

# The University Senate of Michigan Technological University

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## PROPOSAL 35-95

### **SUPPORT OF CONTINUING FINANCING OF SELF-FUNDING FOR THE TIAA-CREF RETIREE MEDICAL COVERAGE**

The Senate unanimously supports continuation of the retiree health benefit self-funding plan approved by the MTU Board of Control July 17, 1992, and instituted as University policy on October 19, 1992.

We further strongly urge that any changes in the existing compensation package, proposed or contemplated, be reviewed by the Senate prior to decisions being made.

It is the understanding of the Senate that the sense of the 1992 commitment by both the Board of Control (BOC) and the faculty and staff was that this program was a long-term commitment to provide TIAA-CREF retiree health care. This understanding was developed by both review of BOC minutes and meeting with Bert Whitten, who was the administration representative in negotiating the program. The semiannual reviews of the program were intended to monitor the financial details of the plan to determine if the assumptions and associated financing commitment were consistent.

We recognize that the underlying actuarial assumptions need to be revisited periodically, and that appropriate adjustments will need to be made. In fact, the assumptions should be revisited soon because of the much lower rate of change in health care costs since 1992. However, these periodic reviews are intended to assure the continuity of the program, and should in no way compromise the continuity of the TIAA-CREF retiree health care program and the associated prefunding philosophy.

**Rejected by Senate: May 3, 1995.**