

**UW System Fringe Benefits Advisory Committee Meeting
November 8, 2013 Minutes**

FBAC Members Attending: Susan Fontana, Steve Guo, Tracey Hofer, Sharon Pink, Mary Kay Sankey

Absent: Fred Kolb

UWSA Staff Attending: Nicole Zimm, Beth Ritchie, LaDonna Steinert, Kara Webber

Agenda Item	Discussion
Review of June 11, 2013 Minutes	Approved
Review of the Committee Appointment Process	<ul style="list-style-type: none"> • Susan Fontana introduced the discussion on the FBAC appointment process by asking how current members were recruited to participate on the committee. It varied by institution. At UW-Milwaukee, the HR director is on the Economic Benefits Committee and, by way of that appointment, is UW-Milwaukee’s FBAC rep. Sharon Pink is the Chair of the Academic Senate at UW-Platteville. Steve Guo was contacted by the HR Director at UW-Whitewater, Mary Kay Sankey was recommended by Wayne Argo when he retired from UW-Stout. • An interest was expressed in utilizing the various governance groups to find nominees. • In addition to a preference to include representatives from UW-LaCrosse, UW-OshKosh and UW-River Falls due to the length of time since they have been represented on the FBAC, we also need to have appointment types well represented. Tracy Hofer, from UW-Stevens Point, is currently the only 9-month academic staff and Mary Kay is the only classified employee on the FBAC. • There was discussion about whether all institutions should be represented on the FBAC. The decision was to add the three members to the currently open seats. The full FBAC can then discuss whether to expand membership to all institutions. • FBAC members and UWSA benefits staff will reach out to HR directors, governance groups and faculty senates to recruit members from LaCrosse, OshKosh and River Falls, preferably with one being classified and one being 12-month academic staff. • The FBAC finalized and unanimously approved the recruitment process and application.
Annual Benefit Enrollment Update and Benefit Changes for 2014	<ul style="list-style-type: none"> • Beth Ritchie provided the update on the fall enrollment period for 1/1/14 coverage. She reviewed the enrollment options available to employees during this period. • Initial self-service enrollment problems with ERA and the annual increase option for individual and family life were resolved within a week. • No changes to state group health insurance benefits except the addition of uniform dental. Health plans that offer any level of dental coverage (all plans but Standard Plan and SMP) will offer the same level of dental coverage in 2014. Provides basic dental coverage; does not cover crowns,

	<p>implants, etc. Uniform Dental benefits are an increase in benefits or no material change for all insured employees except those currently enrolled in Gundersen, Health Traditions, Humana and WEA, for which this is a benefit reduction. Members of those four plans could enroll in EPIC Benefits+ for 2014 without the graduated dental benefit that was offered to all other enrollees during the fall enrollment.</p> <ul style="list-style-type: none"> • In 2014, one vendor will provide health risk assessments and biometric screenings regardless of the health plan. An incentive of \$150 is payable annually to the employee and adult dependents who complete HRA and biometric screening. • VSP offered an open enrollment. For 2014, coverage is increasing for the contact lens allowance, the office visit copay is increasing and the KidsCare benefit was added. KidsCare provides additional coverage for replacement glasses and lenses for children. The premium is increasing for 2014 – VSP’s first premium increase in 6 years. • EPIC Benefits+ increasing annual dental maximum from \$1000 to \$1500. Offered special enrollment with graduated dental benefits (\$750 in 2014, \$1000 in 2015, full benefit in 2016). No premium increase. • Individual and Family Life is increasing the maximum benefit levels. Employee coverage maximum is increasing from \$200,000 to \$300,000; spouse/domestic partner from \$100,000 to \$150,000 and children from \$10,000 to \$25,000. • WRS contributions increasing from 6.65% to 7%; from 7% to 7.75% for executives. • There will be no TSA fee in 2014. Due to newly negotiated admin fees, the fee will be suspended indefinitely.
<p>DOMA Impact</p> <ul style="list-style-type: none"> • Imputed Income 	<p>Beth explained that the June 2013 U.S. Supreme Court decision in the United States v. Windsor struck down a key part of the federal Defense of Marriage Act (DOMA).</p> <ul style="list-style-type: none"> • As of September 16, 2013, the IRS issued guidance that same-sex couples who are legally married in any jurisdiction are recognized as spouses by the federal government. Prior to this date, an employee who covered a same-sex spouse for state health insurance assumed additional tax liability based on the market value of the coverage provided to the spouse (imputed income) and the spouse’s children. They are still subject to additional tax liability for state taxes. <ul style="list-style-type: none"> ○ UWSA Benefits worked with the service center to identify the approximately 2000 UWS employees who enrolled a same-sex domestic partner for health insurance. ○ These employees were contacted to determine if they were married to their same-sex domestic partner and to explain the change in imputed income for those who are legally married. ○ An on-going process is being developed. ○ Note: To enroll a same-sex spouse for health insurance and other benefits, the employee must still submit a Domestic Partner Affidavit to establish eligibility. This applies to all plans except for ERA. ERA is a federal program which recognizes same –sex spouses so marriage will create a 30-day enrollment or change in status period. • Under the federal Family and Medical Leave Act, an employee may now

