

## **SAC Fringe Benefits**

The Staff Advisory Council passed the following resolution at the April 5, 2001, meeting to be forwarded to the senior vice president for finance and administration. As approved by SAC Fringe Benefits Committee 3/12/01.

### **Staff Retirement Plan Resolution**

RESOLVED, that the CWRU Staff Advisory Council supports the proposed changes to the Staff Retirement Plans. A subcommittee of the Council has spent several months reviewing the current retirement plan benefits and has identified a need for improvements in order to enhance or maintain our competitiveness as an employer and to help insure a financially secure retirement for staff who have made careers of service to CWRU.

We support changes to the retirement program that will

1. Increase the contribution level that the University makes to each person's pension plan (Plan B). The current plan is inadequate in meeting the needs for staff who will be retiring within the next 10 years. (These staff members have accrued most of their benefit under the less generous provisions that were in place prior to 1992.)
2. Increase the "growth" factor of the Plan B account balance benefit. In order to provide a better benefit, the plan was designed to have an average annual growth rate of 7%. The plan has failed to achieve this during its first nine years of existence. A new index for growth and/or a more frequent compounding of earnings would yield higher benefit levels for employees who will retire with a substantial number of years of benefit earned after 1992.
3. Offer a higher percentage employer match of funds that staff voluntarily direct into a Plan C account. A successful retirement strategy requires that employees develop a savings plan to fund a portion of their retirement income. Plan C provides a convenient, tax-advantaged vehicle for building these retirement savings. By increasing the employer match, CWRU can offer additional encouragement and inducement for each employee to begin and maintain their own savings plan. Finally, while we are pleased by the prospects for improvement to the current Staff Retirement Plans, we would encourage the University to consider remodeling the current Staff Retirement Plans to be more closely aligned and equitable with the benefits currently offered under Retirement Plan A (for faculty and key administrators). We feel that the University's reputation for providing fair and equitable compensation to all of its employees would be enhanced by these recommended changes.