

2014-2015 Report of the Committee on Personnel Benefits
Final Report
April 14, 2015

The primary focus of the committee this year was on the redesign of the University's short-term disability policy. In addition, the committee dealt with a variety of other benefit matters discussed below.

2014-2015 Specific Charges & Recommendations for Future Charges

1. Discuss and review the University's short-term and long-term disability policies, with a particular attention to impact on maternity leave.

The committee worked closely with Human Resources (HR) to evaluate the current short-term disability/maternity leave policy (STD), to consider alternatives, and to recommend a revised policy. In particular, the current policy suffers from two major defects. First, employees are required to use all sick leave and paid time off (PTO) before using STD. Second, employees who must go on long-term disability (LTD) are likely to run out of STD benefits before LTD benefits are available at six months. Under the new plan recommended by HR and the Committee, employees will not be required to exhaust their sick leave or PTO before using STD. In addition, the new plan guarantees employees that STD will not be exhausted before the transition to LTD, but provides that after six weeks STD steps down from 100 percent of pay to 75 percent of pay. The new plan is expected to be implemented in two phases over the next two years. The Committee expects to continue to work with HR on the implementation of the new plan. Of particular interest to the Committee are the restrictions on the use of part-day leave by exempt employees.

Recommendation: The Committee recommends that it be charged with monitoring the implementation of the revised STD policy.

2. Continue discussion of mental health benefits and compliance with new federal regulations.

The Committee met with representatives of Penn Behavioral Health and discussed mental health benefits including the Employee Assistance Program. Overall, the Committee believes that mental health benefits are good, but is concerned that there are weaknesses in the administration of out-of-network claims.

Recommendation: The Committee recommends that it be charged with reviewing the effectiveness of the administration of out-of-network mental health benefits.

3. Continue to discuss and investigate how information on health insurance and retirement alternatives is disseminated and possible improvements thereto.

The Committee invited Katie Milkman to present work-in-progress of her and her co-authors' investigating the effect of alternative forms of pension enrollment. The Committee encourages HR to continue to work with scholars investigating the effectiveness of alternatives to traditional enrollment procedures.

Recommendation: This charge should continue.

4. Continue to discuss and review the requirements of Health Care Reform and consider needed changes in University benefits.

HR provided an update to the Committee on health care implementation issues, particularly with respect to part-time employees. The sense of the Committee is that HR is dealing effectively with health care reform. In the context of expected changes for open enrollment, the Committee also discussed whether the upcoming (2018) excise tax on high cost employer-sponsored health coverage is likely to affect plan design.

Recommendation: This charge should continue with a particular focus on reviewing the overall health plan design and pricing given health care reform and the current health market.

5. Continue to monitor the implementation and effectiveness of Penn's wellness initiatives, including Penn's program with Health Advocate.

HR provided updates to the Committee on Penn's wellness initiatives and Health Advocates. The sense of the Committee was that these are valuable services and should be continued.

The Committee met with Dr. Frank Leone who discussed the work that is being done towards a tobacco-less campus. Finally, the Committee received a presentation from Dr. Mitesh Patel on studies being performed on the effectiveness of wellness incentives on physical activity.

Recommendation: This charge should be continued.

6. Review and discuss this Committee's general charge and identify two or three issues that should be given the highest priority for the Committee's work in academic year 2015-16.

Recommendation: Highest priority should be given to monitoring the changes in the STD policy and monitoring the implementation of changes to health plan design and pricing given health care reform and the current health market.

Other matters discussed

1. Same-sex partner benefits.

The Committee discussed same-sex partner benefits. Given that same-sex marriage is legal in most if not all states in which Penn employees currently reside, the question was raised whether Penn should phase out benefits for same-sex partners. The sense of the Committee was that any decision should wait for the Supreme Court's expected decision this summer.

Recommendation: The Committee should be charged with monitoring same-sex partner benefits and making appropriate recommendations.

2. The Committee reviewed a variety of other benefit issues throughout the year including retiree benefits and open enrollment materials.

Recommendation: The Committee should be charged with reviewing benefit issues, including retiree benefit, as they arise or are brought to the Committee's attention throughout the year.

The Committee met six times this year. A list of members is attached.

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