



Representing, promoting, and protecting the interests of retirees and promoting the welfare of the University of Missouri

April 2, 2022

TO: Honorable Darryl M. Chatman, Chair, University of Missouri System Board of Curators
Members of the Board of Curators

RE: Retirement, Disability and Death Benefit Plan

Dear Curator Chatman and Members of the Board,

This message is in response to proposed changes to the University of Missouri Collected Rules and Regulations regarding the Retirement, Disability and Death Benefit Plan. These proposed changes are contained in Board of Curator documents presented at the special board meeting on March 25 and are being considered for adoption at the April 21 regular board meeting.

Background:

The MU Retirees Association (MURA) represents nearly 1,000 MU and UM Retirees. Our purpose is to protect the interests of retirees and promote the welfare of the University of Missouri. We also work to support the interests of future retirees. In this capacity the stated objectives of the Association are as follows:

- *Sect. 1.* To promote and protect the legitimate welfare, rights and entitlements of retirees, including, but not limited to, retirement and health benefits.
- *Sect. 2.* To serve as a channel of communication between retirees and the University and with other appropriate groups and individuals.

In our work to support the University, retirees represent 32.9% of MU's giving to the United Way for the past two years (\$141,540 average). In addition, retirees donated \$36.6 million to MU over the past ten years.

Position:

MURA Board of Directors voted unanimously in approval of the following position impacting retirees:

1. Acknowledgment is given to the sound fiduciary management of the Retirement, Disability and Death Benefit Plan to date.
2. We agree with Executive Vice President for Finance and Operations Ryan Rapp that "on a relative basis our [retirement] plan continues to be well funded" with its 94% funding of liabilities (Board of Curators meeting, 11/18/21). We share his enthusiasm that the fund will be fully funded in the near term with prudent and appropriate board oversight and actions.

3. We strongly object, however, to a proposed new paragraph to the Collected Rules and Regulations which would unnecessarily remove a *discretionary tool* and *prevent* the Board of Curators from providing any future ad hoc cost of living adjustments (COLAs) as provided by the current Collected Rules and Regulations.
4. Because it is impossible to predict the circumstances future Curators may face, we respectfully ask you to **vote against** the inclusion of the following paragraph in the Collected Rules and Regulations §530.020.C.4 Plan Benefits: *Given the magnitude of the Plan's liabilities and the additional risks inherent in managing a closed plan, under no circumstances shall Plan benefits be increased above levels in place at the time of this policy's adoption.*

The impact of inflation on current retirees is felt with lost spending power over a retirement period. MURA sees no reason to remove this discretionary prerogative from those authorities currently available to you and to future Curators.

Sincerely,



Ruth Brent Tofle,
MURA President

Cc: President Mun Choi

MURA Board of Directors: Ruth Tofle, Betsy Garrett, Ina Linville, Mary Lickliger, Donna Johannning, Mary Jo Herde, Mark Banks, Judy Nolke, Donna Otto, Art Jago, Frank Schmidt, Barbara Harris, Clyde Bentley, Cecile Bentley, Mary Anne McCollum, Dick Otto, Jo Turner, Carrie Lanham, Marty Townsend, Cecil Moore, Tom Henderson

MURA Past Presidents: Betsy Garrett, Jo Turner, Margie Sable, Marty Townsend, Tom Henderson, Ken Hutchinson, Rose Porter, Nan Erickson, Jack Miles, Kee Groshong, Jo Behymer, Gary Smith, G B Thompson

Kathleen Trauth, MU Faculty Council Chair

Jacqueline Chenault, MU Staff Council Chair

Leaders of the Four-Campus UM Retiree Associations