

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
RETIREMENT PLAN COMMITTEE
AUGUST 17, 2018
MINUTES**

I. Call to Order

Stephanie Flores-Temix called the meeting to order at 2:34 p.m.

II. Roll Call

Present	Absent	Guests
Arrah Ebot-Enaw, Student Board Representative (voting)		Dennis DeYoung, Certified Financial Planner
Stephanie Flores-Temix, Committee Chair (voting)		
Debra Hammond, Executive Director (voting)		
Joe Illuminate, Associate Director, Accounting & Finance (voting)		
Jonathan Navarro, Executive Secretary (non- voting)		
Kristen Pichler, Human Resources Officer (voting)		
Dr. Shelly Ruelas- Bischoff, Associate Vice President of Student Life Student Affairs (voting)		
Bhernard Tila, Board Chair (non-voting)		

Dr. Shelly Ruelas-Bischoff departed at 3:55 p.m.

Kristen Pichler, departed at 4:10 p.m.

III. Approval of Agenda

M/S/P (J. Illuminate /K. Pichler) motion to approve the agenda for August 17, 2018

Motion approved by general consensus.

IV. Approval of Minutes

M/S/P (K. Pichler/ Dr. S. Ruelas-Bischoff) motion to approve the minutes for May 29, 2018

Motion approved by general consensus.

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
RETIREMENT PLAN COMMITTEE
AUGUST 17, 2018
MINUTES**

V. Chair's Report

The Chair welcomed all the committee members and expressed her excitement in chairing this committee for the upcoming year.

VI. Discussion Items

A. Second Quarter 2018 Retirement Plan Review

Financial advisor, Dennis DeYoung, presented the Second Quarter 2018 Retirement Plan Review reporting the plan's cash balances, asset allocations, and the FI360 Fiduciary Score Breakdown report as of June 30, 2018.

The following table summarizes the cash balances and asset allocations of the 403(b) and pension plans:

	403(b) Plan	Pension Plan
Cash Balance*	\$2,942,131	\$2,275,694
Asset Allocation – Stocks	69.70%	69.84%
Asset Allocation – Bonds**	30.30%	30.16%

*"The Cash Balance" for the 403(b) plan includes \$140,212 in loans to participants.

**"The Asset Allocation – Bonds" category includes the Stable Asset Fund.

D. DeYoung noted that the S&P 500 recorded its best daily performance for the month in June 2018 when the Labor Department reported that employers had added 223,000 jobs in May, beating expectations. The unemployment rate ticked down to 3.8%, its lowest level since April 2000. Average hourly earnings also picked up with wage gains for production and nonsupervisory workers advancing at the fastest pace since the expansion began nearly a decade ago. He mentioned that the economy is operating at or beyond full employment by most measures. Investors are being vigilant on whether the Federal Reserve would accelerate its pace of interest rate increases to head off a potential surge in inflation. The Fed's policy committee met at mid-month and decided to raise the federal funds rate by another quarter point.

DeYoung then discussed the FI360 Fiduciary Score Breakdown report that rates all the investment options in the two retirement plans. The FI360 report uses a color scoring methodology to determine if the investments are meeting the eleven FI360 Fiduciary Score criteria. Funds with scores from zero to 50 are green; funds with scores from 51-74 are yellow; and funds with scores from 75 to 100 are red. The highest score a fund can receive is zero and the lowest score is 100.

As of March 31, 2018, all funds are in the green zone! The USU has a total of 24 investments options in both the 403(b) and pension plan respectively.

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
RETIREMENT PLAN COMMITTEE
AUGUST 17, 2018
MINUTES**

B. Retirement Plan Committee Orientation

Chair, Stephanie Flores-Temix, presented the Fall 2018 orientation whose purpose was to explain the fundamentals of the Retirement Plan Committee. Her presentation included the following topics:

1. Purpose of the committee
2. Responsibilities of the committee and individual committee members (Committee Code)
3. The structure of the committee (voting and non-voting members)
4. Fiduciary responsibilities of committee members
 - a. The concept of being a fiduciary,
 - b. Fiduciary legal liability,
 - c. Limiting fiduciary legal liability
 - d. USU Retirement Plan partners who share are co-fiduciaries with the committee.

