

MINUTES

Welfare Committee Meeting
Tallahassee Community College

October 18, 2005

I. CALL TO ORDER: Chair Glendon Forgey called the meeting to order at 3:35 p.m.

MEMBERS PRESENT: Jim Gaunt, Margaret Howard, Peter Johnston, Thomas Lehman, Terry Pendleton, Greg Schaberg, Byron Todd, Lisa Velez-Davis

MEMBERS ABSENT: Wes Coleman, Brenda Reid, Kurt Salsburg, Juanita Williams

ALSO PRESENT: Debi Fox, Roberta Ingram (recorder of minutes)

II. APPROVAL OF MINUTES of April 21, 2004 meeting

Motion: Terry Pendleton made a motion to approve the minutes of the April 21, 2004 meeting.

Second: Lisa Velez-Davis. Motion passed unanimously.

III. OLD BUSINESS

▪ **Disaster Volunteer Relief Act**

Margaret Howard announced that the Classified Staff Steering Committee had requested over a year ago that TCC consider adopting a disaster volunteer relief policy. It was included on the April 21, 2004 agenda of the Welfare Committee Meeting, but, because of the many items discussed and the lateness of the hour, the Committee decided to table this item until the next meeting.

Ms. Howard gave an overview of the Disaster Volunteer Relief Act enacted in 1994 by the Florida Legislature. She stated that this statute was enacted for the benefit of state employees in order to allow them leave of absence with pay in order to participate in specialized disaster relief services for the American Red Cross. She further stated that the Classified Staff Steering Committee found that, in addition to the State of Florida, Florida State University, Gulf Coast Community College, and Florida Community College in Jacksonville had also adopted similar policies providing for leave benefits for their employees to participate in disaster relief services.

Ms. Howard led members in reviewing a draft of the College's current Administrative Leave policy which included the addition of administrative leave for disaster relief services for TCC employees. She noted that FCCJ expanded their policy to cover disaster relief services not only with the Red Cross, but with the Florida Division of Emergency Management. She asked the Committee if they might want to include them in the TCC policy. Further comments made by the Committee were that employees would have to be certified with these agencies in order to be granted administrative leave by their supervisor.

Motion: Jim Gaunt made a motion to accept the amended changes to the Administrative Leave policy and the inclusion of leave for certified disaster relief.

Second: Terry Pendleton. Motion passed unanimously.

IV. NEW BUSINESS

- **New IRS Regulations for 401a Plans**

Debi Fox, Benefits Specialist, reported that in June, Bencor, the administrator for the College's IRS approved 401a Plan, notified the College that they ended their business relationship with VALIC, their investment vendor for special retiree payments. TransAmerica Financial Life Insurance Company now serves as the investment vendor for the plan. Bencor asked the College to sign a new agreement transferring the money that had been invested with VALIC to TransAmerica. The College wanted to wait because subsequent to Bencor's new business relationship with TransAmerica, it was learned that the IRS had issued some new regulations pertaining to 401a plans which require "substantial and recurring" non-elective employer contributions be made to the plan. The IRS has not yet issued any guidelines clarifying the definition of "substantial and recurring". For the past three months, Vice President Forgey, Assistant Vice President Jerry Schilling, and appropriate Human Resources staff have contacted several investment companies, met with Bencor representatives, VALIC representatives, discussed this issue with business directors and human resource directors at other community colleges, and decided to postpone making a decision at this time, awaiting the IRS guidelines. Industry experts expect the final guidelines to be issued within the next few months. The College has until June 30, 2006 to make a decision. In the meantime, monies contributed by the College are currently being deposited in a trust account and are earning a respectable return.

This update was for the Committee's information only, and no action was required.

- **College's Dental Plan**

Ms. Fox stated that the College currently has two dental plans; a managed care plan which is a DHMO, similar to an HMO health plan, and the Elite, or Schedule P Dental Plan, which is strictly a reimbursement plan whereby the employee can choose any dentist, pay up front, submit receipts and be reimbursed based on a payment schedule.

Ms. Fox advised the Committee that, currently, under the DHMO plan, there are four providers in the Tallahassee area accepting patients. The Human Resources' office has received numerous complaints from employees stating that it can take anywhere from 3-5 months to get an appointment. If there is an emergency, however, the providers will tell patients to come in right away, but they often can wait most of the day before they can be seen. She stated that the benefits provided by the plan are good, but there are not enough providers to service their clients. The Schedule P Dental Plan, has a very low fee schedule. It was noted that the initial oral examination payment amount is \$24. Ms. Fox pointed out that an initial oral examination today could cost over \$100. She feels that the reimbursement amounts for this plan are minimal and that both dental plans are not adequate to meet the needs of the College's employees. She discussed this problem with Brown and Brown, the College's agent for the dental plans, and requested proposals from other dental plans. Only two proposals have been received so far. Neither includes a list of providers or orthodontic coverage. She is asking permission of the Committee to allow the Human Resources office to continue to receive proposals for review and make

an informed decision based on the best coverage and rates. The plan would be offered at the upcoming open enrollment.

