



Retirement Healthcare Benefit Announcement

Le Moyne College has provided a subsidized retiree healthcare plan for its retired faculty and staff members for many years. As you are aware over the past several years, the cost of the plan has increased substantially.

Unfortunately, retirement healthcare costs continue to escalate beyond our control. Even after the 2007 Task Force changes were implemented in 2010 and subsequent benefit changes were made in 2012 the College continues to realize significant cost increases.

Many of our peer institutions (competitors) have either eliminated this benefit or never had a healthcare retirement plan. Past benchmarking evaluations of the College's total compensation (wages and benefits) program versus comparable institutions' compensation programs clearly indicate that our retiree healthcare benefit is an outlier.

The College has made a determination that the retirement healthcare benefit is unsustainable going forward for current employees. Over the past year, the leadership team has been discussing ways to further moderate this program and retain some or all of the benefit for those currently near or in retirement. The following three major tenants guided the process and dialogue:

- If possible do not affect current active retiree's program.
- Give active faculty and staff time to plan for proposed retirement benefit changes.
- Maintain access to the retiree healthcare program at 100% of premium, if possible.

In addition to working with the Benefits Committee and President's Cabinet, several meetings were held with faculty and staff groups to communicate the prospective elimination of the College's subsidy for retiree health benefits. After careful consideration of the feedback and information shared by our faculty and staff, the College's goal of sustaining competitive total compensation package and the reality of our overall financial position the following decision has been made:

- **The College will no longer offer a subsidized retirement healthcare plan to faculty and staff employees effective July 1, 2015. Therefore employees who meet the eligibility requirements of the current retirement healthcare plan and want to participate in this plan must retire no later than June 30, 2015.**
- **The College will continue to provide access to the retirement healthcare, payable by the retiree at 100% of premium, as long as the employee is at least age 55 and has at least 10 years of service on the retirement date.**

-
- **We will not be making changes to the active (existing) retirees healthcare benefit program at this time.**

Due to continued uncertainty rising from healthcare regulations, increasing healthcare costs and the future financial challenges that we may face, the College cannot guarantee that additional changes will not be made to this benefit in the future.

We want to emphasize that all Faculty and Staff members should be participating in the 403 (b) to the fullest extent as possible. This is a viable approach toward achieving financial security for retirement. We encourage all employees to have periodic retirement planning sessions with a TIAA CREF financial advisor to assist in achieving a financially secure retirement.

If you have any questions on the 403 b retirement savings plan, the retirement healthcare benefit plan, or this announcement, please contact the Human Resources Office, (315) 445-4155.

Sincerely,

A handwritten signature in black ink that reads "Jack Matson". The signature is written in a cursive style with a large, prominent initial "J".

Jack Matson
Associate Vice President of Human Resources