Summary

During FY 2014, the ARF office relocated to Rooms 206 & 207 in the Nopper Building, 920 Technology Blvd, MSU Innovation Campus (formerly called the Technology Park). The Nopper Building also houses HR and some components of the Alumni Foundation. Parking is plentiful and the office is easier to reach than the former office.

Following up on a suggestion from ARF, Laura Underkofler and her associates in HR designed a brochure of benefits and privileges available to retired faculty. We appreciate this effort to assist retirees. However, the brochure list of official benefits and privileges falls short of the desirable and realistic list that ARF proposed to the administration. ARF will continue to advocate for MSU retirees, seeking a benefits and privileges package that, at least, achieves parity with the U of M.

The 2013 state legislature passed a bill that potentially would reduce the GABA (cost of living increase) of TRS pensions from 1.5% to 0.5%. This legislative action has been challenged by a lawsuit. A preliminary injunction has kept the law from being enforced. The trial will take place in early 2015.

In FY 2014, ARF continued its efforts to secure the best possible health insurance options and to help retired faculty make a prudent selection from among those options. ARF members on key Montana University System (MUS) benefits committees were able to participate in the evaluation and selection of MUS health insurance options. During the Choices enrollment period, ARF sponsored a variety of informational presentations and consultation sessions for faculty retirees in addition to those provided by HR. ARF also has a representative on MUS committees that are influential in determining retirement savings procedures and programs.

During FY 2014, ARF continued its liaison, program, and service functions, including:

- Hosting the Brown Bag Luncheon Series of presentations.
- Serving as a key information source for retirees, faculty contemplating retirement, and faculty in the process of retiring.
- Meeting with MSU administrators to discuss issues of mutual interest.
- Attending meetings of the various MSU Councils.
- Visiting MSU dean and department heads to discuss strategies for maintaining connections between retired faculty and MSU.
- Expanding and updating its web site.
- Sending announcements via email and an occasional newsletter, all to keep the retired faculty informed about activities, current issues, and forthcoming events.
- Participating in AROHE, the consortium of university retirement organizations.

The ARF Executive Committee advocates the creation of an administrative unit at MSU to facilitate retiree connections to the university to provide programs and services to all MSU retirees. In discussions with its membership and with the MSU administration, the unit is called the Emeritus College, a designation widely used by American universities. If the Emeritus College is formed, ARF would be a subunit within the college.

The most serious problem facing ARF is that too few retired faculty are active participants. In order to continue timely advocacy for retired faculty and to make progress on projects for improving both retirement policies and retiree connections to MSU, retired faculty volunteers are needed to work on projects and/or serve as officers.
Background

Mission: MSU Association of Retired Faculty
The Association of Retired Faculty (ARF) at Montana State University was founded in 2004 to
- foster the benefit, interests and well-being of retired faculty through social, educational, and promotional activities and
- encourage continuing retiree contact and involvement with the University, thereby helping to enrich the personal and professional lives of persons in the University and the greater community.

Membership
All faculty members who retire from MSU are eligible for voting membership in ARF. Soon-to-be-retired faculty, retired faculty members from other institutions of higher learning who have a relationship with MSU, and spouses of MSU retired faculty are eligible for associate (non-voting) membership. During FY 2014, ARF had 35 dues-paying members and a few newly retired members for whom dues were waived.

Dues
Regular dues $15/yr
New retiree No dues during 1st year
Associate members No dues

Support for ARF beyond regular dues
Sustaining members $25
Contributing members $50
Benefactor $100
Life-time membership $200

FY 2015 dues can be mailed to the ARF treasurer, Don Mathre, 731 South 12th Ave, Bozeman, MT 59715. Make checks payable to the MSU Association of Retired Faculty.

Financial
As of June 30, 2014, ARF had cash on hand of $3239.78 with one outstanding debt of approximately $500. Funds derived from dues are used primarily to support brochures, the Capstone Lecture series, the annual meeting, and the monthly luncheons. ARF appreciates the operations support provided by the MSU Office of the Provost, including dues for ARF’s membership in the Association of Retirement Organization in Higher Education (AROHE), and support to attend regional and national retirement organization meetings.

