

# **Wheaton College**

## **Recommendations of the Benefits Review Committee**

**September, 2003**

**Revised December, 2003**

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# RECOMMENDATIONS OF THE BENEFITS REVIEW COMMITTEE

September, 2003

## *Background*

The Benefits Review Committee was convened by President Dale Rogers Marshall on May 29, 2002. The charge given to the committee at that time was:

“To review Wheaton’s current benefit plans, compare our benefits with those of other comparable colleges (the Northeast Nine group), learn about other benefit options and opportunities, and recommend cost-neutral benefit changes and an implementation timetable.”

The committee began meeting in the fall of 2002. Committee members are:

Sue Alexander, co-chair	Dean of Students
Jonathan Walsh, co-chair	French
David Bamford	Public Safety
Susan Beard	Student Financial Services
Darlene Boroviak	Political Science
Gina Cuccaro	Wallace Library
Michelle Harris (02-03)	Sociology
Paula Krebs	English
Mark LeBlanc	Mathematics/Computer Science
Barbara Lema, resource	Human Resources
Remle Longtin, resource	Human Resources
Tom McAuley	IT&S
Omaira Roy, resource	Human Resources
Janet Sebetes	Building Services
Bernice Wilner	Events and Conferences

Committee members learned about Wheaton’s current benefit package and reviewed the results of Mercer’s benefits survey of the Northeast Nine institutions. The Northeast Nine institutions include Bates, Colby, Connecticut, Hamilton, Haverford, Hobart and William Smith, Muhlenberg, Trinity, and Wheaton. Survey results showed Wheaton to be competitive (at or above market) with dental, medical, life insurance, tuition remission, holidays (staff), vacation and personal days (staff), and sick leave (staff). Wheaton was less competitive with retirement, post-retirement medical, long-term disability, and other tuition plans. We found that although we are competitive overall with our medical plans, the college’s contributions to individual plans were more generous, while the college’s contributions to family plans were somewhat less so.

In late November, the committee distributed an email update to members of the faculty and staff (with paper copies to some departments), and asked members of the faculty and staff their opinions about several key benefits areas – retirement, medical coverage after retirement, and adjusting contribution levels between individual and family medical plans. We received 127 responses. The survey results were:

	<i>Very Important</i>	<i>Important</i>	<i>Not Important</i>	<i>No Opinion</i>
Retirement Contributions	57%	35%	4%	4%
Medical after Retirement	58%	30%	8%	4%
Individual/Family Medical	39%	37%	16%	8%

Based on the information from Mercer and the feedback from faculty and staff, the Benefits Review Committee created three work groups to further explore the following areas:

- Medical/Dental***
- ~ the competitiveness of contributions to medical insurance, including the balance between individual and family coverage and overall plan design
  - ~ reimbursement for not selecting Wheaton medical coverage
  - ~ coverage for opposite sex unmarried partners
  - ~ medical spending accounts
  - ~ vision care
  - ~ medical coverage after retirement (age 65 plus)
  - ~ medical coverage for early retirement (before age 65)
  - ~ the competitiveness of Wheaton's dental plan
  - ~ long-term care insurance

Jonathan Walsh, convener, Michelle Harris, Barbara Lema, Tom McAuley, Bernice Wilner

- Retirement/  
Early Retirement/  
Tuition***
- ~ early retirement plans
  - ~ college contribution to retirement
  - ~ employee contributions: mandatory? matching?
  - ~ over FICA wage base: continue? change?
  - ~ different contribution models (e.g. age-based)
  - ~ tuition programs: grant, remission, reimbursement
  - ~ Tuition Exchange
  - ~ Nursery School tuition

Sue Alexander, convener, Susan Beard, Darlene Boroviak, Mark LeBlanc, Remle Longtin

- Work/Family  
Benefits***
- ~ faculty/staff parental leave differences
  - ~ paid parental leave
  - ~ day care
  - ~ alternative emergency/holiday day care options
  - ~ short and long-term disability options
  - ~ paid time off benefits (vacation, sick, holidays)
  - ~ benefits for part-time employees
  - ~ elder care
  - ~ personal auto/home insurance and other options
  - ~ legal
  - ~ financial planning assistance
  - ~ relocation/realtor assistance

Paula Krebs, convener, David Bamford, Gina Cuccaro, Omaira Roy, Janet Sebetes

In February, 2003, members of the Benefits Review Committee provided the Budget Advisory Committee with an update of findings and progress to date. During the meeting, a question was raised about our ability to create "cost neutral" recommendations given the news that, when compared with the Northeast Nine, there were areas in which we were less competitive, most notably retirement contributions. President Marshall expanded the committee's original charge by requesting that, in addition to recommending appropriate reallocation of current benefits dollars, the committee create a list of all options, including possible additions, for consideration through the budget process for fiscal year 2005 (which begins July 1, 2004) and beyond.

