brooks	B. J. Higgins
Melody Chambers	Terry Kilpatrick
Dr. Martha George	John Sausins
Barbara Hayes Fulton	Kim Velleca
Dr. John Hughes	Tim Whisenhunt
Staci McPhearson	
J. B. Messer	
Joyce Morgan	
Dr. Charlotte Mulvihill	
Darin Young	
<b>Guest</b>	<b>Ex-Officio Members Present</b>
	Larry Robertson
	Carolyn Rouillard
	Elaine Svec

<b>Agenda Items</b>	
1.	Review/Correction/Approval of the March 28 meeting record
2.	Retiree Health Insurance Recommendation Specifics
3.	Flexible Spending Accounts (Section 125)
4.	Other Business

<b>Decisions/Actions/Plans</b>	
1.	Meeting Records (3/28/02) were approved as written.
2.	Retiree Health Insurance Recommendation Specifics were finalized. Dr. Mulvihill was charged to finalize draft and make an appointment to take recommendation in person to Dr. Todd at his earliest convenience. (Recommendation follows this meeting record)
3.	<p>Flexible Spending Accounts (Section 125)</p> <p>A. Aetna was contacted by Carolyn Rouillard, and they reportedly do not do flexible spending accounts.</p> <p>B. Tim McFall, previously with Prudential, now an independent broker, was suggested as a knowledgeable source on possible companies to handle flexible spending accounts. He will be invited to make a presentation to the Committee at the May meeting.</p> <p>C. Third party administrators (TPAs) may be another flexible spending account source.</p>
4.	<p>Other Business</p> <p>The Recommendation to Allow Use of Sick Leave for Family Care in Special Circumstances was put on hold until the Retiree Health Insurance Recommendation is first presented to Dr. Todd.</p>

Next Meeting Day/Date/Time: Thursday, May 9, 3:00 p.m.

Location: CU-7

<b>Agenda Items</b>	
1.	Flexible Spending Accounts (Section 125) Tim McFall
2.	Report from Dr. Mulvihill on presentation to Dr. Todd of the Retiree Health Insurance Recommendation
3.	Other Business

## **MEMORANDUM**

TO: Dr. Robert P. Todd, President

FROM: Charlotte Mulvihill, College Benefits Committee Chair

SUBJECT: Retiree Health Care Benefit Recommendation

DATE: April 15, 2002

The College Benefits Committee has continued deliberations on the burdensome cost of health care insurance for college retirees. Considering that retirees 65 and older must pay a monthly cost for Medicare benefits plus a monthly cost of the college group rate to which Oklahoma Teacher's Retirement pays only about \$103, retirees on a fixed income are increasingly in a difficult financial situation.

The College Benefits Committee unanimously agreed that college retirees with at least ten years of service should have some help in this matter and thus recommend the following plan:

### **Proposed Retiree Health Care Benefit Plan**

Our plan requires a retiree to have a minimum of ten years of service at the college before being eligible for this benefit. Our plan also incrementally rewards for additional years of service up to a maximum of 30 years of service. The plan awards a percentage of the gap between the OTR health insurance payment and the cost of the group plan to an OKCCC employee. The current dollar amount of the gap is about \$138 per month. The lowest amount an eligible retiree would receive would be 30% of the gap.

The plan is:

Eligible retirees with a minimum of 10 years of service will receive 30% of the gap between OTR payment and OKCCC cost.

Eligible retirees with a maximum of 30 years of service or greater will receive 90% of the gap between OTR payment and OKCCC cost.

In between ten years and 30 years of service, continuous one-year of service increments above 30% and below 90% for eligible retirees with more than 10 years of service and less than 30 years of service.

### **Additional Options**

Knowing that budget constraints may limit the ability of the college to provide this benefit, we propose two other options for consideration.

Plan B:

Eligible retirees with a minimum of 10 years of service will receive 30% of the gap between OTR payment and OKCCC cost.

Eligible retirees with a maximum of 30 years of service or greater will receive 70% of the gap between OTR payment and OKCCC cost.

In between ten years and 30 years of service, continuous one-year of service increments above 30% and below 70% for eligible retirees with more than 10 years of service and less than 30 years of service.

Plan C:

Eligible retirees with a minimum of 10 years of service will receive 30% of the gap between OTR payment and OKCCC cost.

Eligible retirees with a maximum of 30 years of service or greater will receive 50% of the gap between OTR payment and OKCCC cost.

In between ten years and 30 years of service, continuous one-year of service increments above 30% and below 50% for eligible retirees with more than 10 years of service and less than 30 years of service.