<ul style="list-style-type: none"> • FMLA 	<p>take FMLA to care for a seriously ill same-sex spouse but only if they reside in a state that recognizes same sex marriage. This means that if the employee lives in MN, IL or IA, they may take FMLA for their same-sex spouse, however, employees residing in WI cannot.</p> <ul style="list-style-type: none"> ○ The FBAC discussed whether they should recommend that there be an employer policy to extend the FMLA rights to employees with same-sex spouses who reside in WI. ○ Because this right is not legally recognized in WI, if an employee used FMLA to care for a seriously-ill same-sex spouse and then requested FMLA for another qualifying event, the time taken to care for the same-sex spouse could not be applied to the employee's annual FMLA leave amount. Only 38 employees self-identified as having a same-sex spouse so the liability of extending the FMLA rights to WI residents is limited. ○ While Mary Kay expressed that all employees should be treated consistently, there was concern that this may too political at this time. UW Benefits Staff was asked to see what other states in similar situations are doing. It should be noted that WI is unique in being surrounded by states that allow same-sex marriage.
<p>Updates</p> <ul style="list-style-type: none"> • Affordable Care Act 	<ul style="list-style-type: none"> • UWSA Benefits office is leading a work group to implement the requirements of the Affordable Care Act. The work group includes legal counsel for OSER. Two phases have been identified: <ul style="list-style-type: none"> ○ Phase 1: Employers were required to notify all current employees by October 1, 2013 of the availability of the Health Insurance Marketplace. This notice must go to all employees, including those not eligible for health insurance. Eighty thousand employees were identified and provided with the notice. The notice was sent electronically unless the employee does not access a computer as part of their daily duties. New employees must receive the notice within 10 days of their start date. A policy is being developed. ○ Phase 2: Work with OSER and identify potential penalties for non-compliance for: <ul style="list-style-type: none"> ▪ Employees who have a waiting period of more than 90 days for coverage. Beginning on 1/1/14, \$100 fine per day per violation. Per state statute, LTEs who qualify for WRS must wait until they have been under the WRS for 6 months before they are eligible for the employer share of health insurance premiums. May also impact student employees working over 30 hours per week. ▪ Less than 95% of eligible employees are eligible for coverage. Waiting for additional federal guidance on whether student employees are counted. Penalties delayed to 2015. ▪ Employees for whom the employee share of premium for single coverage exceeds 9.5% of their annual income. This may affect crafts workers and less than half-time employees who are earning \$9/hour or less. Penalties delayed to 2015.

<ul style="list-style-type: none"> • University Personnel System • Website • Transition of Service Center to UWSA 	<ul style="list-style-type: none"> • University Personnel System project has been on hold since the legislature delayed implementation from July 1, 2013 to July 1, 2015. Work will begin again this winter. We anticipate that the FBAC will be involved in the review of benefits-related issues. • The new UWSA Office of Human Resources and Workforce Diversity website was brought up on September 15. It included the system-wide resources for the Annual Benefit Enrollment period. The URL for the website is http://www.uwsa.edu/ohrwd/. • Effective on December 1, 2013, the Service Center will report to the VP of Finance (Interim VP is Steve Wildeck) rather than to UW-Madison. The service center has a staff of about 100 and will relocate to 660 Regent St. in late spring or early summer. UWSA has hired a new payroll person due to the additional staff and will be hiring a new HR manager as a result of the transition.
Meeting Adjourned	2:40 p.m.

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