ARF Executive Comm members and spouses @ Retreat June 2014

FY 2014 officers
President: Pierce Mullen
Vice-president: Open
Secretary/Treasurer: Don Mathre
Director of Programs: Jerry Coffey

Non-officers on 2014 ARF Executive Committee
Marty Hamilton, Past President of ARF
Ken Hapner, Past IUBC Retiree Representative
John Jutila, Past President of ARF
Bob Swenson, Past President of ARF
Doug Young, Current IUBC Retiree Rep

Purpose of this report
ARF submits a report to its membership at the end of each fiscal year. The report is published on the ARF web site and is distributed electronically to the membership and to MSU officials including the MSU President, Provost, Faculty Senate, Human Resources, and Alumni Foundation. This report describes ARF’s activities during FY 2014 and its plans for FY 2015.
FY 2014 programs and services

**MSU policy for granting Emeritus recognition**

For many years ARF has pressed the university to establish a uniform and more inclusive policy for granting Emeritus status upon retirement. The Faculty Senate approved a modified version of the ARF proposal, checked that it conformed to the Board of Regents’ Emeritus policy, and submitted it for inclusion in the MSU Faculty Handbook. ARF understands that the new MSU policy will appear in the next version of the Handbook.

**MSU retirement policies**

Possibly because of the historical dominance of TRS retirements, the MSU retirement policies are more restrictive than at peer institutions where defined-contribution plans like the Montana University System Retirement Program (MUSRP) are the standard. In the last decade, many universities have developed a number of strategies and policies that provide flexible options for retirement under defined-contribution plans. ARF believes that MSU should follow suit and establish new retirement policies for making retirement more attractive and providing an opportunity to transition into retirement. During the transition period the retiring faculty member possibly could remain engaged in teaching, research, or service activities at the university, but at a reduced level. Because MUSRP retirements are just beginning at MSU, this is an opportune time to create policies that will allow MSU to retain the knowledge and experience of senior faculty and to hire potential-laden young faculty. In FY 2013 ARF prepared a position statement requesting the creation of new MSU policies for:

- retirement incentives,
- phased retirement,
- post-retirement employment, and
- rights, benefits, and privileges accorded retired faculty.

During FY 2014, the MSU Faculty Senate adapted ARF’s document to form its own phased-retirement policy for MUSRP retirements; that policy is in the final stages of the university’s approval process.

The bad news is that the 2013 Montana Legislature promulgated new rules (HB 54 and HB 78) that make it more difficult for university TRS retirees to participate in post-retirement employment. An important requirement for recent retirees is a 150 calendar day break in service (see the “Key Information” section of the page at https://trs.mt.gov/trs-info/recipients).

**MSU Benefits and Privileges for Retired Faculty**

ARF believes that, by offering a generous list of rights, benefits, and privileges to retired faculty, MSU can build good will among retired faculty, encourage retirement by senior faculty, and increase the morale and retention of active faculty. In FY 2013, after studying the faculty handbook, searching MSU web pages, and interviewing MSU officers, ARF recommended that the university adopt a specific list of benefits and privileges for retirees (see ARF’s FY 2013 Annual Report, accessible from the web page at http://www.montana.edu/retired/officers.htm).

During FY 2014, Laura Underkofler, who is the Retiree Benefits Specialist in MSU Human Resources, created a benefits and privileges brochure for HR to distribute to retired faculty. The brochure fills an important gap in the information available to retiring faculty and ARF appreciates HR’s effort. However, the brochure necessarily is confined to the current official benefits and privileges and excludes some important, feasible benefits and privileges. In FY 2015, ARF will continue its advocacy for its whole recommended list.

**MUS Retirement Programs**

**Policies and Procedures**

ARF has representation on the Pension and Retirement Task Force tasked with the revamping of MUSRP, the University System defined contribution retirement program.

**Legislature reduces the GABA for TRS pensions**

The 2013 Montana Legislature passed a bill (HB 377) that potentially reduces the guaranteed annual benefit adjustment (GABA) for Teachers’ Retirement System (TRS) pensions from 1.5% to 0.5%. Six current or retired educators and the
MEA-MFT filed a lawsuit in October, 2013, challenging the GABA reduction. They asked the court to find that HB 377 created unconstitutional violations of the contracts clause and the takings clause of the Montana Constitution. On Dec. 27, 2013, District Judge Mike Menahan granted a preliminary injunction to block TRS from reducing the annual cost-of-living raises. As a result, the annual cost-of-living increase will remain at 1.5 percent for now.

