

COMMISSION FOR HIGHER EDUCATION

Friday, June 8, 2012

DECISION ITEM C:

Resolution to Outline Employee Retirement Benefits

Staff Recommendation

That the Commission for Higher Education approve by consent the a resolution outlining that the default employee retirement benefit plan is administered through the Teachers' Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) except where grandfathered employees have made an irrevocable election to maintain a Public Employee Retirement Fund (PERF) plan administered by the Indiana Public Retirement System.

Background

House Enrolled Act 1270-2012 abolishes the State Student Assistance Commission (SSACI) and Commission on Proprietary Education (COPE) and transfers their employees to the Commission for Higher Education. SSACI and COPE employees are currently covered by PERF while Commission staff, by prior resolutions, receive contributions to a TIAA-CREF plan. To maintain TIAA-CREF as the default employee retirement benefit, an updated resolution is necessary.

Supporting Document

Draft of the Resolution to be approved; final resolution to be distributed at the meeting.



Draft Resolution

Commission for Higher Education Employee Retirement Benefits

WHEREAS the Commission for Higher Education (Commission) has the authority to fix the compensation and terms of employment for the executive officer and staff per IC 21-18-5-4; and,

WHEREAS the Commission for Higher Education by this resolution, outlines its coverage of employees under the Teachers' Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) or the Indiana Public Employees' Retirement Fund (PERF), as follows:

1. Participation

All full-time employees of the Commission occupy positions covered by the Teachers' Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF), which is maintained in whole or in part by appropriations of the state, except:

- a. _____, which such position will be transferred to the Commission from the board of the [SSACI/COPE] which board shall cease to exist on June 30, 2012, and which such position shall remain a position covered by the Indiana Public Employees' Retirement Fund, except as indicated in Section 2 below; and,
- b. _____, which such position will be transferred to the Commission from the board of the [SSACI/COPE] which board shall cease to exist on June 30, 2012, and which such position shall remain a position covered by the Indiana Public Employees' Retirement Fund, except as indicated in Section 2 below; and,
- c. _____, which such position will be transferred to the Commission from the board of the [SSACI/COPE] which board shall cease to exist on June 30, 2012, and which such position shall remain a position covered by the Indiana Public Employees' Retirement Fund, except as indicated in Section 2 below; and,
- d. _____, which such position will be transferred to the Commission from the board of the [SSACI/COPE] which board shall cease to exist on June 30, 2012, and which such position shall remain a position covered by the Indiana Public Employees' Retirement Fund, except as indicated in Section 2 below.

Further, Commission staff that are not full-time employees (e.g. interns, part-time employees, independent contractors) are not covered by either retirement plan.

2. Such positions described in Sections a. - d. shall become positions covered by TIAA-CREF upon the departure of the individual holding such position on July 1, 2012. Therefore all new full-time employees hired after July 1, 2012 and all new full-time employee positions created after July 1, 2012, shall be positions covered by TIAA-CREF.
3. The Commission acknowledges its obligation to appropriate sufficient funds each year to pay the prior service liability of such positions and fund the current cost accruing annually in accordance with Indiana Public Retirement System reporting and payment requirements.

NOW THEREFORE BE IT RESOLVED, that the Commission for Higher Education shall participate in the Public Employees' Retirement Fund retirement plan to the extent outlined above.