

**2015 - 2016 Report of the Committee on Personnel Benefits
Draft Report - March 2016**

The Committee focused on a variety of benefits issues this year with no central issue predominating. The issues discussed are identified below in the context of reviewing the charges for this year and recommending charges for next year. The Committee continued to have a strong working relationship with its Administrative Liaisons, Jack Heuer, VP, Human Resources, and Susan Sproat, Executive Director, Benefits. The Committee met seven times. A list of members is attached.

2015-2016 Specific Charges & Recommendations for Future Charges

- 1. Continue discussion of Penn Behavioral Health, with particular focus on out-of-network benefits and the administration of claims, as well as compliance with new federal regulations regarding mental health benefits.**

The Committee met with Angel Medina, the Interim Director of Operations for Penn Behavioral Health. The Committee was encouraged by the improvements being made in the administration of Penn Behavioral Health.

Recommendation: The Committee recommends that it be charged with continuing to monitor the effectiveness of the administration of mental health benefits and the adequacy of mental health benefits.

- 2. Consider Penn's retirement benefits for faculty and staff. Evaluate retirement benefits, particularly retirement (qualified plan) and especially in relation to peer institutions.**

The Committee reviewed Penn's contribution to retirement savings in light of peer institutions. Penn's retirement contributions are within the range of peer institutions, though below the average benefit provided by peers.

In the course of this review, the Committee became aware of a concern with the current rules governing qualification for other retirement benefits (e.g., retiree health benefits). Under the existing rules, if an employee had a period of part-time service interposed between two periods of full-time service, the initial period of full-time service was not counted in determining eligibility for retirement. The Committee was concerned that the rule was unfair to employees whose life circumstances dictated a period of part-time employment. In consultation with the Committee, the University decided to change the rules to permit bridging of full-time service across periods of part-time service. The Committee applauds this decision which enhances Penn's commitment to family-friendly benefits.

Recommendation: The Committee recommends that it be charged with continuing to monitor retirement benefits in coordination with the Faculty Senate Committee on the

Economic Status of the Faculty.

3. Review same-sex partner benefits in light of the changes in laws governing same-sex marriage.

The Committee worked with Human Resources to achieve a fair transition to parity of benefits for same-sex and different-sex couples.

Recommendation: The Committee should be charged with continuing to monitor the transition to parity of benefits.

4. Monitor implementation of revised short-term disability/maternity leave policy.

The Committee continued to monitor the implementation of the revised short-term disability policy. The Committee continues to believe that the new policy is in line with Penn's commitment to provide competitive and family-friendly benefits.

The Committee believes that next year it should look more broadly at the issues surrounding benefits for new parents.

Recommendation: The Committee recommends that it be charged with reviewing and making recommendations with respect to Penn's provision of benefits for new parents.

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

The Committee continued to work with human resources on the implementation of health care reform and its implication for health care benefits over time. The Committee was briefed in detail on the possible implications of the impending health care excise tax on the provision of health care benefits. The Committee has striven to become more educated in the major questions of plan design. The Committee expects that health care benefits will continue to evolve and believes that the Committee has an important role to play in advising on such changes.

Recommendation: The Committee recommends it be charged with continuing to review Health Care Benefits in light of evolving legal and market conditions.

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

Human Resources 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 also believes that it is important to monitor such initiatives so that they provide benefits to the University community without infringing on individual privacy or personal autonomy.

Recommendation: This charge should be continued.

7. Continue to discuss and investigate how information on benefits is disseminated and possible improvements thereto.

The Committee was primarily concerned with the dissemination of information on the various changes in benefits discussed above.

Recommendation: This charge should be continued.

8. 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 2016-17.

Recommendation: Highest priority should be given to 1) monitoring the implementation of changes to health plan design and pricing given health care reform and the current health market; and 2) reviewing whether Penn's benefits with respect to new parents are competitive and consistent with Penn's commitment to family-friendly benefits.