Motion: Peter Johnston made a motion to authorize HR to make an evaluation of the various dental plans and select the best plan to be offered at the upcoming open enrollment.

Second: Byron Todd. Motion passed unanimously.

▪ **Review of College's Short Term Disability Plan**

Debi Fox pointed out that the College is currently offering two short term disability plans, AFLAC and Colonial. She stated that she contacted the College's representative for the Colonial plan and learned that he was no longer our representative and that he hadn't been for the last year. Based on the fact that the College has not received service from a Colonial Representative during the last year, that there are few participants in the Colonial plan, and that Custom Benefits, the College's flexible benefits plan vendor, recently presented the Florida Educators short term disability plan, Human Resources performed a comparison of the AFLAC and Florida Educators plans:

- The monthly benefit for AFLAC is age based. There is no age limit with the plan offered by Custom Benefits.
- Both plans require a 7-day waiting period for the sickness benefit. However, the plan offered by Custom Benefits waives the waiting period if the participant is hospitalized.
- The benefit period for a single disability is 12 months, AFLAC is 3 months.
- AFLAC benefit amount is based on income. With the Custom Benefit plan, it doesn't matter what your income is, you can choose whatever benefit amount you want.
- Currently, 13 of the state's 28 public community colleges offer this plan to their employees.
- The plan offered by Custom Benefits is comparable to the AFLAC plan and offers more competitive rates.

It was requested, based on the above, that the Custom Benefits plan be offered to employees at the upcoming open enrollment. It was suggested by Jim Gaunt that before a decision is made, that HR contact the other community colleges to determine if they are satisfied with the Florida Educators short term disability plan offered by Custom Benefits, and that current participants in the Colonial plan would be grandfathered in.

Motion: Terry Pendleton made a motion to offer employees the Custom Benefits plan, Florida Educators short term disability plan, based on HR's investigation and approval of the plan by other community colleges.

Second: Gregg Schaberg. Motion passed unanimously.

• **New Roth Tax Shelter Annuities effective January 1, 2006**

Currently, the only Roth plans offered at TCC are the Roth IRAs. Ms. Fox stated that the Roth IRAs have a limit of \$4,000 per year if under the age of 50 yrs., \$4,500 if over 50 yrs.

The Roth 403(b) which was presented by AXA Equitable Life Insurance Company is a post-taxed IRA. The limits would be combined with the pre-tax limits under the regular 403(b). This year's limit is \$14,000 under age 50. This would be a combination of both the Roth 403(b) and the Roth IRA. One of the advantages in offering this plan is its after-tax contributions, post tax, so that when withdrawing the monies there will be no tax on the interest earned. Also, there is an income limit requirement on the Roth IRA. If over that limit you cannot contribute to a Roth IRA. Under the Roth 403(b) plan there are no income limits. Debi Fox stated that all providers approved to market tax shelter annuities to College employees would be authorized to market the new Roth 403(b), if approved by the Committee.

Motion: Lisa Velez-Davis made a motion to allow the College to offer this plan.

Second: Peter Johnston. Motion passed unanimously.

V. OTHER RELATED ISSUES/CONCERNS

- Lisa Velez-Diaz announced that several employees have asked why employees can't donate sick leave to another employee. She understood that the matter was going before the Coordinating Committee but she hasn't heard anything. Dr. Forgey said that he recalled that this matter had come up in the past and that the current regulations do not permit the sharing of sick leave by employees. He stated that back in 1997, the general counsel for the Board of Trustees at that time had issued an opinion that there was no authority that would allow the college to adopt this policy. Dr. Forgey stated that he would contact the College's attorney, Bill Mabile, and request his legal opinion on the matter and would notify the Committee.
- Jim Gaunt mentioned that faculty members did not accrue sick leave this past August. Ms. Howard stated that this decision was based on College policy which requires employees to work the majority of the month to be eligible for accrual.
- Terry Pendleton asked if the employee personal payroll information that was previously online was going to be available again. Dr. Forgey said that Information Technology was still working on the program and upon completion the information would once again be made available all employees.

VI. NEXT MEETING

Dr. Forgey announced that he will send out an e-mail each month to see if there are any issues to be discussed by the Welfare Committee. If so, he will schedule a meeting.

VII. ADJOURNMENT

There being no further business to discuss the meeting was adjourned at 5:05 p.m.