

## **2017 - 2018 Report of the Committee on Personnel Benefits April 2018**

The Committee focused on a variety of issues outlined below in the context of the charges for this year and recommendations for next year. The Committee continued to have a strong working relationship with its Administrative Liaisons, Jack Heuer, Vice President Human Resources, and Susan Sproat, Executive Director Human Resources, Benefits, who provided detailed formal summaries for the majority of monthly meetings, as well as with Melissa Brown, who provided reporting and administrative support. As of this report, the Committee has met 7 times. The 8<sup>th</sup> and final meeting will be on Tuesday April 17, 2018.

### **2017-2018 Specific Charges & Recommendations for Future Charges**

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

Between the time that the current Committee on Personnel Benefits (the Committee) was formed in the summer 2017 and the end of the calendar year, Congress and the White House entered into a rapid and volatile process of legislation on changes to the Internal Revenue Code. Several of the proposals, if enacted, would have led to potentially dramatic effects on University employees not only in the form of health benefits, but also in such important areas of tuition benefits. The House and Senate bills, and the White House, all proposed that the tax legislation take effect not with typical delays of several months from the date of signature, but within days, on January 1, 2018. For that reason, the Committee addressed this issue rapidly. Dr. Heuer met with representatives of the University Office of Government and Community Relations separately on these issues. The Committee discussed the proposed legislation, in Nov 2017, with special emphasis on how employees would be informed of changes to minimize any disruptions, should the legislation take effect on January 1, 2018. Once the tax bills became law, the Committee arranged for presentation by Maryann Piccolo, Associate Comptroller, Tax and International Operations, on the implications of the new law at the meeting on Jan 16, 2018. The Committee recommended several changes to the proposed information for all Penn employees, and the University then disseminated the tax advisory to the Penn Community on Jan 26, 2018.

Recommendation: The Committee should continue to review health care benefits in light of a changing health care market, with special focus on potential changes in the tax law that might affect employee coverage and influence long-term planning.

#### **2. Continue to review Penn's provision of benefits for new parents.**

At the November meeting the Committee reviewed the spectrum of new parent benefits: sick pay, family leave, maternity, disability, nursing mother support, lactation support, adoption support, backup care, snow day child care, and for faculty the special benefits of

teaching relief and extension to promotion/tenure review. The Committee also reviewed the costs of these benefits. The Committee then arranged for a joint meeting with the Facilities Committee in December 2017. The joint meeting included representatives from Facilities and Real Estate Services, the Penn Womens Center, and Diane L Spatz, PhD, Professor of Perinatal Nursing and Nutrition, from the Penn School of Nursing. In brief, the waiting list for day care at Penn remains long (1 year). This waiting list duration has not been shrinking. In practice, therefore, expectant parents cannot possibly secure Penn day care to start at the end of the 12 week maternity leave period. Parents must arrange for interim day care and must then change when a space becomes available at Penn. The Health System (UPHS) is planning 120 spaces in a building under construction, but the number of spaces that will be available for Penn employees remains uncertain, as are plans for any preferences for Penn faculty in the School of Medicine. Children's Hospital, where several hundred Penn faculty have primary offices, has no on-site day care.

Lactation rooms throughout the University are of varying quality, both in the availability of rooms and in the quality of lactation equipment. Equipment for and maintenance of lactation rooms is the responsibilities of individual schools at Penn. At the joint meeting, several speakers expressed the expectation that the Personnel Benefits Committee (PBC) could and should do more on this issue. At the January and February meetings, therefore, the PBC discussed these issues at great length (access, maintenance, information) and concluded that the problem of access and maintenance fell within the purview largely of Facilities, but recommended that all employees and expectant parents, when they are notifying Human Resources to add additional dependents, be fully informed of available day care and lactation services at the University. Pending the addition of more day care spaces, there should be added web links for affected employees to the disparate sources of information across the University.

Finally, regarding Parental Leave, the Committee was informed that a 4-week paid parental leave program has been approved and will be implemented later in 2018.

Recommendation: The Committee should continue to monitor the adequacy of these benefits and to work jointly with the Facilities Committee and the Division of Business Services, Office of the Executive Vice President, as well as other offices of the University and the Health System.

### **3. Continue discussion of services provided by Penn Behavioral Health.**

The Committee covered again the issue of benefits for behavioral health and access to those benefits. The University (Penn Human Resources) produced and distributed to all employees a brochure, "Opioid Addiction: Penn is Committed to Help", with health-insurance-specific details on coverage and access, as well as information on the Employee Assistance Program (EAP) for confidential counseling services. Penn in its capacity as an employer continues to work with the Penn Health system on access to

these services, and is in the process of obtaining bids for the Employee Assistance Program.

Recommendation: The Committee should continue with a charge to monitor the effectiveness of the administration of and access to mental health benefits and the adequacy of mental health benefits.

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

The staff of Human Resources provided updates to the Committee on Penn wellness initiatives, and especially on the "Be in the Know" program, the "Tobacco-Free" initiative, and the flu vaccination efforts. Participation in wellness programs continues to grow. Retirees are not included in these programs, however. Recent data suggest that costs of health benefits might be flattening. To what extent wellness program participation causes at least in part these savings remains for future investigation.

Recommendation: This charge should be continued, especially as to the implications of wellness programs for controlling employee health care costs.

**5. Continue to monitor retirement benefits in coordination with the Faculty Senate Committee on the Economic Status of the Faculty**

The Committee reviewed all retirement benefits, not only the current benefits, but also in the context of more general education on financial planning before and after retirement (see charge 6 below). Only one change of note was the discontinuation of a health plan option that had high cost and low participation. Individual retirees who would be affected were notified.

Recommendation: As retirement benefits change owing to rates of participation or costs, or from Federal legislation, the Committee should continue to review the impact of these changes on current and future retirees.

**6. Continue to discuss and investigate how information on benefits is disseminated and possible improvements therein.**

Sue Sproat made several presentations on benefits and we discussed the access of faculty and staff to this information. One specific example was the January dissemination of information on the recent tax legislation as it affects the University and its employees. A continuing limitation for faculty is the cap on the number of emails from Human Resources to faculty per year. Starting in the March meeting, and to be continuing in April, the Committee discussed the need for additional education of all employees on financial planning throughout employment and after retirement.

Recommendation: The Committee should continue its important role on ensuring that University decisions reach affected employees promptly and should discuss the expanding needs of employees for financial planning.

**7. Continue discussion of same-sex partner benefits and the transition to parity.**

The Committee received updates on the transition of these benefits to spouse benefits in wake of the Supreme Court resolution of the status of same sex marriage. Affected individuals are notified of the impact of these changes.

Recommendation: The Committee should continue to monitor the transition to spouse benefits and the impact of legislative developments at the state and Federal levels.

**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 2018-19.**

**Recommendations:** The Committee should continue to (i) monitor, as necessary with the Facilities Committee, the availability of day care and lactation rooms for new parents and mothers, (ii) monitor the University health insurance plans and the potential impact of "Be In The Know" and related wellness programs, and (iii) study expanded education and information to employees and retirees on financial planning for and throughout retirement.

**Membership**

**Chair:** Russell Localio

**Liaisons:** Jack Heuer, Susan Sproat

**Staff:** Melissa Brown

**Members:** Ex-Officio: Anita Allen;

Faculty: David Balamuth, Tanja Kral, Iouri Manovskii, Olivia Mitchell, Andrew Postlewaite, Bob Stine

WPSA: Desiree Fleck, Cynthia Kwan Dukes, Adam Roth Sacks

WPPSA: Darlene Jackson, Rhonda Kirlew, Rosa Vargas