

BREA Minutes

Meeting Date and Place: Tuesday, May 12, 2015; Bldg.400, Rms RSB 1&2

Attendees: Arnold Aronson, Carmen Benkovitz, Violet Bezler, Mulki Bhat, Robert M. Brown, Nate Carter, Victor Cassella, Chellis Chasman, Anita Cohen, Cheryl Conrad, Dave Cox, Kathy Einfelt, Ronnie Evans, Leslie Fishbone, Eena-Mai Franz, Sheryl Gerstman, Louise Hanson, Georgia Irving, Jim Lemley, Al Mallen, Lois Marascia, Robert Marascia, Ken Mohring, Arnie Moodenbaugh, George Oldham, Mona Rowe, Liz Seubert, John Skalyo, Joan Skelton, Richard Skelton, and Elaine Zukowski.

Guests: Mark Israel (Director of the Internal Audit Office, BNL) and Michael Amberger and Jared Anderson (both are Senior Consultants with Portfolio Evaluations, Inc. (PEI))

Ken Mohring opened the meeting at 1:02 pm.

Investment Presentation: Before the start of the business meeting, Mark Israel (Director of BNL's Internal Audit Office) and Michael Amberger (an independent retirement plan portfolio evaluator under contract to BSA) spoke about retirement finances. They first described the role of BNL's Retirement Committee and then answered questions that people had sent to Ken Mohring ahead of time.

BNL's Retirement Committee meets three to four times a year and has fiduciary responsibility for overseeing the retirement plan options that are offered to employees. Current members are Mark Israel (Chair), Director of Internal Audit; Peter Ferrara, Fiscal Officer; Bob Lincoln, Chief HR Officer; Denise DiMeglio, HR Benefits Manager; Barbara Soeyadi, HR; Anne Troutman, General Counsel; and a rotating scientific staff member - the current Chair of the Brookhaven Council. The committee also has external financial and legal expertise. (Financial: Portfolio Management, Inc. represented by Michael Amberger and support staff; and Joseph Masterson, Consultant. Legal: Frederic S. Singerman, Partner, Seyfarth Shaw LLP). In addition, while not part of the Retirement Committee, the independent auditors for the retirement plan are PricewaterhouseCoopers LLP. The plan is required to have an annual certified independent audit. Oversight provided by the committee and its consultants includes general economic reviews and investment menu reviews of all the funds in the plan - their costs, fees, performance, and management teams.

In response to the questions, Mark and Michael opened with some general advice: you should come up with an allocation that is good for you in the long term and stick with it. It should be based on your specific circumstances and the amount of risk you are comfortable with. You want your holdings to be diversified, so that while one fund "zigs", another "zags". Markets swing. Individuals managing their own investments tend to react after the fact. Trust the fund managers. They presumably know what they are doing. Managers of funds within BNL's plan are monitored by PEI.

BNL's 401K and retirement plans do not encompass IRA's or all the fund options available through TIAA/CREF. Thus, the speakers made a distinction between funds "within the plan" and outside the plan. Funds from within the plan can be rolled over into other TIAA funds or IRA's outside the plan. These investment options are much broader than those available from within the plan, however, they are not subject to BNL's oversight. When investing in a fund, be aware of the upfront fees. Be sure you know if fees are being charged and how much they are. Also discussed were the 2005 bankruptcy law, which increased IRA protection from \$100K to \$1M, and two types of real estate funds: 1) real estate investment trusts, the more liquid of the two, and 2) real property funds, which buy real property.

Upon retirement, once you annuitize an account, you can't change it. This is because you have signed a contract to receive fixed payments. If you are unhappy with this approach, Mark recommended breaking up your funds into several accounts and annuitizing a subset, not all of them at once. Federal law requires minimum distributions from all 401(k) and IRA accounts - TIAA, CREF, and other IRA's - when you reach 70 1/2. 401(k) accumulations and IRA accumulations are grouped, separately. Minimum required distributions are then calculated for and taken from each group in accordance with the IRS life annuity tables.

Mark and Michael both emphasized that it is important for everyone to consult with their personal investment advisor and tax professional before making any personal decisions.

Arnie Moodenbaugh commented that there is a tax advantage to IRA's in New York State. Under certain circumstances one can deduct up to \$20K in income from an IRA on one's NYS tax return annually. This income is not used in determining the amount of one's STAR exemption. Check the NYS tax code for details.

Old Business:

The minutes of the April 14, 2015 meeting were accepted as presented.

Ken Mohring gave the Treasurer's Report for Steve Shapiro, who was not present.

