4Cs Finance Committee—June 15, 2016

The meeting was called to order at 1:15 pm.

Members present:  Bryan Bonina, Tony Scott, Lorraine Li, Nick Lefakis, and Steve Cohen by phone.

Rachel Sherwood; Retirement Plan Sales Representative; 860 257 0677; mobile 860 966 9058 from PayChex was present.

Bryan said we should have had a maximum contribution from the 4Cs and maximum amount per staff member for the year.  Additionally there should be a staff (employee) committee to discuss the allocations.

Rachel referred to section 725 regulated by the government and stated the maximums are predetermined by government regulations.

In UME universal medical; flex plan comes with these; $2,550 is what the employee can contribute pretax; $500 will roll over year to year;

DCA dependent care in it; children under 13 gov't mandate; flex plan comes with these;  $ 5,000 is what an employee can contribute pre-tax.

Each bucket can get $2,500 per employee, we would save on FICA because these are pre-tax; not a floating $5,000; we cannot mix and match; when set-up, we can designate allocation to fund, but need to justify the allocation.

Each employee would receive a debit card that can be swiped when payments are needed from the account.  Paychex has dedicated reps in Rochester NY for contact; each employee gets same dollar amount.

The total is in 4Cs account.  When an employee swipes their card, the amount is transferred from the 4Cs account; the card is not preloaded with funds.

Funds spent by each employee will appear on their pay stub.

This is on a calendar year basis.

Differential funding needs to be based on groupings such as tenure.

What the employer contributes does not get lost, it can roll over.
But of the portion the employee puts in, only $500 rolls over; the balance will rollover into the employer's portion.

Spending comes from the employee's contribution first.

Employees can only alter limit and contribution if there is a life altering event, such as birth, death, etc.

FSA medical expenses and dependent care

Employer contributes and employees can contribute pre-tax.

There is a $1,195 enrollment fee and $100 a month cost to 4Cs; it takes 35 days to put this together.

Paychex will send the plan to the IRS for approval  PayChex needs to know how much each person gets; and if different amounts are allocated to each pot, then we must give reasons for the differential allocation.  The employer cannot be the beneficiary of the plan.  An employee can waive participation in the plan.

This is only regulated option that has dependent care in it.

PayChex does the tax filing for this.

NOTE this does not cover professional development; we have previously decided what employee expenditures would be reimbursed; there may be problem with what we have done in past and we talked about changing the nature of the benefit.

This format seems to be patterned after the Professional Development Funds on campus where staff decides on allocations.

Dave Bosco said that figure is amalgamated amount based on what the 4Cs contract has; when it runs out, it runs out; there was no committee because they all agreed upon how it would be used and the fund did not run out of money in the past.  As a result, it accumulated.  But now, it is running low...so when it is done, it is done. The 4Cs funds it every 2 weeks as 1.77% of the payroll. It was never designed to payout large amounts of money as it presently is doing. It was agreed that we need to move forward with something that is sustainable. Previously it was handled through the checkbook. The flex fund as of June 3 there has $8,322 so another $ 398 will be added with next payroll. If someone has a request for reimbursement of $15,000, are we obligated to pay? Dave said no. Because it is a fund that has a finite amount, i.e. 1.77%. Dave said he will not request anything from the fund to allow other staff members to access the fund. He is aware that some staff have already committed to expenses. He stated that he cannot speak for Bob. Dave said that staff could ask for more because they don't get what state employees get for retirement health benefits. A staff member asked to know the status of the Flex Fund after the E Board meets on June 24. There was a sense that no one should experience a hardship; we will work something out.

Question for Rachel, is there a household limit or employee limit; can a married couple have another account for other spouse or is this based on one; the UME medical part is per individual, but the DCA for dependent is for household.

Addenda: 2009 concession agreement with state; 2011 another concession agreement

Next, the Finance Committee discussed the "pots." We received an update on the “pots.” Dennis and Bryan met with Weinberger yesterday. There is an agreement that the $s needed will be paid out on time. We will continue to meet to discuss on how to proceed with what Erica did; and some or all of $s can be replaced. This would be part of negotiations. Apparently, this was done before Weinberger was hired. Lorraine said that she believes the BOR didn't give the amounts that were due so this extra amounts may be that they are now paying what was not paid in past.

The last payment should be made to Sue Montez. Tony feels final check should go to Sue. No resolution, Tony will get legal opinion.

Chapter officers’ compensation was discussed.

The meeting adjourned at 5:15 p.m.

Notes taken by Nick Lefakis, Chair

June 24 10 am Executive Board