During the spring of 2003, the work groups diligently researched their assigned issues, created options and recommendations, and prepared preliminary reports. In April, an email update was provided to members of the faculty and staff. In June and September, overviews of the committee's progress were given to President's Council.

The committee's next steps include:

- holding an informational update session for members of the faculty and staff on Friday, October 17<sup>th</sup>, 1:30 – 3:30 p.m., Hindle Auditorium. Open discussion meetings have been scheduled for:
  - ~ AAUP, Friday, October 31<sup>st</sup>, 2:30 – 4:00 p.m., May Room, Mary Lyon
  - ~ Staff Council, Tuesday, November 11<sup>th</sup>, 12:30 – 2:00 p.m., Ellison Lecture Room, Watson Center
- providing a progress update to the Faculty/Staff/Trustee committee on October 24<sup>th</sup>.
- sharing the committee's recommendations and faculty and staff feedback with President's Council and Trustees for their consideration.
- working with the Budget Advisory Committee and President's Council throughout the budget process.
- continuing communications with faculty and staff of the committee's progress.

The following pages describe the considerations and recommendations of the three Benefits Review work groups.

## Medical/Dental Work Group

**Members:** Michelle Harris, Barbara Lema, Tom McAuley, Jonathan Walsh (convener), Bernice Wilner

The Medical/Dental Group was asked to research and make recommendations about the following:

- the competitiveness of contributions to medical insurance, including the balance between individual and family coverage and overall plan design
- reimbursement for not selecting Wheaton medical coverage
- coverage for opposite sex unmarried partners
- medical spending accounts
- vision care
- medical coverage after retirement (age 65 plus)
- medical coverage for early retirement (before age 65)
- the competitiveness of Wheaton's dental plan
- long-term care insurance

### Medical

#### **Contribution Levels**

According to the Mercer Survey of the Northeast Nine institutions, Wheaton ranked 8<sup>th</sup> out of the nine institutions, and trailed the market median by 8%. Variations of +/- 10% are considered competitive, and so our plan is considered competitive. Required employee contributions at the other institutions varied from 0 – 22% for individual coverage and 7 – 42% for dependent coverage. Wheaton's employee contribution schedule is 10% for individuals and 34% for dependent coverage. Wheaton's contribution to individual coverage (90%) is generous, while the contribution to dependent coverage (66%) is less so.

**Recommendation:** The work group recommends a change in the employee contribution schedule to 20% for individual and 30% for dependent coverage. For example, instead of paying \$33.30 per month for Harvard Pilgrim HMO individual coverage, the employee would pay \$66.60. Instead of paying \$305.03 per month for Harvard Pilgrim HMO family coverage, the employee would pay \$269.14. This re-balancing of contribution levels is basically cost-neutral (produces an annual savings of approximately \$15,000 for the benefits budget).

#### **Plan Design**

Double-digit health insurance rate increases continue to be a major concern. The work group reviewed plan design changes that would reduce and/or slow these increases and help stabilize the rates over time, while being mindful of the potential impact on out-of-pocket expenses. Areas reviewed included: raising office visit co-pays from \$10 to \$15, increasing emergency room co-pays from \$50 to \$75, raising prescription drug co-pays, adding inpatient and outpatient hospital admission co-pays, decreasing the HMO benefit level to 90% from 100%, decreasing the PPO benefit level to 90% in-network from 100% and the out-of-network benefit from 80% to 70%, and adding a calendar year deductible.

**Recommendation:** Of the options noted above, the work group recommends changing the office visit co-pays from \$10 to \$15 and increasing the emergency room co-pay from \$50 to \$75 for the Harvard Pilgrim Health Plans (waived if admitted to the hospital). Implementing these changes will decrease our health care costs by approximately 2.5%, a benefits budget savings of \$35,000. These changes, which are competitive with trends, are not possible for United because United "bundles" plan design options and does not allow groups to selectively make changes.

