

1979

October 9, 1979

Faculty Senate

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EASTERN ILLINOIS UNIVERSITY

FACULTY SENATE

Minutes of October 9, 1979

MEMBERS PRESENT: Carey, Hockman, James, Johnson, Knoop, Laible, Lasky, Pierson, Preston, Rogers, Sullivan, Smith, Summers, Wood

MEMBERS ABSENT: Rearden

FACULTY VISITORS: Lewis Coon, Jon Hawkins, William Zeigel

STUDENT VISITORS: Lola Burnham, Ellen Oliver

The meeting was called to order at 2:00 p.m.

The minutes of October 2, 1979 were approved.

COMMUNICATIONS:

1. Aulabaugh - note on how to avoid long lines at the textbook library.
2. Marvin - letter on need of Senate to establish a new UPC.
3. Budget for current year (to be kept in the Senate Office).

COMMITTEE REPORTS:

1. Faculty Advisory Committee to the IBHE - Laible reported on the Sept. 28 meeting at Edwardsville. At that meeting James Furman, Executive Director of the IBHE staff, reported that the percentage of money from the general revenue fund that is used for education increased slightly over the past two years, that the division of money between elementary and secondary on the one hand and higher education on the other changed from 65/35 to 57/43, and that Illinois average faculty salaries increased from slightly below the national median to slightly above. Furman also noted that HB700 (deferment of taxes on retirement contributions) could technically take effect as soon as legislation is passed setting aside these taxes. When this bill takes effect (the governor says Jan. '81), faculty can expect a 2% increase in take-home pay. Noted also was that federal and state scholarship money (now more available for middle income families) has increased five-fold over the last five years.

Laible reported that the committee's document on faculty development will stress the following 4 possibilities to the BHE: 1) mini-grants for improvement of instruction, 2) a faculty scholars program to fund about 100 faculty who wish to go back to school to improve existing skills or develop new ones (included is a blanket free-tuition for

all faculty for non-credit instruction in Illinois colleges),
 3) a faculty exchange program, and 4) an eminent scholars program which will establish "chairs" on a permanent basis or for limited periods of time.

2. Executive Committee - Wood noted that the Executive Committee will now meet on Wednesdays at 3:30 in the Senate Office. The Executive Committee has discussed Walter's objections to the proposed Senate constitution and will soon meet with Pres. Marvin for further discussion. Smith reported on the committee's deliberations with respect to the possible composition of a new UPC to meet the AFT contract proposal (8.4): "The University Personnel Committee shall be composed of no more than eleven employees. Each college and major academic unit shall have at least one representative on the University Personnel Committee." The committee's suggestion is for proportional representation; it therefore divided the bargaining unit into the following approximately equal groups with one representative each (for a total of eleven members):

- 1) Health, Physical Education & Recreation
- 2) Fine Arts
- 3) Business
- 4) Education
- 5) Home Economics & Industrial Technology
- 6) English, Foreign Languages & Journalism
- 7) Zoology, Botany, Geology & Geography
- 8) Chemistry, Physics & Math
- 9) Political Science, Economics, History, Sociology & Philosophy
- 10) Psychology, Speech Pathology and Audiology & Speech Communications
- 11) Library

It is also obvious that with the dissolution of the present UPC, some provision will have to be made for middle management personnel because they will not come under the new UPC guidelines.

3. Student/Faculty Relations Committee - Johnson reported that the committee met on Monday and will meet again this coming Monday. She mentioned several suggestions the committee is considering in an effort to schedule a mid-term break for fall semesters.
4. Search committee for a Dean of the School of Education - Preston reported that the committee is organized and underway, also that it can accept no applications after October 15.

NEW BUSINESS:

1. Formation of a new UPC - the Senators discussed several possibilities for the composition of the UPC, including the one proposed by the Executive Committee. Each suggestion had its drawbacks though the preference was for the Executive Committee's breakdown. The Senators also discussed the need to work quickly on this matter in order to have time for nominations and election before the November 10th deadline (the time that the contract indicates that the UPC should be set up and functioning). This leaves almost no time for adequate faculty input in this very important matter. The Senate will continue its discussion at its next meeting (Oct. 16) and will put the matter to a vote.

PROGRAM:

William H. Zeigel of the Annuitants Association of the State Universities Retirement System - Dr. Zeigel reported on the problems faced by survivors who are having their income tax returns investigated by the IRS to see if they are declaring their survivor's benefits as taxable income (see Appendix A). He also reported on current legislation proposed and/or passed which affects retirement benefits.

The Senate thanked Dr. Zeigel for his report and expressed its appreciation for the fine work he is doing.

The meeting closed at 3:40 p.m.

The next meeting will be on Tuesday, October 16, 1979 at 2:00 p.m. in the Martinsville Room of the Union.

Dick Rogers
Secretary of the Faculty Senate

APPENDIX A

TO: Faculty Senate

DATE: October 9, 1979

FROM: Wm. H. Zeigel of the Annuity Association of the State
Universities Retirement System

It has come to the attention of the Annuity Association that the Internal Revenue System is probably initiating a systematic program of reviewing the income tax returns of our survivors.

Survivor's benefits can be construed as insurance benefits. Our retirement system legislation used the "survivor's insurance benefits" - and insurance benefits are generally not taxed. Also there is a Georgia Federal court decision (Odom vs Ross) which states that survivor's insurance benefits from that state's retirement system would not be taxable in that judicial district.

Some of our survivors have been reporting their survivor's benefits and paying Federal tax. Others, often on the advice of their tax consultants, have not reported the benefits. We understand that the IRS has requested a list of our survivors and may be calling them in for an audit. If the decision goes against them, they may face a heavy tax and perhaps penalty.

Since the IRS in our geographic area is bringing the matter into the open, we have nothing to lose by attempting to obtain a legal opinion as to whether under our retirement system insurance benefits are not also exempt from Federal taxation.

This problem affects us all - survivors, annuitants and current employees. The Annuity Association proposes an attempt to resolve the issue in favor of the survivors by congressional action, by favorable court opinion, or both.

The Congressional approach (not very productive thus far) would necessitate our assisting attempts such as made in the last several congressional sessions to exempt a portion of retirement income from Federal tax. Applied to survivors, this would exempt nearly all income from their survivors benefits.

The legal approach would necessitate our finding cases where survivors have been audited and assessed the tax and bringing suit to prohibit such action. In this case the Annuity Association would need encouragement, advice, legal aid and probably financial support.

At present we are requesting no more than an understanding, encouragement and transmitting of the problem to the University community through your minutes.