

Title: Resolution on PERSI Participation and ORP Subsidy
Author: University of Idaho Faculty Senate

WHEREAS University of Idaho employees currently participate in the Optional Retirement Plan (ORP) and have a choice of investing in TIAA or in VALIC;

WHEREAS the ORP options, TIAA and VALIC, are defined contribution plans that have contracts with many other higher education institutions around the country so these plans are very portable for those considering joining the University of Idaho and for University of Idaho employees who leave for other institutions;

WHEREAS many faculty believe that TIAA and VALIC offer individual control and the opportunity for higher returns on retirement investments;

WHEREAS the retirement system known as PERSI and the ORP are two separate retirement systems of the state of Idaho;

WHEREAS since 1990 the legislature of Idaho has directed that a portion of the funds set aside for the retirement of members of the ORP be paid to PERSI even though the ORP participants are not beneficiaries of the PERSI system in their roles as ORP participants;

WHEREAS this subsidy by faculty and exempt staff at Idaho four year institutions of higher education has been required for 28 years and is scheduled to continue until 2025;

WHEREAS similar institutions in Idaho (two year colleges and technical education institutions) were only required to subsidize PERSI for 14 years;

WHEREAS the 4-year institutions in Idaho are not required to contribute as much to the ORP as they are required to contribute to PERSI;

WHEREAS the 2-year institutions and technical education institutions in Idaho are required to contribute equal amounts to PERSI and the ORP on behalf of their employees;

WHEREAS the ORP participants at the 4-year institutions are, in effect, subsidizing PERSI to their direct detriment, and have been required to do so over an extended and unfair length of time;

WHEREAS the required ORP participant subsidy to PERSI results in unfair and unequal treatment of ORP participants;

BE IT RESOLVED THAT THE UNIVERSITY OF IDAHO FACULTY SENATE RECOMMENDS

- a. that the ORP continue to be offered as a retirement plan at University of Idaho;
- b. that if PERSI is offered to University of Idaho employees, it must be offered as an optional plan alongside the ORP;
- c. that any change in the retirement plan options must be revenue neutral to the institution; and
- d. that any change in the retirement plan options must not impose new or additional costs, or other disadvantages, on the ORP, or its participants.

BE IT FURTHER RESOLVED THAT THE UNIVERSITY OF IDAHO FACULTY SENATE FURTHER RECOMMENDS that the leadership of the Faculty Senate work with University of Idaho Staff Council and with the university administration, State Board of Education and sympathetic leaders at other Idaho higher education institutions to seek an immediate legislative change ending the required subsidy of PERSI by University of Idaho employees.