### **Reimbursement for waiving Wheaton medical coverage**

We learned that some institutions provide an annual dollar payment to those employees who are eligible for but do not select medical coverage (because, for example, they have coverage through spouses' plans). This practice is diminishing, and is used mainly by those institutions that have very generous contribution schedules. At these institutions, since the individuals pay nothing or very little for coverage they may select coverage even when it may not be needed (duplicate coverage). In these cases it is less expensive for the institutions to offer a "reward" for not taking coverage rather than pay for the coverage itself.

**Recommendation:** The work group does not recommend implementing the practice of reimbursing employees for waiving medical coverage.

### **Coverage for opposite sex unmarried partners**

Currently domestic partners (same sex) are eligible for medical, dental and tuition coverage. The work group was asked to consider extending this benefit, with the same eligibility requirements, to opposite sex unmarried partners.

**Recommendation:** The work group recommends extending the benefit to all domestic partners. Eligibility requirements include: the relationship must have existed for at least one year for medical and dental coverage and four years for tuition benefits, and the partners must prove that they are jointly responsible for each other's common welfare and financial obligations, reside in the same household, and are not married to others. The cost of extending this benefit is unknown, but is predicted to have minimal use.

### **Medical Spending Accounts**

Wheaton does not currently offer a medical spending account. The plans allow employees to set aside pre-tax dollars and then use the accounts to pay for many qualified medical expenses like orthodontia, office visits and prescription co-pays, eyeglasses, hearing aids, etc. The advantage of this plan is the tax savings. Wheaton is one of two of the Northeast Nine institutions that do not offer these accounts. The work group researched several plans, including plans that provide debit cards for purchases, requiring minimal paper processing.

**Recommendation.** The work group recommends that we contract with a third party vendor to offer medical spending accounts. Harvard Pilgrim has recently introduced this product, and should be one of the vendors considered. The cost of adding this benefit, depending on the vendor selected and services provided, range from a start-up cost of \$1,800 - \$4,800 with an ongoing annual cost of \$2,725 – \$3,796.

### **Vision Care**

Our current medical plans offer some vision care coverage (e.g. vision exams and some provide discounts on eyeglasses). We researched stand-alone vision care products.

**Recommendation:** The costs of these plans compared with the additional benefits that would be provided were not advantageous. The work group does not recommend joining a stand-alone vision care plan.

### **Medical Coverage after Retirement (age 65 and over)**

Access to an affordable Medicare supplement plan, and especially to one that provides prescription drug coverage, is an important concern for members of our faculty and staff. Wheaton does not offer coverage to those who retire. The survey of the Northeast Nine showed that two institutions, like Wheaton, do not currently offer this coverage. One institution offers a defined dollar allowance and five others offer some coverage throughout retirement. The trend has been for institutions to curtail these benefits because of the increasing expense. Wheaton is currently participating in a project that is exploring viable funding and medical coverage options, the Mellon College Retirement Project (MCRP). We have learned through this project that, on average, individuals spend between 22 – 35% of their retirement income on medical expenses. The MCRP will provide tax-advantaged opportunities for saving for medical expenses after retirement, as well as access to three very competitively priced Medicare supplements, one of which is a prescription drug only benefit. The results of the MCRP are scheduled to be implemented in January, 2005.

**Recommendation.** The work group recommends that Wheaton continue to participate in this project. The eventual costs to the college are unclear at this time. Preliminary information indicates that Wheaton would be expected to help employees pre-fund this benefit by contributing a minimum of \_\_\_% of payroll or a minimum of 25% of the projected costs of a targeted medical plan. The MCRP is offering several suggestions for covering this expense, including structuring retirement benefits into two parts: retirement and retirement medical.

#### **Medical Coverage after Retirement (before age 65)**

Currently members of the faculty who retire before age 65 may select an early retirement plan that provides continuation of Wheaton's medical plans until age 65. This plan is not available to staff, nor can it be extended to staff as it presently exists (see retirement work group report). Staff would also like to have access to group medical coverage if they retire before the age of 65. We have learned that six of the Northeast Nine institutions provide pre-65 medical coverage.