Chair, Stephanie Flores-Temix, presented the proposed 2018-19 committee goals:

No.	GOALS
1	Monitor the progress of the implementation of the amended and restated Retirement Health Benefits Plan and make any adjustments as necessary. (May 2019)
2	Provide employees with information and education to assist them, as desired, in acquiring knowledge about personal finance, particularly as it relates to retirement planning. (Ongoing)

Goals will be presented at the next Retirement Plan Committee meeting as an action item.

VI. Action Items

A. Retirement Health Benefit Plan (RHBP) Amended & Restated

M/S/P (K. Pichler/ A. Ebot-Enaw) Motion to approve the Amended and Restated University Student Union Retirement Health Benefits Plan Effective, January 01, 2019.

J. Illuminate proposed to amend the main motion to revise Section 3.08 of the Plan Document.

M/S/P (D. Hammond/J. Illuminate) Motion to amend Section 3.8 Cashout of Sick Time of the University Student Union of California State University, Northridge Retirement Health Benefit Plan to read as follows:

Eligible Employees shall have the right to cash out their accrued sick time as of the date of their retirements from the USU, up to a maximum of \$25,000.

Joe Illuminate used a PowerPoint to present the significant revisions and improvements to the RHBP. Information concerning the advantages of membership in the VEBA was included in the PowerPoint.

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
RETIREMENT PLAN COMMITTEE
AUGUST 17, 2018
MINUTES**

1. Cover Page

The RHBP has been upgraded from a USU Policy & Procedure to an official Plan Document known as the University Student Union of California State University, Northridge Retirement Health Benefits Plan.

2. Introduction and Purpose Page

The Plan Document references the future adoption of the Auxiliaries Multiple Employer Voluntary Employees Beneficiary Association (VEBA) to prefund post retirement expenses.

3. Section 1 Definitions

Added to define key terms used throughout the Plan Document. Includes the newly added definitions of “Emergency Hire” and “Temporary Hire”.

4. Section 2.1 (c) Eligibility Requirements for Employees

An employee, receiving benefits under the USU’s long-term disability policy, is able to participate in the plan if they are at least 57 years of age and has completed a minimum of 18 years of continuous service.

5. Section 2.1 (c) Eligibility Requirements for Employees

A retiree, under the age of 65, who decides to continue participation on the USU’s health plan is not eligible to participate in this plan.

6. Section 2.2 (c) Eligibility Requirements for Spouses/Registered Domestic Partners

Additional protection for the Spouse/Registered Domestic Partner of the Employee.

If an Eligible Employee dies after terminating employment, or before terminating employment but after meeting the eligibility requirements set forth in Section 2.1, the Employee’s surviving Spouse or Registered Domestic Partner who is at least 57 years of age by the end of the calendar year of the Employee’s death shall be eligible to receive benefits under the Plan for their lifetime commencing at age 60, provided that the Spouse or Registered Domestic Partner does not remarry or enter into a new domestic partnership. If the Spouse or Registered Domestic Partner remarries or enters into a new domestic partnership, all benefits under this Plan shall cease.

7. Section 2.3 Enrollment

Language added that the USU will inform the Spouse/Registered Domestic Partner of their eligibility to enroll in the plan in the event of the Employee’s death.

8. Section 2.7 Audit

Section added giving the USU the right to require proof of a Spouse or Registered Domestic Partner’s continuing eligibility in the plan in order to prevent participation through fraud.

9. Section 3.1 Reimbursement of Benefit

The annual Reimbursement Benefit, effective January 01, 2019, is \$18,000 for participants under age 65 and \$9,000 for participants over the age of 65.

