

The Next

Chapter

Association of Retirement Organizations in Higher Education (AROHE)

MARCH 2008



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FROM THE EXECUTIVE DIRECTOR

AROHE IS LEADING THE WAY

AROHE is leading the field of retiree issues in higher education. As we gather support from our retired and non-retired colleagues in colleges and universities around the world, we can better develop our retiree organizations. Toward that goal we need to identify people who are now leading retiree organizations or who are interested in doing so — **To do this we need your help!** Please show your leadership in the following ways:

✿ SURVEY - Complete and encourage your colleagues to complete the AROHE survey. The survey is located at the bottom of our website: www.arohe.org. The survey is providing valuable insight into the trends and practices of retirement organizations in higher education.

✿ CONFERENCE - Plan to attend and encourage other to attend the AROHE Conference. **“Retiree Organizations in Higher Education: Values and Opportunities”**, October 24–26, 2008 at the University of Southern California, Los Angeles, California.

The AROHE conference will commence a celebration of the USC Emeriti Center's **30th anniversary**. As the USC Emeriti Center looks back on its history and appreciates the vision of former leaders, our members have clarified the important roles they play at our university. A catchphrase for our new brochure has emerged: *“sharing wisdom, knowledge, and experience across disciplines, generations, and cultures.”* This concisely describes what we do at USC. We create programs that become exciting learning experiences because they frequently include retirees, current faculty and staff, students, and the community. We hope by highlighting the important

sharing role that we play, we will increase our **value and visibility** and thus uncover **opportunities** for important service, advocacy, and learning.

AROHE too is a sharing organization that crosses disciplines, generations, and cultures.

The upcoming conference will allow us to learn from the AROHE survey, to identify and share our best practices, and to learn from one another through networking.

This union of the conference and information gleaned from the survey will enable our member organizations to lead the way for supporting, serving, advocating for, engaging, employing, and honoring retired faculty and staff in higher education



*~Janette C. Brown, Ed.D
USC*

**SPOTLIGHT ON
THE COLORADO STATE
UNIVERSITY SOCIETY OF
SENIOR SCHOLARS**



The Colorado State University Society of Senior scholars was created by a small group of retired, or soon to be retired, faculty in 2000 in response to faculty initiatives and the recommendations of a special task force of Faculty Council on Emeritus Faculty issues. The name - Senior Scholars - was borrowed, with permission, from a similar organization at Columbia University. The Society is a unit of the University that

reports to and receives funding from the Provost and is a self-governing society.

When the Society was created it had several purposes. The most prominent goal was to facilitate the continued intellectual, creative and social activity of retired faculty. From inception, the Society has focused its activities and purposes on retired faculty, although other retirees and interested people are welcome at Society meetings. Other purposes include serving as advocates for issues important to retirees and as advocates for issues important to the University. As the Society has developed it has become apparent that while continued intellectual activity is important to some retirees it is not equally important to all. An important goal to many is enhancing the status of emeritus and other retired faculty, a group about as large as the number of active faculty. The Society still holds the goal of enabling the continuation of and enhancing scholarly life at the University for faculty and staff who have retired. It is a shared view that retired faculty are not properly valued by the institution they served for many years. Therefore the goal of enhancing status to improve the relationship between retired faculty and the University has become more important to the Society. The Society of Senior Scholars has expanded its goals to emphasize the opportunity for multi-disciplinary scholarly activities and to develop ways to assure that the knowledge and experience of retired faculty are known to and properly used by the University.

A good summary of the Society's purpose is - to assist retired faculty in living productive, rich, intellectually nourishing lives in their retired years. To do this the Society activities include:

- ~ A monthly lecture during the academic year by a member of the faculty or community.
- ~ An oral history project that records interviews with retired faculty conducted by a Professor Emeritus of History and an Archival Librarian from the University Library.
- ~ A handbook on the procedure for retiring from Colorado State University.

➤ An annual survey of the academic accomplishments of retired faculty.

