

2013-2014 Report of the Committee on Personnel Benefits
April 2014

The Committee met 6 times this year. In addition to the topics addressed in the specific charges, the Committee discussed a variety of topics related to personnel benefits, including changes to retirement benefits, changes to employee benefits for FY 2014, benefits deduction rules, the Defense of Marriage Act, and the Express Scripts, Inc. (formerly Medco) formulary change.

2013-2014 Specific Charges

1. Continue to discuss and investigate how information on health insurance and retirement alternatives is disseminated, how constituencies use this information, and how the communication and decision process can be improved. Explore how Penn can productively engage with faculty conducting research related to employee benefits in order to improve Penn's benefit design, communication, and utilization.

The committee addressed this charge as part of the ongoing discussion about benefits at Penn. Of note, the committee discussed with Human Resources staff the development of private, employment-based exchanges that involve a “defined contribution” approach to health care benefits. It was the sense of the committee that these developments should continue to be monitored but that the University’s present approach to health benefits is meeting the needs of the Penn community. The committee commended Human Resources for participating with a research project involving Wharton faculty member Katie Milkman on ways to increase the take-up of retirement benefits. The results of this research will be presented to the committee next year.

This charge should continue.

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

The Human Resources department briefed the committee on a variety of implementation issues related to Health Care Reform. It is the sense of the committee that the University is appropriately engaged with Health Reform implementation issues.

This charge should continue during implementation of the Affordable Care Act.

3. Continue to monitor the effectiveness of Penn's program with Health Advocate.

The Human Resources department briefed the committee on utilization of the Health

Advocate program. It is the sense of the committee that the program provides a useful service for employees and that a growing percentage of people are aware of the range of services that are available. Committee members encouraged the Human Resources Department to continue to work with Health Advocate to develop additional measures of the effectiveness of the program.

This charge should continue for at least one more year.

4. Continue to monitor the implementation and effectiveness of Penn's wellness initiatives.

The committee was actively and productively engaged in monitoring Penn's wellness initiatives. The committee worked with Human Resources Department personnel to evaluate the proposed survey to be included as part of a Health Risk Assessment met with Staywell, the vendor responsible for implementing the wellness programs, to understand their services and provide feedback.

This charge should continue.

5. Discuss and review Penn's current Maternity Leave Policy for staff in comparison with work-relief policies offered at peer institutions.

Human Resources staff and committee member Heather Frattone collected information about how staff maternity leave is addressed at peer institutions. Maternity leave is addressed at Penn and peer institutions through the universities' general Short-Term Disability (STD) programs. There is a wide variation in STD policies at peer institutions. The Penn rule requiring a "spend down" of sick leave and personal time off before accessing short-term disability is an outlier. Other institutions typically allow employees to access their STD leave after a waiting period that allows employees to preserve more of their alternative leaves. (On the other hand, Penn's benefit level is higher than at some peer institutions.) It was the sense of the committee that an adjustment to the policy that would allow employees to preserve some of their PTO would bring the Penn policy more in line with peer institutions. After hearing from Human Resources staff about other concerns related to the University's disability policy more generally, the committee recommended that this larger topic be one of the charges for the committee next year.

This charge should be merged into a new charge regarding disability policies.

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 AY 2014-2015.

The proposed high priority issues for AY 2013-2104 are: (1) discuss and review the

University's short term and long term disability policies for staff in comparison to those of peer institutions; and (2) discuss and review the proposed changes to University smoking policies in relation to University personnel policies.

Committee on Personnel Benefits 2013-2014

Chair: Tom Baker; **Faculty:** David Balamuth, Anthea Butler, Carolyn Cannuscio, Daniel Polsky, Lorraine Tulman, Rakesh Vohra, Tess Wilkinson-Ryan; **PPSA:** Heather Frattone, Thomas Wilson; **WPPSA:** Joe Mellon, Jr., Peter Rockett, Joyce Woodward-Jones; **Ex Officio:** Jack Heuer, Susan Sproat; **Human Resources and General Counsel Staff:** Sheila Hall, Liz Salasko, Geri Zima