

## **PROPOSED RESOLUTION**

Whereas the University of Missouri administration announced on February 6, 2009 that it will no longer fully fund the retirement, disability and death benefits plan, and

Whereas the University of Missouri administration did not engage in meaningful and thorough discussion with faculty and staff governance bodies at either the system or campus levels before making this decision, and

Whereas the absence of meaningful and thorough discussion prevented considering adequately both alternatives and consequences, and

Whereas the University of Missouri administration has not made any explicit and specific commitment to allocate any minimum funding annually for the retirement, disability and death benefits plan, and

Whereas the University of Missouri administration has not made any explicit and specific commitment to establish a maximum funding level for taxing faculty and staff employees for the retirement, disability and death benefits plan, and

Whereas the University of Missouri is now departing starkly and substantially from established higher education policy for retirement, disability and death benefits plans by failing to specify clearly and explicitly the respective contributions for the institution and the employees, and

Whereas the failure to have such clear and explicit standards can lead to arbitrary, unilateral, and unpredictable action by future University of Missouri administrations,

Therefore be it resolved that,

(1) The retirement, disability and death benefits plan changes announced on February 6, 2009 only apply for the 2009-2010 fiscal year (July 1, 2009 to June 30, 2010), and

(2) The University of Missouri administration engage in meaningful and thorough discussion with faculty and staff governance bodies at both the system and campus levels to develop a permanent policy that would become effective with the 2010-2011 fiscal year, and

(3) The permanent policy contain an explicit and specific minimum commitment (e.g., a fixed percentage of payroll) toward University of Missouri funding annual allocations to the retirement, disability and death benefits plan, and

(4) The University of Missouri's annual funding commitment would be no lower than its annual average commitment (as a percentage of payroll) for the past twenty years (1989-2008), and

(5) Any possible temporary excess (defined as more dollars than currently needed to fund fully the retirement, disability and death benefits plan based on actuarial estimates) be placed in a stabilization account to be used exclusively for funding future shortfalls (defined as years in which more dollars than provided by the minimum University of Missouri annual allocation are needed to fund fully the retirement, disability and death benefits plan based on actuarial estimates) with the understanding that a multi-year moving average can be used to determine excesses and shortfalls, and

(6) If additional monies beyond the University of Missouri minimum annual contribution and positive balances in the stabilization account are required for funding fully the retirement, disability and death benefits plan in any given year, which could be based on a multi-year moving average, such monies would come from a combination of University of Missouri funds and taxes on faculty and staff, and

(7) A permanent formula for determining the combined University of Missouri and faculty/staff contributions, including how these faculty/staff contributions are distributed among employees, be developed through the process set forth in #2 of this resolution, and

(8) In any year where the University of Missouri administration thinks employee contributions would be necessary, there would be meaningful and thorough discussion with faculty and staff governance bodies about the funds audit and analysis leading to that determination, and

(9) The permanent policy guarantee that there will be no reduction in the retirement, disability or death benefits for current participants.