➤ Acquisition of office space on campus (in 2008). Future goals on the way to building an enduring organization include:

➤ Development and regular updates of the Society of Senior Scholars website:

(<http://www.learn.colostate.edu/seniorscholars>).

➤ Acquisition of office staff.

➤ Obtaining an enduring presence for retired faculty in faculty governance

➤ Creating an annual luncheon for new retirees hosted by the President or the Provost.

➤ Maintenance of postal and e-mail addresses of retired faculty.

➤ A quarterly newsletter for retirees.

The CSU Society of Senior Scholars does not have a membership fee. Therefore, we have no specific record of who belongs because there is no fee to belong. I'm happy to report we have 409 names on our list serve for the CSU Society of Senior scholars. Currently, CSU has 625 retired Emeritus faculty and 330 retired non-emeritus faculty. All are invited to join in our activities

~Robert L. Zimdahl
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THE STRATEGIC NEED FOR RETIREE HEALTH CARE



The drumbeat for change grows ever louder concerning public and private funding and delivery of retiree pensions and health insurance. The federal government is cutting back on Medicare reimbursements to

hospitals and raising Part B premiums, even as it has introduced the very expensive Part D drug benefit. The Baby Boom generation is nearing retirement, threatening to overwhelm any governmental, institutional, or individual programs that have not been fully funded. The Social Security and Medicare debates and the relatively new Financial Accounting Standards Board (FASB, for private institutions) and Government Accounting Standards Board (GASB, for public institutions) liability calculations illustrate the staggering future costs of defined benefit promises made. Employers are reducing or eliminating their retiree health coverage. If retiree benefits are to be sustainable into the future, drastic changes must be made.

Higher education demographics are even more tilted toward an aging population, in that many institutions expanded in anticipation of the baby boom generation attending college. This, plus the absence of mandatory retirement and the unique nature of tenure, has created an increasingly older population, with its accompanying issues and costs. Some 72% of faculty is 40 or over, and 25% of faculty is over age 55 (source: Mellon College Retirement Project research, Linda Evers Cool and Kenneth E. Cool, 2000).

The Mellon College Retirement Project, a study of older faculty at liberal arts colleges, funded by The Andrew W. Mellon Foundation, documented that retirement rates are slowing and that access to and affordability of health care are central preoccupations of many faculty grappling with retirement decisions. The study showed that the degree to which colleges and universities provide post-retirement health benefits and the level of employer contributions to those benefits typically advance or impede the retirement decision by 18 to 36 months. Further actuarial studies conducted with a sample of large and small institutions confirmed the growing financial consequences of institutional inaction in the face of the demographic shift in the academic workforce. Delays in retirements by any substantial percentage will have financial implications in many areas:

ⓐ End-of-career salaries will drive salary budgets upward.

ⓑ Percentage-based pension and FICA benefits and higher health insurance utilization for this aging population will further strain the compensation pools.

ⓒ Retirement incentive packages, often with multi-year salary and benefit inducements will consume greater resources.

ⓓ Retirement health insurance benefits delivered on the traditional defined-benefit platform will grow geometrically in campus budgets with a larger and longer-lived population and increased health insurance costs.

ⓔ With growing imbalances in the federal government trust funds, older employees will be forced to absorb the inevitable higher cost sharing of our national social insurance programs, Social Security and Medicare.

ⓕ If older employees decide not to retire because of concerns about retiree health care, campus leaders will incur significant opportunity costs for institutional renewal.

Many institutions without a retiree health plan find that in order to allay individuals' concerns about health care and enable them to retire, they may need to offer retirement incentives or continue to carry retirees on their active health insurance plan into retirement; otherwise they may see them stay on in active employment. All are expensive options. Institutions with a traditional defined benefit retiree health insurance plan may be facing large and fast-growing FASB and GASB liabilities. These are accounting standards that require institutions to reflect unfunded liabilities for future benefit promises like retiree health care subsidies on their financial statements. Public institutions for the first time in 2007 were faced with this new accounting standard. Very few institutions have set aside any or adequate funds to fulfill this obligation in the future. They may need to change their plan in order to freeze, reduce or eliminate these unfunded liabilities and safeguard the financial health and borrowing power of the organization.

