

UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
RETIREMENT PLAN COMMITTEE
DECEMBER 14, 2017
MINUTES

I. Call to Order

Chair, Michael Odinlo, called the meeting to order at 2:31 p.m.

II. Roll Call

Present	Absent	Guests
Joe Illuminate, Associate Director, Accounting & Finance (voting)	Debra Hammond, Executive Director (voting)	Dennis DeYoung, Certified Financial Planner
Michael Odinlo, Committee Chair (voting)	Jonathan Navarro, Executive Secretary (non-voting)	
Kristen Pichler, Human Resources Officer (voting)	Iris Ramirez, Board Chair (non-voting)	
Avi Stewart, Student Board Representative (voting)	Shelly Ruelas-Bischoff, Associate Vice President of Student Life Student Affairs (voting)	

III. Approval of Agenda

M/S/P (K. Pichler/A. Stewart) motion to approve the agenda for December 14, 2017.

Motion approved by general consensus.

IV. Approval of Minutes

M/S/P (J. Illuminate/K. Pichler) motion to approve the minutes for September 22, 2017.

Motion approved by general consensus.

V. Chair's Report

Chair, Michael Odinlo, was pleased that a date for today's meeting was finally arranged. He welcomed Avi Stewart back to the committee since he was absent from the previous meeting due to graduate school auditions.

VI. Action Items

A. Pension Plan Amendment

M/S/P (K. Pichler/ A. Stewart) motion to approve the amendment to the University Student Union of California State University, Northridge Employees' Pension Plan & Trust allowing direct rollovers from other retirement plans.

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Chair, Michael Odinlo, stated that the reason for the amendment is because the pension plan did not allow rollovers from other retirement plans. This was discovered when a newly hired employee wanted to rollover his retirement funds from a previous employer into the USU pension plan.

The amendment allows direct rollovers, participant rollovers from other plans, and participant rollovers from IRAs. The pension plan will participant rollover contributions from the following types of plans:

1. 401(a) Money purchase 401(k)
2. 403(b)
3. 457(b)
4. Annuity plans described in sections 403(a) and 403(b) of the Internal Revenue Code
5. Traditional IRA

Rollovers are not allowed from Roth IRAs or Coverdell Education Savings Accounts because they are not traditional IRAs.

Motion passes 3-0-0

VII. Discussion Items

A. Third Quarter 2017 Retirement Plan Review

Financial Advisor, Dennis DeYoung, led the discussion providing an overview of balances, the asset allocations, performance, and the FI360 Fiduciary Score Breakdown of the 403(b) and pension plans.

The combined balance of both plans is \$4,837,553 as of September 30, 2017 allocated 75% to stocks and 25% to bonds. The investment performance for the quarter and the last year have been phenomenal with most fund returns averaging more than 15%. The only fund in the loss category for the last twelve months was the American Century Government Bond fund. Total amount outstanding in 403(b) loans was \$144,440.

Financial Advisor, Dennis DeYoung, was happy to report that the FI360 scores for all funds in the retirement plans were in the green zone. This signifies that every fund in the plans meets the established fiduciary score criteria when compared to its peers.

It was decided that Dennis DeYoung would be sending out a quarterly retirement plan review email to plan participants.

B. Retirement Plan Expenses

Financial Advisor, Dennis DeYoung, reviewed the Fee Benchmark Reports with the Committee.

When participant's expenses are taken into account, the USU plan fees (1.22%) are 17 basis points lower than the average plan fees (1.39%). The USU's investment fees are significantly lower than the average plan. However, the USU's recordkeeping fees are significantly higher than the average plan.

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When participant's expenses and the USU's expenses are taken into account, the USU plan fees (1.54%) are 15 basis points lower than the average plan fees (1.39%) due to the USU's Trustee fees being higher than the average plan. Trustee fees are fees paid to Dennis DeYoung and The Ryding Company. The USU pays these fees on behalf of the plan participants, which is the key to keeping the USU's plan expense lower than the average plan,

C. Retirement Health Benefits Plan (RHBP) Update

Associate Director, Joe Illuminate led the discussion by reviewing what has occurred since the last meeting.

The marketing proposal and pricing for the AOA benefits plan was received from Tom Quirk, Benefits Consultant, from Alliant Employee Benefits. Alliant is currently the insurance broker for CSU auxiliary general liability, auto, and workers compensation coverage.

At the last meeting, the committee members were leaning toward selecting the AOA plan. However, after analyzing the AOA marketing proposal, we learned that the benefits in the AOA plan are not as comprehensive as the USU's current plan. The following is a summary of some of the benefit reductions in the AOA plan when compared to the current Cigna plan.

1. Higher calendar year deductibles for both individuals and families
2. Restricted HMO network - less doctor availability
3. Higher prescription deductibles.
4. Higher doctor copay
5. Higher durable medical equipment charge
6. Higher hospital admission charge
7. Copays for MRI and CT scans

In addition, the overall annual premiums for the AOA plan are 2% to 13% higher than the Cigna plan depending on which AOA medical plan is selected.

Another option the committee will consider is to make the current reimbursable plan more robust by increasing the monthly cash benefit which would allow retirees to purchase their own medical insurance policies, Medicare premiums, and supplemental health insurance policies. The USU would also pay premiums directly to insurance companies for dental and vision benefits.

The next steps are to have our actuary run various cost scenarios for enhancing the current plan and to meet with Tom Quirk to go over the AOA marketing proposal in detail.

VIII. Announcements

None

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IX. Adjournment

The meeting was adjourned by Chair, Michael Odinlo, at 3:46 p.m.

Respectfully submitted by,

Joseph Illuminate
Associate Director, Accounting & Finance