From: Carroll, Barbara <barbara.carroll@Vanderbilt.Edu>
Subject: USAC Retirement Proposal

Jenny, Jeff:

The retirement plan proposal that USAC submitted during this fiscal year has been received and considered by Vanderbilt’s senior leadership, and this note is to follow up on that proposal.

Vanderbilt takes pride in attracting and retaining excellent staff and faculty and is committed to a comprehensive and competitive benefits portfolio for employees. As you know, the focus of our attention over the past couple of years has been the trajectory of Vanderbilt’s healthcare costs – by far the largest and fastest growing component of our institutional benefits budget -- which reflect growing healthcare cost pressures and trends nationally. We made design updates to the University’s healthcare plans for 2019, in order to help stabilize and guide the our healthcare programs for the future, while continuing to offer very good plan options for employees and their families.

We make every attempt to balance our benefit program offerings to meet employees’ needs, recognizing of course that we must always operate within reasonable allocations of limited institutional resources that are called upon for many mission-critical purposes, including supporting students’ academic and financial needs.

As USAC’s proposal noted, we do recognize that Vanderbilt’s retirement programs may be less competitive than some of our peer universities. Perhaps in the coming couple of years, once we have a better sense of the impact of the recent changes to our healthcare programs on our ability to proactively manage overall fringe benefit costs, we will be able to revisit whether we can consider new investments in the retirement program.

We will continue to think about ways to enhance our retirement offerings -- and while it may be some time before we can take future steps, please know that we hear you and thank USAC for taking the time to research such an important issue that affects all of us. We appreciate USAC’s commitment to the interests of staff and to the overall welfare of the University. We are in this together, and value your thoughtful perspectives.

Regards,
Barbara Carroll & Eric Kopstain