Much of higher education recognized long ago the virtues of defined contribution retirement plans (predictable pay-as-you-go costs with no unfunded liabilities, shared employer and employee funding, tax-advantaged investment and disbursement) and the advantages of outsourcing of plan design, administration, investment, education, and pension payments to one or two experienced national providers.

Institutions with no retiree health plan currently can adopt a defined contribution plan enabling pre-funding for all eligible employees and additional funding for older employees, either generally or selectively, and also providing nationwide access to group, guaranteed issue health insurance building on Medicare. Institutions with traditional defined benefit plans can switch to a defined contribution arrangement, thereby avoiding FASB/GASB liabilities for newly eligible employees. Remaining FASB/GASB liabilities for grandfathered older active or retired employees who stay in the defined benefit plan arrangement will continue to grow for this closed group until all benefits are eventually paid out. Some lump sum funding or gradual funding arrangements can immediately eliminate or accelerate the reduction of these FASB/GASB liabilities.

With all of the concerns about Medicare funding, as well as projected increases in retiree medical and drug costs, funding for and access to retiree health insurance is essential to enable older employees to retire with confidence. The savings that institutions can realize through lower compensation costs, lower active health insurance costs, and reductions in FAS/GAS liabilities if applicable, could go a long way toward funding the defined contribution plan.

For more information about Emeriti Retirement Health Solutions, please visit their website at www.emeritihealth.org, or call Jolynn Oblak, Marketing Manager at 1-866-685-6565; or e-mail joblak@emeritihealth.org

WE NEED YOUR HELP IN MAKING THE CONFERENCE PROGRAM A SUCCESS



Featured Speakers

The program for our 2008 conference is coming together nicely. We are in communication with several outstanding people to be featured presenters at the conference. Some of these speakers are experts who will inform us of trends and issues that effect our retirement organizations and other speakers will entertain us. It is a bit too soon to announce the featured speakers, those of us involved in the conference planning are very excited about how this aspect of the conference program is coming together.

Member Presentations

While we are excited about our featured speakers, they are only one part of the formula for a successful conference program. **EQUALLY important is the presentations and information sharing by our members. We want to strongly encourage you, ARHOE members, to make presentations during the conference.** Most who have attended an AROHE conference will agree it is the sharing of personal experiences and knowledge by our members that makes attending the conference valuable.

Presentations from all types of AROHE member organizations are needed because we have all types of members! Our organization is composed of large and small retiree groups; groups who are highly formal with multiple programs and others who are loosely structured and casual. Some organizations have paid staff with other groups being guided by officers who are volunteers. Some groups have existed for many years while others are new and still forming. Our

member institutions differ with some being large and others small; some are public and some private.

While much variety among AROHE member organizations exist, it is this variation that makes the sharing among our member organizations so valuable. Often, as a representative tells about their program or approach to a problem, someone from a different organization hears that information as a fresh idea or a solution to a difficulty. This is the type of interaction that makes the conference a valuable learning experience.

We are continuing our call for presentations from our members in order to offer an outstanding conference program. Don't be shy! Tell us about your organization's activities, how you communicate with your members and efforts to get them involved. Presentations need not be highly formalized and they may include more than one presenter.

Ideas for presentations include activities ...getting new members...newsletters...volunteering...awards... institutional relations...revitalization efforts... by-laws...budgeting...the list is endless!

To propose a presentation do one of the steps below. The deadline for presentation proposals is March 28, 2008.

1. Use the *Call for Presentation Form* available on the AROHE website. The form describes possible presentation formats and timelines.
2. Send an e-mail to arohe@usc.edu that briefly describes the proposed presentation and the name of a contact person.

Any questions about proposing a presentation for the 2008 conference should be directed to: arohe@usc.edu.