**Recommendation.** The work group recommends that Wheaton offer continued medical coverage for employees who retire early, as long as the eligibility requirements are met. Eligibility is defined as full-time benefit-eligible employees between the ages of 60 and 64 with a minimum of 10 years of consecutive full-time service immediately preceding the retirement date and part-time benefit-eligible employees between the ages of 60 and 64 with the equivalent of 10 consecutive years of full-time service immediately preceding the retirement date (two years of part-time benefit eligible service equals one year of full-time service). The college would pay 50% of the cost of individual coverage. The employee would pay the remainder of the individual coverage and the full cost of adding dependents. This coverage would end when the employee reaches age 65. The work group calculated the pay-out cost of this benefit to be \$65,000 per year (maximum annual exposure). However, the college must fulfill FASB 106, Accounting for Postretirement Benefits. This accounting standard requires employers to record on the financial statements the future expenses related to providing the benefits as they are earned by employees, not when these benefits are paid out to retirees. The Finance Office has estimated Wheaton's financial statement impact (based on current employees and years of service) to be approximately \$2.5 - \$3 million.

#### **Dental**

Wheaton's dental plan, when compared with the Northeast Nine, is the second most generous of those six institutions that offer this coverage. Employee contributions at the other institutions range from 0 – 100% for employee-only and dependent coverage. Wheaton employees contribute 10% towards the individual plan and 34% towards dependent coverage.

During our research we learned that Blue Cross Delta Dental of Massachusetts, in addition to Delta Dental, also offers a Dental HMO plan. Employees who use participating providers in this HMO plan can pay less towards their coverage and costs.

**Recommendation.** The work group recommends that Wheaton offer the Dental HMO product in addition to the existing Delta Dental plan. We also recommend splitting the contributions between the college and employee at 50% each. For example, instead of paying \$3.13 per month for individual coverage the employee would pay \$15.64. Instead of paying \$36.84 per month for family coverage, the employee would pay \$54.18. This change results in a savings to the benefits budget of approximately \$69,000.

#### **Long-term Care Insurance**

The college implemented long-term care insurance in December 2001 as a voluntary (employee-pay-all) option.

**Recommendation:** This benefit was implemented after thoroughly reviewing plan designs, vendors and costs. No changes are recommended at this time.

**Please note:** Figures shown throughout are for full-time employees. The college's contribution for eligible part-time employees is one-half that of full-time employees, with the exception of the benefit for pre-retirement medical where it would be the same for full and part-time employees with a greater service eligibility requirement for part-time employees.

## **Retirement/Tuition Work Group**

**Members:** Sue Alexander (convener), Susan Beard, Darlene Boroviak, Mark LeBlanc, Remle Longtin

The Retirement/Tuition Group was asked to research and make recommendations about the following:

- early retirement plan for staff
- college contribution to retirement
- employee contributions: mandatory, matching?
- different contribution models (e.g. age-based)?
- tuition programs: grant, remission, reimbursement
- tuition exchange program
- nursery school tuition

### **Early Retirement Plan**

Our legal counsel, Ropes & Gray, reviewed the Faculty Early Retirement document to determine if the plan conforms to current legislation. Counsel recommends that modifications be made to the plan to bring it into compliance. Counsel was also asked if it is legally possible to extend the plan to staff. We learned that current laws do not permit this option.

### ***Recommendations:***

1. The work group recommends that the Provost Office review the information from Ropes and Gray about options and suggested modifications to the Faculty Early Retirement Plan.
2. Since counsel stated that it is not possible, under current legislation, to extend the existing plan to staff, the group is unable to recommend the inclusion of staff in this plan.
3. Counsel saw no legal restriction that would prevent offering medical coverage to bridge the gap from early retirement to Medicare for staff, as is currently done for faculty through the Faculty Early Retirement Plan. This information was provided to the Medical/Dental work group for their consideration.

### **College Contribution to Retirement/Age-Based Model?**

The College's contribution to retirement is low when compared with the contributions of the other colleges in the Northeast Nine group. The average contribution for this group is 10%, while Wheaton's contribution is 6% for those under age 30 and 8% for those age 30 and older. When an employee's earnings exceed the Social Security wage base Wheaton contributes 11% of gross salary, regardless of age. Employee contributions, although encouraged, are not required.