Committee for use of BREA funds: Ken Mohring reported that the committee met again and decided to contribute \$1500 to BNL's Summer Sundays, specifically to support the "Whiz Bang"/"Mr. Science" presenter. A new person has been hired to oversee the program; Steve Shapiro is to meet with him/her later this month.

Sheryl Gerstman asked why BREA should do this. Essentially, the committee sees it as a way to maintain goodwill with the Lab and gain some public recognition for BREA. Apparently, BSA payments for various support functions are decreasing. BREA does receive Lab support for things such as use of an on-site room for our monthly meetings, use of Berkner Hall or other seminar rooms for special events, publicity for those special events, Website maintenance, and the printing and mailing of our Newsletter (BREA has been told that we will have to contribute to the cost of the Newsletter this year).

Ken also mentioned that it would be nice if more retirees would volunteer to lead tours or participate in educational programs or meet with the public. Louise Hanson said that, based on her experience as a program manager in the Office of Educational Programs, the most effective way to recruit retirees as volunteers is outreach from the people who need them. That way, BREA members would know what type of activities need volunteers, when they are needed, and whom to contact. To get things going, Leslie Fishbone volunteered to be the BREA contact. He will write something up for the Newsletter and contact BNL's Office of Stakeholder Relations.

Membership: Carmen Benkovitz said that the database is up-to-date. She has received fewer renewals this year relative to this time the last several years. Most members renew annually. Approximately 75% of members have email addresses.

Annual Luncheon: Kathy Einfelt spoke for Lillian Kouchinski, who was not present. Things are progressing nicely for the June 10 luncheon to be held at the Bellport Country Club. Kathy mentioned that help will be needed with the 50/50 raffle. Elaine Zukowski volunteered. Peter Bond has agreed to be the guest speaker.

Newsletter: Ken Mohring asked if people liked the on-line version of the Newsletter that was sent out as a "trial" last month. The email version has color (costs are too high for color with the printed version). Attendees said "yes", keep it up. Some people said they are willing to obtain the Newsletter only by email. This should save money by reducing future printing and postage costs. For people who do not want to receive it (or other BREA notices) by email, Sheryl Gerstman said she could add a "Do not mail" checkbox. (The BREA database currently has a "Do not mail" checkbox that Carmen Benkovitz uses to prevent people from receiving *snail* mail.) Mona Rowe asked of Carmen, when she emails out the Newsletters, that the subject line specifically say "BREA News".

The upcoming July/Aug 2015 "BREA News" Newsletter will feature photos from the luncheon. Anita Cohen will contribute a summary of new events at the Lab, as well as an up-dated "In Memoriam" listing. A memorial service will be held for Janet Silas on June 27th. All are invited. For more information, contact Anita at afcohen@optonline.net.

Plum Island Tour: Steve Shapiro has a date for the tour of Plum Island - Thursday, Aug. 27. If you wish to attend, email him at shapiro@bnl.gov.

Sailing video: Louise Hanson reported that Eric Forsyth's sailing presentation, held on Tues., April 28, in the Hamilton Seminar Room (Chemistry Building) was a success. "It was great" (Liz Seubert). The room was full. Employees and retirees came. Ken Mohring asked whether Hamilton was a suitable venue and if BREA should consider using it in the future. The response to both questions was "yes".

Medical Insurance Benefits:

Retiree Experiences: Drug Plans: One attendee alerted people that a change of address for Right Source (Humana/Walmart's mail-order outlet) has to be done twice - one needs to inform them in two different places. George Oldham mentioned again that he hears lots of complaints about the Humana/Walmart plan. They do not carry many formulary drugs and are difficult to deal with on the phone. He also reminded veterans that the VA is a great deal.

HRA's (Health Reimbursement Accounts): Most people are now properly receiving their monthly reimbursements.

New Business:

Monday Memo announcement: Ken Mohring said that the May 11 Monday Memo announced that BSA is changing (reducing) employee benefits. All-employee meetings have been scheduled. The new BSA contract does not guarantee maintenance of current coverage. Apparently DOE says that BNL has a "Cadillac plan" that needs to be reduced by 2018. The general feeling at this BREA meeting was that retirees served as a "test case". This announcement led to the following concerns: how will these changes affect retirees? What will happen to the \$170/month per person health benefit reimbursement?

Investment Presentation: Ken Mohring asked for feedback on the investment presentation. People thought that handouts would have been useful.

The meeting was adjourned at 2:50 pm.

June 2015 meeting: Tuesday, June 9, 1 pm, Bldg. 400, Rms RSB 1 & 2

July 2015 meeting: Tuesday, July 14, 1 pm, Bldg. 400, Rms RSB 1 & 2

Minutes submitted by Louise Hanson