*~Linda Pearson
University of Indianapolis*



CALL FOR PRESENTATIONS
 AROHE's 4th Biennial Conference
**Retiree Organizations in Higher Education:
 Values and Opportunities**
October 24-26, 2008
University of Southern California -- USC
 Los Angeles, California

AROHE's biennial conference brings together AROHE member organizations, university administrators, and others from colleges and universities across the United States and Canada to explore trends and models of retirement in higher education.

We are seeking members of retiree organizations, those interested in organizing a retiree group, retired faculty and staff, institution administrators, and others who can provide experience, insight, research, and information of interest to retirees, pre-retirees, higher education institutions, and others that serve these populations.

We encourage a variety of presentation types including those that are of a practical "how to nature," focused on timely issues, describe innovative and successful practices, or present relevant inquiry and research. Varied formats are welcome and may include describing a program or activity at a roundtable, an issue focused panel discussion, or a formal presentation. Ideally, the presentations will help conference participants to increase their organization's value and create opportunities for retirees and retiree organizations on their campus.

Use this form to submit your proposal; the deadline for proposals is March 28, 2008.

1. Please circle or check the category most suited to your presentation:

- | | |
|---|---|
| <input type="checkbox"/> Advocacy/Benefits | <input type="checkbox"/> Partnering/Partnerships |
| <input type="checkbox"/> Awards/Recognition | <input type="checkbox"/> Programs & Services |
| <input type="checkbox"/> Communications/Retiree Relations/Marketing | <input type="checkbox"/> Research/Teaching/Mentoring |
| <input type="checkbox"/> Community Outreach | <input type="checkbox"/> Retiree Organizations as Viable & Vital Entities |
| <input type="checkbox"/> Education/ Lifelong Learning | <input type="checkbox"/> Retirement Education/Transition to Retirement |
| <input type="checkbox"/> Employment/ Rehiring Retirees | <input type="checkbox"/> Securing Support From Your Administration |
| <input type="checkbox"/> Funding Strategies/Resources | <input type="checkbox"/> University Relations/Service/Ways of "Giving Back" |
| <input type="checkbox"/> Guidance for New/Forming Organizations | <input type="checkbox"/> University-Sponsored Housing |
| <input type="checkbox"/> International Opportunities | <input type="checkbox"/> Volunteers |
| <input type="checkbox"/> Leadership/Officer Development | <input type="checkbox"/> Health Issues |
| <input type="checkbox"/> Models of Involving & Engaging Retirees | <input type="checkbox"/> Other _____ |

2. FORMAT: Check or Circle the **format best suited to your presentation:**

- Poster Session Round Table Workshop Panel Presentation

Poster sessions and round tables are informal ways to present information and speak individually and in a group, while workshops and panels offer audience participation. Presentations are more formal; all are avenues to share practical, research, or academic content.

3. LENGTH: Indicate the approximate length of time needed for your presentation

- 15 min 30 min 45 min 60 min 70 min 90 min

4. DESCRIBE YOUR PRESENTATION:

A. What is the TITLE of the presentation?

B. Briefly DESCRIBE the topic and content of your presentation:

C. List the name(s) of the person(s) and their organization affiliation who will make the presentation:

5. CONTACT INFORMATION: Please provide a contact person for the presentation.

Contact Name:	Institution:
Mailing Address:	Retirement Organization:
Email:	AROHE Member: Yes / No
Phone:	Fax:

AROHE reserves the right to decline proposals and/or adjust the length or format of the presentations to best serve the purpose and goals of the conference.

Member organizations are invited to bring and display printed materials (registration at the conference is required). Others may purchase exhibit space, with a 20% discount to Affiliate Members.

Send or Fax this form to:

AROHE
3715 McClintock Ave., Room 220
Los Angeles, CA 90089-0191
Email: arohe@usc.edu
Fax: (213) 740-7120

Remember! March 28, 2008 is the deadline to submit your proposal

Information about the conference and copies of this form are available on the AROHE website
<http://www.arohe.org>

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