

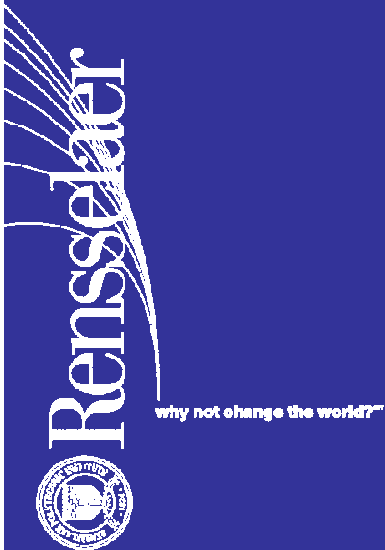
# Rensselaer's 2007 Benefits and Retirement Programs

Rensselaer's Faculty Senate  
November 2006

Presented by:

*Curtis Powell*  
*Vice President for Human Resources*

*Louis Padula*  
*Manager of Benefits and Retirement*



# Agenda

- **Faculty Senate Motion – 2/8/06**
- **Rensselaer Benefits Program**
- **Peer Benchmarks**
- **2007 Benefits Program Changes**
- **Cost Impact**
- **Policy Changes**
- **Pension Plan Outlook**



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# Faculty Senate Motion – 2/8/06

- Whereas The Rensselaer Health Plan is of high quality and provides good benefits to employees and continuation of this plan is extremely expensive for retirees (e.g. ~\$12,000 per year for a couple over 65), to the point that it becomes an inappropriate disincentive to retirement and a burden to those who have retired.
- The Faculty Senate requests the Administration to investigate alternative plans that provide a similar level of benefits, including drug and dental coverage, but that takes economic advantage of Medicare benefits, Parts A and B, that are mandatory for retirees over 65. The Faculty Senate has no inherent objection to this being applied to employees who are 65 or older as well as to retirees should be legally possible.



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# New Medicare Advantage Plan - Retirees

- Partnered with CDPHP to create new medical plan for retirees
- Created Integrated Group Medicare Advantage Plan
  - Comprehensive medical, Rx-with no gap, vision
  - No Medicare card required
  - Affordable - \$199/mo less Rensselaer subsidy
    - Effective January 2007 \$196/mo
    - \$600 hearing aid/3 yrs & \$80 vision hardware/1 yr
  - Total savings:
    - \$2,100 per individual
    - \$7,400 per couple

# Rensselaer Benefits Program For Active Employees



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# Rensselaer Benefits Program

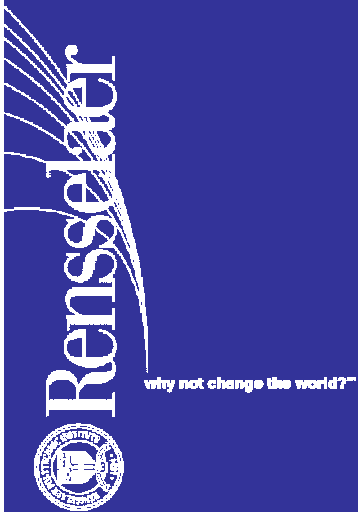
- **Mandatory Benefits**
  - Social Security
  - Workers' Compensation
  - Unemployment Insurance
  - New York State Disability



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# Rensselaer Benefits Program

- Medical – Rensselaer pays 80%
  - Rensselaer Health Plan POS (CDPHP)
  - Rensselaer HMO (CDPHP)
  - Mohawk Valley HMO (MVP)
- Dental – Rensselaer pays 75%
  - MetLife Dental Plan
- Retirement Programs
  - Defined Contribution Plan – 1% with 8% match
  - Defined Benefit Plan – 1% with employer funding
  - 403(b) Supplemental Retirement Program – Tax Deferred Savings
  - 457(b) Plan – Tax deferred savings for top hat group
- Tuition Reimbursement
- Basic Life Insurance – 2.25 x pay
- Sick Leave or Salary Continuation
- Short Term Disability
- Long Term Disability
- Holidays (10)
- Vacation



# Rensselaer Benefits Program

## ● Additional Benefit Programs

- Travel Accident Insurance
- Adoption Assistance
- Employee Assistance Program
- Pre-tax payroll deductions
- Pre-tax parking
- Credit Union
- Supplemental Life
- Dependent Life Insurance
- Accidental Death & Dismemberment
- Supplemental Long Term Disability
- Health and Dependent Care Flexible Spending Accounts
- GMAC Discount
- International Travel Insurance



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# Rensselaer Benefits Program