The work group identified two different scenarios for increasing the college's contribution to 10% over a period of time:

1. The first formula increases the contribution from 6% to 8% for those under age 30 and from 8% to 10% for those age 30 and older, over 4 years (increasing .5% each year).
2. The second formula is based on an age distribution where those under age 30 receive 6%, those 30-45 receive 8% and those 45 and older receive 10%.

Our legal counsel, Ropes and Gray, reviewed both scenarios and recommended that we proceed with the first because the second has potential retirement testing problems.

***Recommendation.*** The work group supports option number 1, and recommends ending the integration with the Social Security wage base, which will reduce the overall financial impact of this recommendation somewhat. The Social Security integration change will adversely impact approximately 19 employees in the first year, and will produce benefits savings of approximately \$10,000.

It is recommended that the cost to implement the new contribution level be spread over 4 years, with the first year costing approximately \$102,000 (Addendum #1). The contribution level would then increase by .5% each year until the full 10% is attained in year four.

### **Employee Retirement Contributions: Mandatory? Matching?**

The work group saw no advantage to recommending that the retirement program return to that of a matching formula. The concern was that this change would impact our lower paid employees and could also jeopardize the discrimination testing of the plan.

### **Tuition Programs: Grant, Reimbursement, Remission**

#### **Tuition Grant and Reimbursement**

Wheaton is not competitive with either of these plans when compared with the Northeast Nine.

#### **Reimbursement**

The trend in tuition reimbursement, which provides for employees to take courses at other institutions, is to pay 100% for job-related courses, and a couple of institutions also provide 50% for other non-job-related courses, with an overall annual limit for the number of courses. Wheaton reimburses 75% of the tuition costs of job-related courses to an annual maximum of \$1,000.

#### **Grant**

At other institutions, this benefit, which provides tuition assistance for dependents to attend colleges other than the home institution, ranges from two that offer Tuition Exchange participation only (no grant) to \$400, 10% of home institution, 40% of home institution maximum based on years of service, to 50% of the institution's tuition or 50% of the home institution's tuition, whichever is less. Some of these benefits are not available to all employees (e.g. faculty only). At Wheaton, the value of the tuition grant is \$1,000, and it is available to dependents of eligible faculty and staff.

**Recommendation.** The work group recommends that both the Tuition Reimbursement plan (for employees to take job-related courses) and the Tuition Grant plan (for dependents) be increased from \$1000 to \$2000 per fiscal year. These changes would make Wheaton more competitive.

Based on the FY 03 participation rate, the potential increased cost to the College would be \$13,000 for Tuition Grant and \$15,000 for Tuition Reimbursement. (Both programs have been budgeted for the past several years at this level so the actual budget impact would be \$0 – Addendum #2A and #2B.)

#### **Tuition Remission**

We learned through our research that the Tuition Remission benefit for dependents at Wheaton is very generous. (Addendum #3) This plan is unique from other benefit plans because the number of persons eligible for the benefit each year is small and the cost of the program is large. For example, in fiscal year 2003, 14 employees received benefits totaling \$366,000. The benefit has been available for many years, and is extremely valuable, not only to those who receive it, but also to the larger community with young children who may use it in the years ahead. After much discussion, including discussion with the full Benefits Review Committee, options considered were:

1. Leave the benefit as is with no change or
2. Adjust the benefit level as follows:
  - ~ Employees hired on or after 7/1/04 would be eligible for a tuition remission benefit of 75% of the cost of tuition.
  - ~ For employees hired prior to 6/30/04, the following schedule would apply:
    - if their dependent children are eligible for the benefit from July, 2004 through June, 2010 they would receive the current benefit -- 100% tuition remission
    - those dependents eligible for the benefit from July, 2010 through June, 2014 would receive 90% of the cost of tuition
    - those dependents eligible for the benefit from July 1, 2014 and after would receive 80% of the cost of tuition.

**Recommendation.** The work group acknowledges that this is a very valuable benefit. It is also far more generous than the benefit of others in the Northeast Nine survey group. We recommend a gradual implementation as outlined in option two, above. This implementation will give members of the faculty and staff sufficient notice for future financial planning. This means the benefits savings to the college will also occur gradually, and will not be available immediately to help offset other recommendations (like increased retirement contributions), but would become available over time..

#### **Tuition Exchange**

The work group researched a similar program offered by the Council of Independent Colleges (CIC) to determine if we should either change or expand our current program with the Tuition Exchange.

