

Human Resources and University Relations Committee Meeting Summary  
December 12, 2017  
8:30 AM, Patterson Office Tower, 18<sup>th</sup> Floor

Committee Members present: Kelly Sullivan Holland, Ben Childress, Bob Grossman, David Hawpe, Dave Melanson, Sandy Shuffett

Chair Kelly Sullivan Holland called the meeting to order at 8:30 AM.

A motion was made by committee member David Hawpe to approve the minutes from the June 16, 2017, committee meeting. Motion was seconded by committee member Sandy Shuffett. Motion carried, minutes approved as written.

Trustee Dave Melanson introduced and welcomed Richard Amos, Chief Benefits Officer for Human Resources, to give an overview of UK's Employee Benefits. The purpose of the presentation was to provide a broad overview of primary University of Kentucky employee benefits as compared to benchmark institutions. Mr. Amos stated, "We know our benefits are good at the University of Kentucky and remain a strong part of our package that helps us recruit and retain faculty and staff and health care workers." He added, "This review reaffirmed that our benefits remain strong and are very competitive compared to our benchmark peers."

The Benchmark Institutions included in the study were Michigan State University, Ohio State University, University of Arizona, University of California – Davis, University of Florida, University of Iowa, University of Michigan – Ann Arbor, University of Minnesota – Twin Cities, University of Missouri – Columbia, University of North Carolina – Chapel Hill, and University of Wisconsin – Madison. All of these institutions have academic medical centers, one of UK's standard benchmark groups by Institutional Research. Information regarding each institution was gathered using the professional services of Aon Hewitt (UK's primary health and welfare benefits consultant) and reviewing each institution's website.

Comparison outcomes for each benefit is listed below:

- Employee Medical Premium Rates – UK Employee monthly medical premiums are overall around the middle of the benchmark institutions.
- Employee Out-of-Pocket Maximum Cost – UK is again in the middle of other institutions, close to the median.
- Total Annual Cost per Covered Employee per Year – for a broader comparison, UK used Willis Towers Watson (Higher Education Industry Group weighted average) which showed UK's plans cost less per employee per year than the comparison group by 29%. When total cost per employee per year is actuarially adjusted to account for demographic, plan value and geography, UK's plans cost is 5% less than the larger higher education comparison group. This translates to UK plans costing \$8.5 million less than our peers with comparable benefits. Why is UK able to do this? Three reasons: employee engagement in robust well-being programs, contract negotiations, and managing the cost for prescriptions as performed by the The Know Your Rx Coalition for UK. (Note: UK pays 82% and employees pay 18% of the total cost for the health plan benefit).

- Employee Contributions as a Percentage of Plan Cost – UK employees pay 7% less than this peer group.

Mr. Amos stated that overall, UK health plans are operating efficiently at a favorable value to UK and to employees.

Voluntary benefits such as dental and vision show UK is right at median among its peers.

Mr. Amos added that Long Term Disability (LTD) is one of the best benefits provided to UK employees at no cost and provides an equal benefit (percentage of salary) for all employees at UK.

A basic Life Insurance benefit is provided at no cost to UK employees at one times salary, which positions us at median among this peer group.

UK's contribution to our Retirement Plan is not attached to state retirement defined benefit plans. Currently, UK has 19,500 participants in the main plan and 2,744 participants in the voluntary retirement plan. UK's 10% contribution to faculty and staff retirement plans is at the median, and matches employees' 5% contribution, which becomes mandatory at age 30.

Mr. Amos stated that UK's Tuition Assistance plan is below median at six credit hours but added we do allow exceptions to waive up to eight or nine credit hours for UK employees attending the University of Kentucky. A state mandate allows UK employees to attend other Kentucky state-funded universities. UK provides 100% of tuition for employees, which is at median among the peer group. In addition, UK provides 50% tuition discount for children of employees, which is also at the median level.

UK provides staff six weeks of paid sick/TDL for birth of a child as part of a 12-week family leave. This is standard. Sick leave and vacation leave accrue to provide paid leave time for family needs.

This study showed that the University of Kentucky's benefits are overall equal to or more beneficial than most of its benchmark peers and a wider higher education grouping. Mr. Amos concluded by stating, "Improving the effectiveness, efficiency and understanding of benefits is a constant goal and the University of Kentucky's benefits support the mission and strategic vision of the University."

At the conclusion of his presentation, Mr. Amos asked committee members for questions and comments:

Trustee Bob Grossman stated that the parental leave and adoption leave in Arts and Sciences is very generous and asked if there were plans to implement something similar campus-wide for other employees.

Richard Amos stated that today's presentation was focused on the staff at UK and not faculty. He added that faculty members at the University of Kentucky might request up to 6 months of paid TDL leave to use, if needed.

Trustee Lee Blonder asked if tuition reimbursement for graduate school for an employee's family member is being looked into as a possible benefit.

Richard Amos stated that this is not something generally covered in a public institution. Stefan Schagane, HR's Employee & Family Education Program Administrator was present and offered to research this option and provide feedback to the committee.

Chairman Holland thanked Mr. Amos for sharing information with the committee. She called for other committee business.

Motion was made by committee member Dave Melanson to adjourn and seconded by committee member David Hawpe.

Meeting adjourned at 8:58 a.m.