District Judge Mike Menahan has ordered a 3-day bench trial starting on March 9, 2015. The discovery period ends October 13, 2014. All pretrial motions, including motions for summary judgment, must be submitted on or before November 13, 2014. A formal settlement conference with a neutral third party settlement master must be scheduled on or before January 13, 2015, and a pretrial conference is scheduled for February 26, 2015.

ARF must now decide what course of action will best support the lawsuit. ARF will strive to protect the right of TRS members to the GABA guarantee they planned for when deciding whether to remain at MSU as well as in determining if and when to retire.

### Recent events of importance to faculty retirement at MSU

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>All new faculty hires required to enroll in the MUS Retirement Program (MUSRP); TRS no longer an option</td>
</tr>
<tr>
<td>1994</td>
<td>Mandatory retirement age illegal for tenured faculty</td>
</tr>
<tr>
<td>1998</td>
<td>Universities allowed to offer voluntary retirement incentives that are age-dependent; this decision led to a variety of new ways to encourage retirement and to new rights, privileges, and benefits for retirees</td>
</tr>
<tr>
<td>2002</td>
<td>Inaugural meeting of AROHE which became the clearing house and repository for retiree information and programs</td>
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<tr>
<td>2003</td>
<td>AAUP published its <em>Survey of Changes in Faculty Retirement Policies</em></td>
</tr>
<tr>
<td>2004</td>
<td>MSU Association of Retired Faculty founded</td>
</tr>
<tr>
<td>2008</td>
<td>The “great recession” diminished the value of many MUSRP investments</td>
</tr>
<tr>
<td>2011</td>
<td>MUS IUBC partitioned health insurance for retired faculty into two distinct premium classes based on the Medicare eligibility of the retiree &amp; spouse</td>
</tr>
<tr>
<td>2013</td>
<td>Montana legislature reduced the TRS retirees’ GABA (TRS members filed a lawsuit, the reduction temporarily is blocked, &amp; a trial is scheduled for 2015)</td>
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### Health insurance benefits

Annual changes to the Montana University System (MUS) Health insurance program are a concern for retirees. During this past year ARF continued its efforts to inform retired faculty about medical insurance choices. ARF members served on some influential committees. Doug Young served on the MSU Benefits committee and the MUS Interunit Benefits Committee (IUBC). Ken Hapner served on the MSU Benefits Committee and the Pharmaceutical Technical Advisory Committee associated with our University pharmacy program (URx). IUBC is influential in shaping retirees’ health care options and committee membership requires a serious commitment of time and energy. ARF expresses its gratitude to Doug and Ken for performing these valuable services.

The main issues for FY 2015 health insurance options included:

- termination of the Traditional Plan and consequent necessity to switch to a Managed Care (MC) plan or the Medicare Advantage plan (MAP);
- premium increase of approximately 8%; and
- changed benefits in the MC and MAP offerings.

To inform retired faculty about the FY 2015 Choices, health insurance enrollment meetings
were held at the Gran Tree Inn April 16-17, 2014. The meetings discussed changes in the Managed Care plans and the New West MAP plan. In addition, Ken Hapner and Laura Underkofler held a follow-up discussion and question period during the April 23, 2014, ARF noon luncheon slot.

The health insurance options (Choices) for retired faculty are difficult to compare. To help the ARF membership make informed choices, Ken Hapner prepared an unofficial, but very informative, spreadsheet of relevant data, such as the premiums, maximum out of pocket and deductible amounts. The spreadsheet helped retirees choose the best plan for individual circumstances.

**Dissemination of retirement information**

ARF gathers and disseminates information about planning for retirement, navigating the retirement process, and being retired. The official sources of retirement information are the MSU Human Resources (HR) office, TRS, or TIAA-CREF. For answers to lingering questions, active or retired faculty members are encouraged to consult [http://www.montana.edu/retired/benefits.htm](http://www.montana.edu/retired/benefits.htm) and [http://www.montana.edu/retired/planning.htm](http://www.montana.edu/retired/planning.htm) on ARF’s web site or to contact ARF and arrange a meeting with a retiree volunteer. Based on its members’ practical experience, ARF members can provide information that complements the essential information provided by the official sources.

