Dear UNH Community Members:

The System Personnel Policies Committee (SPPC) met on Thursday March 17 at Granite State College in Concord to discuss a variety of issues, including benefits reductions that the USNH Board of Trustees have mandated. Two key discussions were on the retirement plan and medical plan.

Retirement Plan
The committee discussed many options to achieving the Trustee-mandated reduction of $1.8 million in match contribution from USNH for non-unionized employees, including 1% for everyone, years of service based contributions, annual caps and lifetime caps. The primary discussion was on the 1% vs. years of service based strategies. Many different viewpoints were expressed during the discussion, citing the feedback that the SPPC reps received from the employees on each campus (e.g. open forums, emails, surveys).

All committee members recognize that nobody wants to lose retirement contributions and that any choice made would be difficult and have an impact on them as well as all USNH employees. While the years of service based strategy was seriously considered and discussed, the committee unanimously supported recommending the 1% reduction for all non-unionized employees to the USNH Administrative Board, which will review the recommendation and alternative strategies and vote on March 24th. Whichever strategy is approved by the Administrative Board will become effective July 1.

Through their deliberations, the SPPC concluded that the more compelling concerns about the years of service based model include:

1. Only 30% of current USNH employees (non-unionized) would bear the impact of the entire $1.8 million reduction. The general feeling was that everyone should share in the reduction.
2. The significant reduction that newer employees would take would not be able to be made up in the future. Indeed, over the course of a career, the 1% reduction yields a better financial result than a service based model where employees would have a match substantially lower than 10% for their first 5-7 years of employment at USNH followed by the full match.
3. From a recruiting standpoint, the significant reduction in the match for new employees would competitively disadvantage USNH.
4. From a retention standpoint, the 1% reduction for all employees was deemed not to have an impact on retention however a significant reduction for newer employees may have an impact on retention of that group of employees.
5. The 1% reduction is more closely aligned with the plan that unionized employees have. The 1% creates less of a gap between unionized and non-unionized employees overall than the years of service based model would provide for many employees.

In addition, the SPPC unanimously supported a recommendation to add a third retirement contribution level. Currently, employees can opt to contribute nothing with no USNH contribution; employees can contribute 2.5% with a 6% USNH match (including the 1% Additional Retirement Contribution, 5% match if ARC was not elected), and employees can contribute 6% with an 11% match (after one year. Employees who did not elect ARC have a 10% match). The SPCC voted to add an employee contribution of 4% with a 6% USNH match. If approved by the Administrative Board, this would become effective July 1.
Also, a majority of the SPPC supported a recommendation to consider allowing hardship loans against the employee 403(b) plans, but significant education and restrictions would need to be in place if allowed.

**Medical Plan**

A consultant to USNH presented four preliminary options to consider for achieving the $2 million trustee-mandated savings from medical plan redesign. Options considered included combinations of increases in co-pays, deductibles and employee contributions to premiums. Lots of questions about implications of each option were asked and ideas debated. There was an overall preference by SPPC members that a plan deductible not be considered, however more analysis and data are necessary before reaching a conclusion.

A subcommittee was appointed to focus on options and data to try to fully understand the options and impacts. The subgroup will report to the SPPC on April 12.

At UNH, we will be providing information within the next two weeks on options and associated costs. We are engaging Healthy UNH staff and the NH Institute for Health Policy and Practice staff and faculty to assist with our discussion. We are also holding an open forum on April 13th from 10:30 - 12:30 at the Strafford Room in the MUB for the UNH community to discuss options.

Medical plan options will be reviewed by SPPC at its May 19th meeting to approve a recommendation to the Administrative Board, which meets May 26th.

**Other**

Proposed Roth IRA and 529 Education Savings Plans were discussed and are in the works for possible implementation in the next 12 months. Also, USNH has been awarded the Wellness Council of America's Gold Workplace Wellness Award and USNH just passed a significant audit by the US Office of Federal Contract Compliance with no findings of apparent deficiencies or violations of federal affirmative action and non-discrimination legislation.

Please continue to visit http://www.unh.edu/hr/total-rewards-information.htm for updates and provide input to UNH SPPC members at unh.sppc@unh.edu

Best regards,

Dave

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