

Santa Monica College
Collegewide Benefits Committee
Minutes of the Meeting
November 29, 2007

Present

Sandi Burnett, Co-Chair
Lenore Banders
Martin Goldstein
Jeanette Goolsby
Rhonda Hyatt
Sherri Lee-Lewis
Anna Rojas
Mitra Moassessi

Absent

Marcy Wade

Assistant

Letty Kilian, Staff Assistant
Mimi Vaval, Resource Staff Assistant

Co-chair Sandi Burnett called the meeting to order at 9:35 a.m.

Approval of October 25, 2007 Minutes

Motion was made by Mitra Moassessi and seconded by Martin Goldstein to approve the Minutes of October 25, 2007.
Unanimously approved.

Reports and Discussion

TB Testing - Gloria Lopez reviewed and found that the TB testing checklist generated by Information Technology contained many errors. Member Sherri Lee-Lewis will meet with Darlene Kasch of IT to determine if the programming errors can be corrected.

The Health Services Center will continue to provide employees with TB testing free of charge. However, if the employee does not return within 48 hours to have the test read, a \$10 fee will be applied.

Final Audit - A letter will be sent which notifies the remaining 21 employees (3 administrators; 8 faculty; 10 classified) that, due to failure to comply with the Benefits Audit, health benefits for their dependents will be cancelled effective February 1, 2008.

457 Plan and 403(b) - Member Sherri Lee-Lewis attended a presentation that included 457 Plan and 403(b) presentations by Keenan & Associates and asked if the Committee would consider other vendors other than CalSTRS. The reason CalSTRS is being recommended as the vendor for approval by the Board is that CalSTRS is already part of the Los Angeles County system. An agenda item will be requested of Dr Tsang for placement on the December 10th Board of Trustees agenda, a request that CalSTRS 457 Defined Contribution Retirement Plan be accepted as a vendor.

Up until September 24, 2007, IRS regulations have allowed tax-free transfers of funds between 403(b) providers without any compliance reporting by the District. However, a letter issued by the Los Angeles Office of Education to CBO's, stated that the IRS 403(b) regulations mandate that transfers made on or after September 25, 2007 can only be made to 403(b) vendors that have entered into a written agreement to share certain information for IRS compliance

purposes with the employer sponsoring the 403(b) plan. According to the new 403(b) regulations, the employer will now be responsible for

- becoming informed of all employee transfer activity between vendors;
- applying due diligence by notifying employees of the changes to fund transfers contained in Revenue Ruling 90-24;
- having a plan document and written agreements in place by January 1, 2009 addressing the exchange of information from all vendors involved in any transfers during the entire period beginning with September 25, 2007.

Currently, the District does not have agreements/plan in place to meet the new IRS 403(b) compliance regulations. An option for districts to address this issue is to hire a Third Party Administrator to provide management and administration of the new IRS regulations. At this time, any fund transfers or rollovers between vendors are subject to being taxed. In the event an employee wishes to withdraw funds due to hardship, the District is not in a position to determine if a real hardship exists to allow withdrawal of funds. The TPA is authorized to make such a determination upon verification of proof of hardship by the employee.

The Committee discussed the costs proposed by CalSTRS to provide TPA compliance services. CalSTRS appears to cost less than other vendors.

Motion was made by Mitra Moassessi and seconded by Lenore Banders to urge the District address the issue of 403(b) Compliance and come up with a solution. **Unanimously approved.**

Alternatives For Cost Savings Homework - Co-chair Burnett reviewed the booklet *A Side by Side Comparison of all CalPERS Health Plans* highlighting some of the differences in coverage for PERS Select PPO, PERS Choice, and PERS Care and noted that the PERS Care premium had gone down for 2008.

- Maximum Calendar Year Co-pay
 - PERS Select and Choice PPO - Family is \$6,000; Individual \$3,000
 - PERS Care PPO - Family is \$4,000; Individual \$2,000
- Lifetime Maximum Benefit
 - PERS Select and Choice PPO - Individual \$2 million
 - PERS Care PPO- No limit
- Hospital Admission Deductible
 - Select and Choice PPO - No Fee
 - PERS Care PPO- \$250

With all services, PERS Select and Choice have 20% co-pays, PERS Care has 10%; Select and Choice have fewer days of coverage for some services, and/or maximum dollars allowed for service compared with no maximum.

ING Workshops - Workshops are scheduled for the third week of each month on Wednesdays starting on Wednesday, January 16, 2008 from 11:15 a.m. to 12:30 p.m. Alternate days and time will be considered for maximum employee participation. These workshops will be provided to all employees. ING will provide food.

Spring Health Fair - The spring health fair has been moved to the fall and will be held prior to Open Enrollment. The Committee will schedule a date for September 2008.

Retirement Benefits Workshop - A retirement benefits workshop is planned for Flex Day in March 2008. Member Sherri Lee-Lewis suggested that for maximum exposure to faculty, the sessions be made available to faculty only since it is difficult for faculty to attend workshops during the semester. Flex Day provides the faculty with an opportunity to participate without the usual teaching constraints during the semester. It is easier for classified to attend workshops throughout the year.

Motion was made by Mitra Moassessi and seconded by Jeanette Goolsby to hold sessions for both the classified staff and the faculty on the same day on Flex Day.

Ayes: 7

Abstentions: 1

Other

Co-chair Sandi Burnett provided the Committee with a copy of an editorial, "*The High Cost of Health Care*" and its effect on Americans struggling to pay their medical bills.

Agenda for Next Meeting

- Final Audit Report
- Flex Day Retirement Benefits Workshops
- Fall 2008 Health Fair
- 403(b) Compliance and TPA
- Homework: Continue with Creative Cost-containment Ideas

Adjournment: 10:55 a.m.

The next meeting of the Collegewide Benefits Committee will be held on Thursday, **December 13, 2007 from 1:30 - 3:00 p.m.** in the Library Conference Room.