In collaboration with MSU Human Resources, Jerry Coffey presented pre-retirement workshops for MSU faculty. Jerry also met separately with individuals who needed additional information about planning their retirements. ARF notes with appreciation the retiree assistance that Laura Underkofler, HR Retiree Benefits Specialist, provides retirees.

**Liaison with MSU**

**Human Resources:** During FY 2014, ARF and the MSU Office of Human Resources became more closely linked. At the invitation of Laura Underkofler, the ARF Executive Committee began meeting in the HR conference room where it would be convenient for HR staff to participate. At one meeting, Laura introduced Cathy Hasenpflug who is the new director of human resource operations. Payroll, benefits, retirees, taxes, and international students will fall under Cathy’s purview. HR staff attends the Brown Bag Luncheon Series and participates in policy and program discussions. Because of their experience and knowledge of retirement issues and policies, their contributions have been very helpful.

**Alumni Foundation:** During FY 2014, ARF held multiple meetings with the Alumni Foundation (AF). ARF and AF have many common goals and concerns; it is expected that both groups will benefit from collaborative initiatives.

ARF joined AF and MSU in sponsoring The President Tietz Celebration held on Oct. 4, 2013. The event included a plaque dedication ceremony, a symposium on “A University Comes of Age: Reflections on the Tietz Years 1977–1990” moderated by Pierce Mullen, and a reception.

Thanks to the assistance of Mike Stevenson, past-CEO of AF, the office for ARF has been moved to 206 and 207 in the Nopper Building, 920 Technology Blvd, MSU Innovation Campus. Go to the east-most door of the Nopper Building, up the flight of stairs, and walk immediately west from the head of the landing. If you would like to use this room, obtain the key from the people in HR at their reception desk. There is one key for the outside door, and one for the office. There is plenty of parking available and it’s free.

ARF volunteers provided a familiar presence for alumni, some of whom were their former students, when they assisted with AF tailgate party at the Bobcat-Grizzly football game.

During FY 2014, AF sponsored two dinners for MSU retired faculty and staff. ARF collaborated with Kerry Hanson, Director of Alumni Relations, in hosting and program production.

At the dinner on Sept. 23, 2013, the program was hosted by Pierce Mullen. Dr. Waded Cruzado, MSU President, delivered a message from MSU and Dr. Doug Young, Emeritus Professor of Economics and a mentor to Engineers without Borders, discussed "Adventures in Retirement—from Montana to Kenya."
At the dinner on May 19, 2014, the program was hosted by Marty Hamilton. Dr. Kitty Saylor, Interim CEO of AF, and Dr. Waded Cruzado, MSU President, discussed progress and planning at MSU. Eric Funk, Professor of Music, and Jack Taylor, Professor Emeritus of Range Science, delivered an entertaining and instructive program of music from the 1950s and 60s.

**MSU Administration:** ARF continued its liaison program with MSU administrators, staff, committees, and councils. On Aug. 26, 2013, the executive committee of ARF met with President Cruzado and Provost Potvin to report on our activities of the past year. Emphasized were the following: the collaboration between Human Resources, AF, and ARF; a celebration for the tenth anniversary of ARF; an extended list of benefits and privileges for retirees, and the many advantages of an Emeritus College at MSU. The ARF representatives informed the MSU leaders about ARF’s progress/plans and sought their guidance and assistance.

In FY 2014 ARF representatives attended meetings of the MSU Councils. Also ARF member Tom Wessel met with various MSU administrators according to a schedule for visiting each department head and college dean at least once every three years. ARF intends to visit new department heads and new deans shortly after they arrive on campus.

The meetings with MSU administrators indicated enthusiasm for ARF’s goals. By maintaining good communication with university constituencies, ARF believes it will be informed about proposed or forthcoming policies that affect retirees and can advocate for retirees when such policies are being developed.

**Retirees at Fall Commencements:** MSU invited retired faculty to take part in MSU commencement ceremonies. A significant group of retired faculty accepted the invitation to march in the Fall Commencement of Dec 14, 2013. ARF appreciates the university’s effort to include and recognize MSU’s retired faculty.