**Recommendation.** Research showed that the Tuition Exchange group is the larger of the two programs, and offers basically the same institutions. There is no advantage to change or add to the existing program.

#### **Nursery School Tuition**

This is another program that is well received by staff and faculty. The cost of the program averages \$9,000 - \$11,000 annually. There has been increased participation so the budget for FY04 has been increased to \$13,000. No changes are recommended at this time.

**Addendum #1**

**College Contribution to Retirement  
Option 1 Cost Projections**

(will not integrate with SS limit)

(start 7/1/04)

**Formula:**

**Under Age 30: 8%**

**Age 30+: 10%**

**(.5% increase each year for 4 years)**

	<i>Estimated Salary Base</i>	<i>Current Benefit</i>	<i>Proposed Benefit</i>
FY 05	\$23,615,041	(6% / 8% + SS limit) \$1,881,811	(6.5% / 8.5%) \$1,983,662
			Difference: \$102,000
FY 06	\$24,559,643	(6.5% / 8.5%) \$2,063,010	(7% / 9%) \$2,180,896
			Difference: \$118,000
FY 07	\$25,542,029	(7% / 9%) \$2,268,132	(7.5% / 9.5%) \$2,390,734
			Difference: \$123,000
FY 08	\$26,563,710	(7.5% / 9.5%) \$2,486,363	(8% / 10%) \$2,613,869
			Difference: \$128,000

**Addendum #2A**

**Tuition Use and Costs: Dependents**

**Number of Participants (FY 00 – FY 03)**

<i>Year</i>	<i>Tuition Exchange</i>		<i>Tuition Remission</i>		<i>Tuition Grant</i>	
	<b>Faculty</b>	<b>Staff</b>	<b>Faculty</b>	<b>Staff</b>	<b>Faculty</b>	<b>Staff</b>
FY 02-03	2	10	4	10	6	7
FY 01-02	4	14	3	8	4	8
FY 00-01	2	12	1	10	7	9
FY 99-00	3	12	2	7	7	7

**Budgeted / Actual**

<i>Year</i>	<i>Tuition Exchange</i>		<i>Tuition Remission</i>		<i>Tuition Grant</i>	
	<b>Budgeted</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Actual</b>
FY 03-04	\$220,000		\$428,000*		\$25,000	
FY 02-03	\$325,000	\$202,000	\$363,000	\$366,000	\$25,000	\$13,000
FY 01-02	\$318,000	\$192,500	\$304,000	\$275,000	\$25,000	\$11,000
FY 00-01	\$258,000	\$275,000	\$233,000	\$211,000	\$25,000	\$15,000
FY 99-00	\$310,000	\$189,000	\$310,000	\$172,000	\$25,000	\$12,000

\* assumed 15 dependents

**Addendum #2B**

**Tuition Use and Costs: Employees**

**Number of Participants (FY 00 – FY 03)**

<i>Year</i>	<i>Tuition Remission</i>		<i>Tuition Reimbursement</i>	
	<b>Faculty</b>	<b>Staff</b>	<b>Faculty</b>	<b>Staff</b>
FY 02-03	--	9	3	12
FY 01-02	--	11	--	9
FY 00-01	--	10	1	17
FY 99-00	--	7	--	19

**Budgeted / Actual**

<i>Year</i>	<i>Tuition Remission</i>		<i>Tuition Reimbursement</i>	
	<b>Budgeted</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Actual</b>
FY 03-04	\$25,000		\$15,000	
FY 02-03	\$17,000	\$17,200	\$15,000	\$5,000
FY 01-02	\$31,000	\$31,000	\$20,000	\$3,000
FY 00-01	\$31,000	\$31,000	\$20,000	\$7,500
FY 99-00	\$32,000	\$32,000	\$25,000	\$8,200

4/24/03

## Addendum #3

### Summary of Tuition Remission Plans for Dependents

#### Wheaton

Eligibility – Full-time and part-time benefit eligible employees who have had continuous service equivalent to four full-time benefit-eligible years. The student must be 24 years of age or younger at the end of each semester.

