The UA System Benefits Committee met in the Willis Offices, Monday, June 22, 2015.

On roll call, the following offices and members were present:

Mike Boyd, Director of Benefits, UAB
Sandra Parton, Director of Benefits, UAHuntsville
Patricia Ackers, Assistant Director for Benefits and Compensation, UAHuntsville
David Bertanzetti, Director of Benefits, UA
Nancy Whitaker, Associate Vice President for Administration, UA
Sandra Abrams, Manager of Benefits, UA
Jon Garner, Director of Human Resources, UAS
Katie Osburne, Deputy General Counsel, UAS
Scott McDuffie, Willis
Tania Barfield, Willis
11:00 – 12:00  Sageview (Larissa)
   • Plan Review 1st Quarter 2015
   • RFI Status Update (discussions with VALIC)

12:00 – 12:45  Lunch

12:45 – 1:45  Life/AD&D Renewal
   • Review of revised proposal from The Standard
   • Recommendation to CFO’s

1:45 – 3:00  Credit Monitoring/Identity Theft Protection Services
   • Goal - Employee Benefit? Sponsored or Voluntary?
   • Review of Preliminary Quotes
   • RFP?

3:00 – 3:30  Other Business
Larissa joined the meeting via conference call and stated that the quarterly reports were not ready, she would distribute those to the committee at a later date. VALIC was showing 42 million in assets and this includes all System Accounts. TIAA CREF showing 2 billion in assets.

She stated she discussed issues with VALIC representatives with Paul Fields.

Discussions on the RFI began with David Bertanzetti asking if she had requested that VALIC reduce their basis points to match those that Fidelity quoted. She stated they did not tell VALIC who quoted three basis points lower but they did ask VALIC to reduce by 3 to match the quote from Fidelity. Jon Garner asked if the share class changes affect the fees/points to which she responded yes. The system was at 43 basis points and is now looking at about 30 basis points.

Jon stated that he would like a summary document after the decision is made for VALIC of why they chose to remain with them versus other vendors for reference when discussing with employees.

David Bertanzetti stated he would like to go ahead and add the self-directed funds now instead of waiting which the committee agreed was fine and Larissa will work on that with the vendors. The vendors would push out the correspondence to participants about the changes when they send out the notices concerning the line up changes. Sandra Parton asked if a summary document of our plans could be drafted by Sageview and placed on the Retirement Manager website which Larissa stated could be done.

Jon Garner advised Larissa that he and Katie Osburne with UAS legal were working on plan restatements and would possibly need her assistance with that project in the next year.

The committee thoroughly discussed the options provided by Willis from the Standard. Discussing in depth removing retirees from the plan, allowing the grandfathered retiree rates to increase with and without subsidy from the System. After in depth discussions each campus was going to return to their CFO and decide which way their campus would like to treat retirees and get that information to Jon and Scott. This would allow them to complete the negotiations with The Standard. A sliding scale rate for retirees was discussed which Scott was going to present to the Standard to provide revised rates which the campuses discussed with CFOs their options on retirees. Scott
suggested giving the CFOs two options: no increase for retirees or step increases over years for retirees.

Tania stated that currently the System has the following number of grandfathered retirees:

- UA – 670
- UAB – 2188
- UAH – 134
- UAS – 11

Tania also added at the end of the discussion that Diane Ross with the Standard had received a promotion and would be leaving our account. They have assigned Jessica Maclaren for a few weeks as a trial period. If she works she will stay on the account permanently if not they will post the position to recruit someone for the account. With the renewal standard wanted something temporary until the renewal was finalized.

**Credit Monitoring/Identify Theft Protection**

Scott McDuffie, Tania Barfield and Jamie Ray with Willis
Norma Lemley (UA Legal) and Terri Alexander (UAB Legal) joined via conference call

Jamie Ray with Willis joined the meeting and presented the information they had compiled on the Credit Monitoring/Identity Theft Protection. The first question from the committee was to the legal counsel, are we required to provide protection in the event of a breach. Norma stated that nowhere has she found that we are legally bound to provide this service in the event of a breach.

Norma added that she had a colleague at the FTC that stated there were tons of free options through FTC available and she did not recommend the vendors that provide the services. The committee had further discussions with the proposals that Willis provided. The quotes provided were based on an employer paid benefit with an employee count of 30,000. It seemed the free service allowed you only one credit report per year and a 90 day fraud alert with one credit bureau if your information was compromised. The committee thought the benefit would help employees. Each campus was going to go back to their administration and see if they would be interested in providing this to employees and if so they will then allow Willis to start a full RFP on the benefit.

**Other Business**

Committee

Tania asked if UA thought the HR Gap Assessment was helpful and David Bertanzetti felt that it was and they would address a few areas they noticed.

Campuses discussed who was looking at high deductible plans to which:

- UAH looking at implementing high deductible in plan year 2016
- UAB looking at implementing high deductible in plan year 2017

With no further business before the Committee the meeting was adjourned at 3:30pm.