10. Section 3.3 Benefits

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
RETIREMENT PLAN COMMITTEE
AUGUST 17, 2018
MINUTES**

Adds language that the USU may directly pay health care providers for Eligible Health Care Expenses in lieu of reimbursing the participant.

11. Section 3.4 Forfeiture

Makes explicit that any benefits not used in the current calendar year will be forfeited and that there is no carryover unused Reimbursement Benefits.

12. Section 3.5 Procedure for Reimbursement

The Procedure for Reimbursement has been made easier for participants. Participants now have up to 30 calendar days at the end of each calendar year to submit claims incurred in the prior calendar year.

13. Section 3.6 Right to Recover Benefit Overpayments

Makes it explicit that the USU has the Right to Recover Benefit Overpayments.

14. Section 3.7 Funding of Benefits

Benefits may be funded using the VEBA or the general assets of the USU depending on the type of expense submitted for reimbursement.

15. Section 3.8 Cashout of Sick Time*

Eligible Employees shall have the right to cash out their accrued sick time as of the date of their retirements from the USU, up to a maximum of \$25,000.

**This language was revised by the committee at the August 17, 2018 Retirement Plan Committee meeting.*

16. Sections 4.1 to 4.5 Plan Administration

Makes clear that the Administrator is responsible for Plan Administration and lists the Administrator's Powers and Duties.

17. Section 4.5 Claims Administrator

Lists the duties of the Claims Administrator (Foy & Associates).

18. Section 5 Claims Procedures

Outlines Claims Procedures for handling the following:

- a. Disputes Concerning Eligibility
- b. Submission of Claims for Benefits
- c. Determination of Claims for Benefits
- d. Review of Denied Claims
- e. Claimant Authorized Representative
- f. Finality of Decision and Legal Action

19. Section 6.2 Right to Terminate: No Vested Benefits

The USU expects to continue the Plan indefinitely. Nevertheless, the USU reserves the absolute and unconditional right to terminate the Plan in whole or in part at any time by action of the Board

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
RETIREMENT PLAN COMMITTEE
AUGUST 17, 2018
MINUTES**

of Directors. In the event the Plan is terminated, Participants receiving benefits as of the Plan termination date and Employees and their Spouse or Registered Domestic Partner who satisfied the eligibility requirements of Sections 2.1 and 2.2 as of the Plan termination date shall continue to be eligible to receive benefits under the terms of the Plan for such individual's lifetime.

20. Section 7 General Provisions

Language added for General Provisions.

21. Section 8 HIPAA Privacy and Security

Language added for HIPAA Privacy and Security.

Amendment, as amended, passes 3-0-0

Main Motion, as amended, passes 3-0-0

B. Voluntary Employees Beneficiary Association (VEBA)

M/S/P (J. Illuminate/D. Hammond) Motion to approve USU's participation in the Auxiliaries Multiple Employer VEBA which incorporates approval of the following:

1. Retirement Health Benefits Plan Resolutions
2. The Auxiliaries Multiple Employer VEBA Participation Agreement.
3. Loan Agreement between the Auxiliaries Multiple Employer VEBA and the University Student Union of California State University, Northridge.
4. Retiree Welfare Benefit Plan of the University Student Union of California State University, Northridge.
5. Auxiliaries Multiple Employer VEBA Trust Agreement.*

**Approval of the Trust Agreement appoints Joseph C. Illuminate as a VEBA Trustee.*

Joe Illuminate led the discussion stating that the VEBA is a professionally managed organization by which USU can pre-fund its retirement liability. The VEBA manages the USU's investments transferred to the VEBA. The earnings or interest earned on the USU's money are used to offset the cost of benefits paid to participants in the Retirement Health Benefits Plan.

Motion passes 3-0-0

VIII. Announcements

None

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
RETIREMENT PLAN COMMITTEE
AUGUST 17, 2018
MINUTES**

IX. Adjournment

The meeting was adjourned by Chair, Stephanie Flores-Temix, at 4:27 p.m.

Respectfully submitted by,

Jonathan Navarro
Accounting Manager