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## Fringe Benefits Committee Summary, August 2011

Submitted by Jim Russo, Chair of the Faculty Fringe Benefits Committee, 2010-2011 and Keith Farrington, Chair of the Faculty Committee on Compensation, 2011-2012

In response to President Bridges' request of December 3, 2010 to the Faculty and Staff Fringe Benefits Committees, the members of these committees met jointly on a weekly basis from January to May 2011. We were asked to assess options for reducing the College's fringe benefits costs while preserving competitive fringe benefits for faculty and staff. More specifically we considered options for changes to the college's health care benefits which can reduce overall costs to the institution, while maintaining access to affordable care for all employees and their families.

### Core Benefits Principles

In considering this charge, we felt that it was critical to first generate a set of principles to guide us in advocating for and making recommendations to the College on employee benefits. In addition, we hoped that any future discussion of changes to benefits could be conducted within a framework which recognizes the college's commitment to core benefits. We wanted to create a statement that frames benefits not solely within a market-driven model, but which also acknowledges the importance of benefits in sustaining a healthy and productive campus community. After studying statements relating to benefits from three institutions (we surveyed more than 20 institutions, including the national panel of 14 comparison colleges, but found only three statements that were useful to us), we shared our first draft with the campus in early February and subsequently met with President Bridges and Peter Harvey to hear their input. In these discussions, we were informed of their desire to create a statement that could also be endorsed by the administration and the Trustees. After a series of discussions, negotiations and revisions, we arrived at the current document in May 2011. This document was developed in concert with President Bridges, with the understanding that he would present the statement of principles to the Trustees for their consideration (and hopefully their endorsement). These principles explicitly recognize that core benefits are among the top budget priorities of the college, while also acknowledging the fiscal realities which put constraints on

the rate of growth of these benefits.

## Health Care Premiums

We examined various models for health care plans and premium cost sharing, within the context of our principles pertaining to health care. These principles include a desire to maintain a fair and equitable shared responsibility in health care costs, a plan which imposes less burden on employees with lower salaries, and an intent to consider changes in employee contributions relative to changes in salary.

We collected health care benefits data from 21 institutions (the panel of 14 colleges plus Lewis & Clark, Willamette, Gonzaga, Bowdoin, Kenyon, Middlebury, and St. Olaf) to analyze: self-insured status, # of plans offered, employee contributions to premiums, premium structures based on salary, and percentages of premiums paid by employees and families. In addition, we looked at several consortia of independent colleges in different states, and employer models in which employees' premiums are based on salary. We analyzed data for total health care costs at Whitman for 2008-10, looking at how employee costs are distributed among premiums, copays, coinsurance, and deductibles, and the total health care cost sharing between employees and the College

From this analysis we recommend:

- a. That employees make a contribution to their medical premiums, starting at a rate of 5% of total premiums
- b. That the premium contributions by employees be paid as a percentage of salary
- c. That the college discontinue cash-in-lieu payments for employees who are insured by a spouse
- d. That the cost-sharing structure of dependent health care premiums not be changed at this time (although the Faculty Committee on Compensation will continue to take this matter under advisement)

The Faculty Committee on Compensation, together with the Staff Fringe Benefits Committee will schedule a forum in the fall to discuss the Core Benefits Principles and the recommendations on health care benefits.

## 2010-11 Fringe Benefits Committee Members

<b>Staff</b>	<b>Faculty</b>
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Sonja Aikens (Student/Residence Life)	Jim Russo ( <b>chair</b> ), term ending 2011
(Alumni Relations/Development)	Dan Vernon), term ending 2011
Jeff Donahue (Physical Plant)	( <b>chair</b> ) Cynthia Croot, term ending 2012
Jennifer McNeil (Registrar/Dean of Faculty)	Keith Farrington, term ending 2012
David Sprunger (Technology Services)	Patrick Frierson, term ending 2013
Chris Tarvin (Admission)	Bokyung Kim, term ending 2013
Debra Wright (Business Office/Human Resources)	

## 2011-12 Faculty Committee on Compensation

Keith Farrington (chair), term ending 2012  
Nathaniel Paust, term ending 2012  
Patrick Frierson, term ending 2013  
Bokyung Kim, term ending 2013  
Mark Beck, term ending 2014  
Albert Schueller, term ending 2014