**Emeritus College**

Many American Universities and Colleges have formed a variety of Centers, Organizations, and Structures to provide for the continuing involvement of retirees. One model which has been successful is the Emeritus College. The ARF Executive Committee believes that MSU should establish an Emeritus College or an entity having a different name, but with same mission and sup-
The mission of the Emeritus College would be to provide an environment to support the continuation of the intellectual and creative activities of retired faculty, to help maintain their connections and relationships with the University and each other through a seamless transition, and to encourage the use of their talents as a continuing resource for the University and community.

The by-laws, administrative structure, and level of support differ among institutions. Although the ARF representatives have presented the concept and rationale for an Emeritus College at MSU, it is the responsibility of the university ultimately to form the college, define its position in the university organization, and provide the necessary modest funding.

At MSU, the required funding would be $50-100K per year, the bulk of which would be a half time person to provide administrative support. The administrative support person would take over the duties of the Secretary and Treasurer. The volunteers and the existing dues structure would provide for special events as well as the existing programs. The Emeritus College potentially could set up an account through AF for accepting donations and dues.

The Executive Committee discussed alternative forms of the structure and by-laws. One prevalent view is that the membership would consist of all long-serving retirees, including faculty, staff, professional employees, adjunct faculty, research faculty, and administrators. The minimum service time could be 15 FTE years, for example.

To opt out of appointment to the Emeritus College, there could be a check box on the university’s official retirement form and a route to opt out subsequently via special request.

It is not uncommon for Emeritus Colleges to comprise individual service groups for faculty, professionals, and staff. ARF could be one such group within the Emeritus College, assigned to facilitate faculty-type interactions, such as mentoring, teaching, research, and service.

The prevailing opinion in ARF is that the Emeritus College should be under the Provost with administrative support from either HR and/or AF. Alternative locations for an Emeritus College have been discussed; e.g., HR, AF, Honors Program, or an academic college. The Executive Committee could include one or more past committee chairpersons and representatives from each subgroup – faculty, professionals, and classified staff. The committee Chairperson might also serve as the Dean of the Emeritus College, depending on MUS and IRS regulations.

At the 2014 ARF Annual Meeting, some expressed concern that “college” may not be the appropriate choice of terminology for Montana schools because of MUS rules and regulations. The “college” designation is not critical to the concept. Any name designating a university-wide organization would be suitable. Regardless of the name, the Executive Committee will seek the support of the MSU administration in the task of founding an Emeritus College.

Newsletter (http://www.montana.edu/retired/links.htm)

Don Mathre, Secretary, regularly sends electronic announcements and an occasional newsletter to keep the retired faculty informed about activities, current issues, and forthcoming events. The ARF newsletter (The Bow Wow Times), which is sent to the membership as an email attachment, lists activities, upcoming events, ARF projects, and new developments in federal, state, or university policies that potentially affect retired faculty.
**Retiree Network**

ARF is a member of the Association of Retiree Organizations in Higher Education (AROHE). Issues facing MSU are similar to those at other universities around the country, namely attracting and retaining members, securing administrative support and providing stimulating programs for the membership. Most nationally recognized institutions have full-time paid personnel to perform administrative duties connected with their retiree activities.

Shortly after it was founded, ARF joined AROHE; Robert Swenson was ARF’s first representative at AROHE meetings. Nationally many of the larger universities founded their own retirement groups and so far many of these institutions have not seen fit to join in the national focus on faculty retirement. Some systems, most notably SUNY and the California University System have joined; note that these are public universities and share many of the same issues which we face in Montana. AROHE is headquartered at USC because of USC’s large and active retiree group and USC’s support of a full-time executive secretary, Janette Brown. The AROHE President is Sue Barnes, who is the executive secretary for the UC-Davis campus. This western orientation is good evidence of the necessity of raising retiree issues here in the western states.

ARF membership in AROHE is supported by the Office of the Provost, which is the usual responsibility center of most successful academic retiree organizations. The Provost also supports ARF’s attendance at the biennial AROHE national meetings. This year AROHE meets in Minneapolis, courtesy of the University of Minnesota and the Winona branch of the university.

