

Santa Monica College
Collegewide Benefits Committee
Minutes of the Meeting
October 25, 2007

Present

Sandi Burnett, Co-Chair
Marcy Wade, Co-Chair
Lenore Banders
Martin Goldstein
Jeanette Goolsby
Rhonda Hyatt
Anna Rojas
Mitra Moassessi

Excused Absent

Sherri Lee-Lewis

CalSTRS Representatives

Jane Kreidler
Jennifer Baker

TIAA-CREFF Representative

Julio Rivera

Assistant

Letty Kilian, Staff Assistant
Mimi Vaval, Resource Staff Assistant

Co-chair Sandi Burnett called the meeting to order at 9:30 a.m. and asked those present to introduce themselves.

Approval of October 11, 2007 Minutes

Motion was made by Mitra Moassessi and seconded by Martin Goldstein to approve the Minutes of October 11, 2007.

Unanimously approved.

Reports and Discussion

STRS 457 - The Board of Trustees previously approved the TIAA-CREF 457 retirement plan but the method of payment TIAA-CREF requested was not acceptable by the County. As a result, the District could not implement the plan. In an effort to seek other alternatives, the Committee invited representatives from CalSTRS 457 to make a presentation to the Committee.

The 457 Plan is a deferred pension plan. CalSTRS has two types of plans: a Defined Benefit Plan and the Pension 2 Defined Contribution (DC) Plans. The Pension 2 DC encompasses both the 403(b) and the 457 Plans. CalSTRS partners with TIAA-CREF for the purposes of record-keeping CalSTRS accounts. A 403(b) Plan is a retirement plan for employees of public schools.

- An employee can contribute up to \$15,500 of pre-tax income to both a 403(b) and 457 plans.
- If the employee is 50 years old and has worked for the same district for 15 years or more, he can defer an additional \$3,000 to a 403(b) Plan.
- Over 50 years old, the contribution can possibly be increased up to \$20,500 in the 403(b) plan.
- With the 403(b) Plan the employee may not take out the money unless employee is terminated or is at least 55.

- The 457 Plan does not have an age limit for withdrawing funds.
- Funds can be transferred from a 403(b) to the 457 Plan but penalties are involved in transferring funds.
- The 457 and 403(b) plans are set up the same so that retirees can have distribution from both plans.
- By law, CalSTRS can only offer the 403(b) Plan to county offices of education or public schools.
- The 457 Plan carries a requirement to provide education about the 457 Plan to employees.

CalSTRS is working on developing differential compensation workshops on investing; one of the workshops is the 403(b) Compare Workshop to show how to use their website. CalSTRS will customize the workshops to suit the needs of individual districts.

CalSTRS has developed its own one-of-a-kind portfolio which takes into account the employee's retirement date plus the risk factor and provides the following investment choices: conservative, moderate, or aggressive type of portfolios.

CalSTRS is sponsoring legislation for Roth IRA's as another investment alternative. To manage and administer the 403(b) plan and help ensure that districts are in compliance with upcoming IRS regulations, CalSTRS has a TPA called the CalSTRS 403(b) Comply Program. This TPA is neutral, not product-driven; the cost of compliance is \$10 per participant and it can go down to \$4.50 per participant. The cost includes remittance and tracking of funds for both the 403(b) and 457 retirement plans, and assisting the Human Resources departments with their compliance data.

According to the STRS representatives, CalSTRS provides the best 403(b) and 457 portfolios and they will provide the Committee with documents for adopting the 457 Plan. The 457 Plan is a single-vendor environment, which simplifies adoption of the plan. A Board resolution is needed to adopt a 457 or 403(b) plan for the District. The Committee will make a recommendation to the Board of Trustees to approve CalSTRS as the vendor for the pension plans.

Motion

Motion was made by Mitra Moassessi and seconded by Anna Rojas that the Committee recommend that the administration place an item before the Board of Trustees to accept CalSTRS 457 Plan as a vendor. ***Unanimously approved.***

Enrollment Numbers in Health Plans - Resource Staff Assistant Mimi Vaval reported the enrollment numbers in the different health plans.

Academic		Classified	
Kaiser	76	Kaiser	158
PERS Care	233	PERS Care	155
Blue Shield	34	Blue Shield	131
PERS Choice	2	PERS Choice	6
TOTAL	345	TOTAL	450

Mimi Vaval also reported the following changes in health plans during the ongoing Open Enrollment period.

- 2 from Kaiser to Blue Cross (PPO Care)

- 3 PERS Care to Blue Shield
- 2 PERS Care to Kaiser
- 1 Blue Shield to Blue Cross

Benefit Audit Final Result - It was reported that a couple of employees submitted documents after the deadline. Mimi Vaval will provide the Committee with the final count of non-compliant employees at the next meeting.

TB Testing Notification - A report is still pending.

Orthodontia Coverage - Delta Care HMO is offered to District employees as the second plan in dental care which provides orthodontia coverage. The advantage to this plan is that eye care is also available. The co-pay is \$1,300 and the start up fee is \$350.

Pending Contract Change - Pre-tax dollars may not be used to pay dental health premiums (in accordance with tax laws).

Alternatives For Cost Savings Homework - The Committee was given additional time to come prepared to discuss cost-saving ideas as incentives for people to consider switching from PERS Care to Choice. Mimi Vaval will send the Committee members a copy of *A Side by Side comparison of all CalPERS Health Plans*.

Donation of Sick Days toward Catastrophic Leave - The process for donating sick leave toward the catastrophic leave bank is specified in the classified and faculty contracts and it is referenced in the Education Code.

ING Workshops - The Committee co-chairs will meet separately to decide upon the educational seminars to be provided by ING at no cost to the District.

Agenda for Next Meeting

- 2008 ING Workshops Report
- Benefits Audit Final Report
- TB Testing Notification Update
- Discussion on Cost-saving Ideas Homework

Adjournment: 10:55 a.m.

The next meeting of the Collegewide Benefits Committee will be held on Thursday, November 8, 2007 from 9:30 - 11:00 a.m. in the Library Conference Room.

(This meeting has subsequently been cancelled and the next meeting will be on November 29 from 9:30 - 11:00 a.m.)