Types of courses – Dependents may take full or part-time undergraduate courses

Benefits – Full time employees receive 100% of the tuition; part-time employees receive 50% of the tuition. Benefit is available for a maximum of four academic years

#### Northeast Nine Institutions

Eligibility –

- Active, retired or deceased full time employees with 5 consecutive years of service
- Full time employees with 6 years of service (1 year non-matriculating credit for 4 courses)
- 1 year of service and eligible for part-time
- 2 years of service (1,248 hours)
- Undefined
- 3 years of service – if employee dies with 15 years of service, benefit will continue to dependents
- Full time with 7 years ( part-time pro-rated)
- Full time with 3 years ( part-time pro-rated) (2)

Type of courses –

- Undergraduate (2)
- Full time
- Undefined (2)
- Undergraduate credit courses
- Full time, undergraduate only
- Undergraduate, 4 years

Benefits –

- 4 years – 10% of comprehensive fee
- 38.1% of comprehensive fee – eligible 8 semesters
- 3 courses per year
- 2 courses per semester – student must be under age 25
- 4 years – must apply for federal and student aid
- full tuition offset by grants and scholarships
- 50% tuition but for only 2 dependents
- 50% tuition (2)

## Work/Family Benefits Work Group

**Members:** David Bamford, Gina Cuccaro, Paula Krebs (convener), Omaira Roy, Janet Sebetes

The Work/Family Benefits Work Group was asked to research and make recommendations about the following:

- faculty/staff parental leave differences
- paid parental leave
- day care
- alternative emergency/holiday day care options
- short and long term disability options
- paid time off benefits (vacation, sick, holidays)
- benefits for part-time employees
- elder care
- personal auto/home insurance and other options
- legal
- financial planning assistance
- relocation/realtor assistance

### **Short-Term Disability Plan**

The work group researched short-term disability options. Introducing a short-term disability plan that would be available to members of the faculty and staff would resolve the issue of faculty/staff parental leave differences and paid parental leave.

**Recommendation.** The work group recommends a Short-Term Disability Contributory Plan that would pay 60% of the employee's salary, with a maximum weekly benefit of \$1500 and a minimum weekly benefit of \$15. The plan would begin on the 15<sup>th</sup> day of an employee's sickness or accident and would have a maximum duration of 166 days. Wheaton's contribution would be 50%, the employee's contribution 50%.

The plan would require 75% of eligible employees to enroll, and the maximum benefit volume would be \$201,307, with a monthly rate of \$0.34 per \$10 of volume. The monthly premium would be \$6,844.44, with an annual premium of \$82,133.

The Wheaton annual premium will be \$41,067, as will the employee contribution. The cost of the plan would be approximately \$9 per month per employee. We expect that the introduction of a Short-Term Disability plan would eliminate the college's need for the Catastrophic Sick Leave Plan that currently exists for staff. The elimination of the Catastrophic Sick Leave Plan would result in an average annual savings of approximately \$1,700. (\$1,700 is the average annual amount paid through this plan since it was introduced three years ago.)

### **Employee Assistance Plan**

The last Benefits Review (1991) resulted in the introduction of an Employee Assistance Program (EAP). The EAP is available to employees and their family members. It provides confidential help and a variety of services, including research and referral information for child and elder care. This program is used and appreciated by members of the faculty and staff and seems to meet their needs in these areas. The work group learned that the Employee Assistance Program also has another option, financial planning and legal referral services, which offers discounts on services like wills and financial planning.

**Recommendation.** The work group recommends that Wheaton pay an additional \$1 per year per employee to add the financial planning and legal services option to the current Employee Assistance Program, a cost of about \$530 per year.

**Eligibility for Benefits for Part-time Employees**

The work group learned that those employees who work full time for at least nine of twelve months per year (.75 FTE) receive benefits available to full time employees. On the other hand, employees who work part-time during the year may also have an FTE of .75 or greater, but are not eligible for full-time benefits; instead they receive part-time benefits.

*Recommendation.* The work group recommends extending full-time benefits to all employees who are .75 FTE or greater for the year. This would include employees who work full time for 9 months of the year and employees who work part time for 12 months or less of the year. This change in eligibility would impact approximately 4 current employees. The cost to the college would be minimal.

**Personal Auto/Home Insurance and Other Options**

The college currently offers personal auto and homeowners insurance that appears to be meeting the needs of faculty and staff members. No further recommendations are being made at this time.

**Relocation/Realtor Assistance**

The work group reviewed several proposals, but believed that the cost would not provide sufficient benefit to those few members of the faculty and staff who would benefit from such an arrangement.