Sessions at the national meetings of AROHE reflect the concerns we see locally: health and pension issues; crafting programs which will draw recent retirees into the local organization, and relationships between retirees and the university. The thread drawing faculty retirees together is their shared experience working and living in an intellectually challenging environment. Without that, our organization would be little more than one of the usual active senior citizen groups found in Montana communities.

AROHE finds support not only from academic institutions but helps to fund national meetings by soliciting and acknowledging gifts from corporations, some of which are connected to retiree living. ARF has not pursued funding in this way, but given an active group of younger retirees, it is a possible source of funding for more ambitious speaker and travel programs. Check out the AROHE website to become more aware of the national academic retirement picture.

**Web site**

The ARF webmaster Dwight Phillips updated the ARF pages ([http://www.montana.edu/retired/](http://www.montana.edu/retired/)) to provide reliable, current information. The web pages announce forthcoming events, facilitate communication among retirees, document ARF policies and procedures, and provide accurate information for both retirees and faculty contemplating retirement.

**Monthly luncheon presentations**

The ARF Brown Bag Luncheon Series hosted a presentation once a month during the academic year. Each talk was by a knowledgeable expert on a topic of current interest. The series attracted retired and active faculty to the same forum and stimulated conversation about issues of common interest. The series included:

- **Megan Berg on Oct 23, 2013**

  Megan Berg, JD, lawyer at the MSU Alumni Foundation, spoke on "Estate Planning/Charitable Giving: Creating Your Legacy in the Most Tax Efficient Ways."

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Gift Planning
City Alumni Foundation
g@msuaf.org
94-2053

Nov 20, 2013. Dr. Gerald Wheeler, former faculty member in Physics and currently on the science advisory boards of national organizations evaluating science and math education, spoke on “Testing our Kids: An International Comparison of USA Student Performance in Science and Mathematics on a State by State Basis.”

Feb 26, 2014. Terry Leist, MSU’s Vice-President for Finance spoke on "MSU Finances: Challenges and Hopes."


ARF thanks all presenters and attendees. The Brown Bag Luncheon talks have proven popular.

2014 Annual Meeting
The annual meeting was held in the MSU SUB on May 28, 2014. The Exec Committee described activities during FY 2014 and held a discussion of the Emeritus College concept. Because the Nomination Committee could not find candidates, an election of officers for FY 2015 was not held.
FY 2015 Information

**FY 2015 ARF Officers**

- President: Open
- Vice-president (President-elect): Open
- Secretary/Treasurer: Open
- Director of Programs: Jerry Coffey ( jerome.coffey@msu.montana.edu)

**Call for participation**

Because of its effective advocacy for retired faculty and its successful programs for retirees, ARF has become a respected component of MSU and the MUS system. However, in order to continue timely advocacy for retired faculty and to make progress on projects for improving both retirement policies and retiree connections to MSU, more retired faculty members must get involved. A serious problem facing ARF is that too few retired faculty are active participants. ARF urgently needs retirees to work on projects & services and to serve as officers. If you are eligible for ARF membership, please join your colleagues in working at a comfortable retiree pace towards worthwhile and satisfying goals – volunteer by contacting anyone on the ARF Executive Committee. Note especially that ARF needs a President, Vice-president, and Secretary/Treasurer. An election will be held whenever nominations come forward. Submit your nominations to Don Mathre. You can volunteer for an office by nominating yourself.

**FY 2015 Initiatives**

In addition to its regular activities (such as brownbag luncheon presentations, reflection and feedback meetings, Capstone Lectures, and advocacy for retirees), ARF plans the following:

**ARF’s 10th Anniversary Celebration**

ARF will collaborate with MSU in planning and hosting various anniversary events, some of which may become annual affairs. The events under consideration include a dinner and/or lectures on aging and retirement topics, such as the societal impact of longer life spans.

**Rights, benefits, and privileges**

ARF will continue is advocacy for its proposed list of benefits and privileges. The effort will be coordinated with other faculty groups in the state as well as at MSU.

**Emeritus College**

ARF will seek approval from the administration for an Emeritus College at MSU (or an equivalent unit with a different name). The Emeritus College would be an official, modestly funded, Board of Regents approved, unit at MSU. ARF would be absorbed as a component of the Emeritus College.