

Date: May 6, 2016
Attn: Academic Senate Executive Board
By: Faculty Environment and Employment Committee (FEEC)
Chair: Ron Ben-Ari
Co-Chair: Ashley Uyeshiro Simon
Members: Robert Bailey, Kerry Fields, Michael Nichol, Consuelo Siguenza-Ortiz, Neeraj Sood,
Tracy Tambascia, Nicole Zoto

Retirement Benefits Comparison Report and Recommendations

Background:

- Recruitment and retention of high-quality faculty may be influenced by the benefits available to active and retired faculty.
- The American professoriate is aging along with the general population.¹
- The age distribution of USC faculty is 24 - 95 years old, and approximately 20% of benefits eligible faculty are in the age range in which retirement typically occurs.
- FEEC was charged to review whether USC retirement benefits are comparable to, and competitive with, other institutions.
- USC compared very well against ~ 20 research and other institutions in the 2012 Alfred P. Sloan Awards for Best Practices in Faculty Retirement Transitions survey collected and analyzed by the American Council on Education (ACE). One exception was the absence of a subsidized retiree medical plan, as over 90% of the other institutions surveyed indicated that they fully (~27%) or partially (~63%) subsidize medical insurance for retirees.
- The FEEC identified three peer institutions (UCLA, Tufts and Carnegie Mellon) and four aspirant institutions (Harvard, Princeton, Stanford and Columbia) to which USC benefits were compared.
- Data was compiled for the FEEC by the Emeriti Center, Office of Benefits Administration and the Office of the Vice Provost for Academic and Faculty Affairs which collectively included benefits for active and/or retired faculty.

FEEC Activities:

1. Identification of the following benefits for comparison based on elements defined in the ACE survey data and through dialogue with Debbie Jones, Retirement Navigator, and Debbie Fabanish, Director, Retirement Plan Administration.
 - a. Health Benefits
 - b. Income Savings
 - c. Tuition Benefits
 - d. Phased Retirement
 - e. Recall to Service
 - f. Pre-Retirement Training
 - g. Parking
 - h. Email in Retirement
 - i. Faculty Club
 - j. Miscellaneous Services
2. Review of the benefits comparison table (attached) compiled for the FEEC with data from the Emeriti Center, Office of Benefits Administration and the Office of the Vice Provost for Academic and Faculty Affairs.

3. In-person dialogue with Debbie Jones, Retirement Navigator, and Debbie Fabanish, Director, Retirement Plan Administration.

FEEC Findings:

1. The USC benefits are comparable to, or are more generous than, the institutions identified in all categories except retiree health plans.
2. The benefits reviewed apply equally to tenure track and research, teaching, professional and clinical track faculty. The benefits apply to part time faculty where noted.
 - a. Health Benefits: USC lacks a retiree medical plan but, if 65 years or older, retirees may purchase a Medicare supplemental plan, USC Senior Care. If younger than 65 years old at retirement, may purchase USC Senior Care when 65 years or older. Most other institutions provide multiple subsidized health plan options for retirees.
 - b. Income Savings Benefits: USC provides a plan that fosters more broadly the ability to accrue savings than the other institutions.
 - c. Tuition: USC benefit is comparable to, or more generous, than the other institutions, with regard to the tuition benefit for eligible dependents that attend USC, but the reciprocal exchange program does not give access to other elite institutions. The FEEC preferred the model at Stanford where a value up to 50% of Stanford's tuition can be applied to any other undergraduate institution for eligible dependents.
 - d. Phased Retirement: USC's phased retirement program exceeds those offered at the other institutions and appears to provide an excellent vehicle for faculty to transition from fulltime employment to retirement.
 - e. Recall to Service: USC's recall to service program is an excellent option for Dean's to capitalize on the expertise and capacity of retired faculty interested in contributing to university activities.
 - f. Pre-Retirement Training: USC offers more pre-retirement training than the other institutions.
 - g. Parking/Email/Faculty Club: USC is comparable to the other institutions.
 - h. Miscellaneous: USC does not provide retirees online access to library services.

FEEC Recommendations:

1. Continue the faculty and retiree benefits reviewed as currently offered by USC with consideration of the following improvements:
 - a. Provide subsidized health plan options to retirees.
 - b. Change the current tuition benefit by adding the option of USC contributing the value of up to 50% of USC's undergraduate tuition for eligible dependents accepted to undergraduate institutions that are not on the list of institutions participating in the reciprocal tuition exchange program.
 - c. Establish a goal for representation of retirees on University Committees.
 - d. Confer Emeritus status to retirees whenever possible.
 - e. Provide all retired faculty with online access to library services.
 - f. Provide discounted parking to retirees who are not eligible for the Gold Card from the Emeriti Center.

Anticipated Barriers:

1. Cost

Contributors:

- Janette Brown, Ph.D.
- Debbie Jones, Retirement Navigator
- Awilda Bregand, Executive Director, Office of Benefits Administration
- Debbie Fabanish, Director, Retirement Plan Administration

References:

1. R. Clark, M. d'Ambrosio (2005). Recruitment, Retention, and Retirement: Compensation and Employment Policies for Higher Education, *Educational Gerontology*, 31:5, 385-403, DOI 10.1080/03601270590921663
2. 2012 Alfred P. Sloan Awards for Best Practices in Faculty Retirement Transitions survey collected and analyzed by the American Council on Education (ACE)