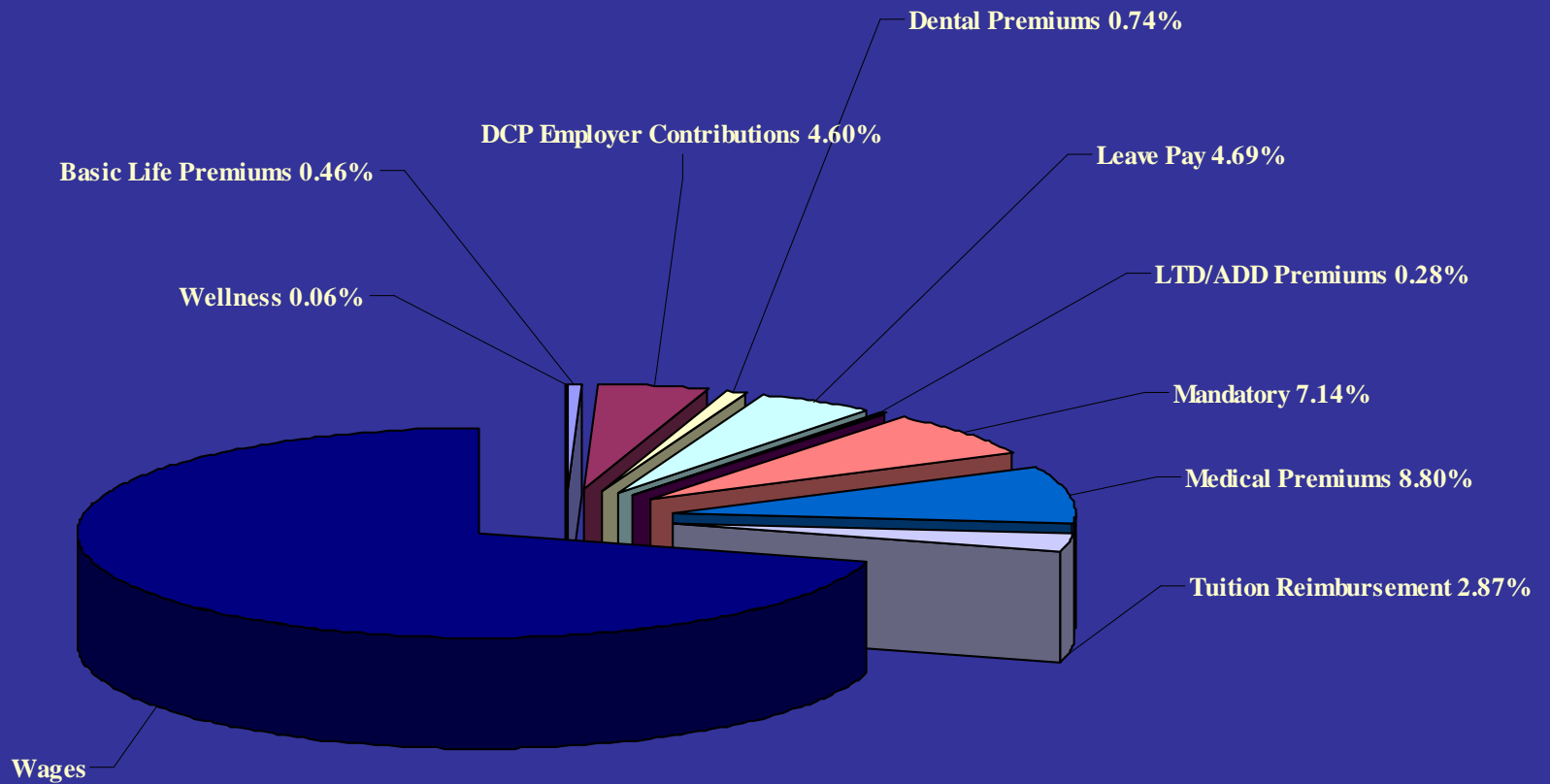
- **Additional Benefit Programs cont'd**
  - Wellness Programs
    - Free Flu Shots
    - Corporate Challenge
    - Weight Watchers Discount
    - Free Prostate Screening
    - CPR Training Discount
    - Defensive Driving Training Discount
    - Mueller Center Fitness Facility
    - Walking/Running Signature Program



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# Overall Program Benefits Costs

## FY07 Employee Aggregate Total Compensation



**Benefits = Additional 33% of employee's base pay**

# Industry Benchmarks



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# Benchmarks

## Peer & Aspirant Institutions

Boston University  
California Institute of Technology  
Carnegie Mellon University  
Case Western University  
Clarkson University  
Cornell University  
Georgia Institute of Technology  
Lehigh University  
Massachusetts Institute of Technology  
Northeastern University  
Northwestern University  
Princeton University  
Rice University  
Rochester Institute of Technology  
Stanford University  
University of Pennsylvania  
University of Rochester  
Worcester Polytechnic Institute

## CUPA

1,800 Colleges and Universities

## Segal/Sibson/WageWatch

Brown University  
Cornell University  
Duke University  
Georgia Institute of Technology  
Johns Hopkins University  
Northwestern University  
Princeton University  
Rice University  
Union College  
University of Albany System  
University of Chicago  
University of Illinois  
University of Maryland, College Park  
University of Michigan - Ann Arbor  
University of Notre Dame  
University of Pennsylvania  
University of Texas - Austin  
Vanderbilt University

## National Surveys

Watson Wyatt World Wide  
Mercer  
Aon



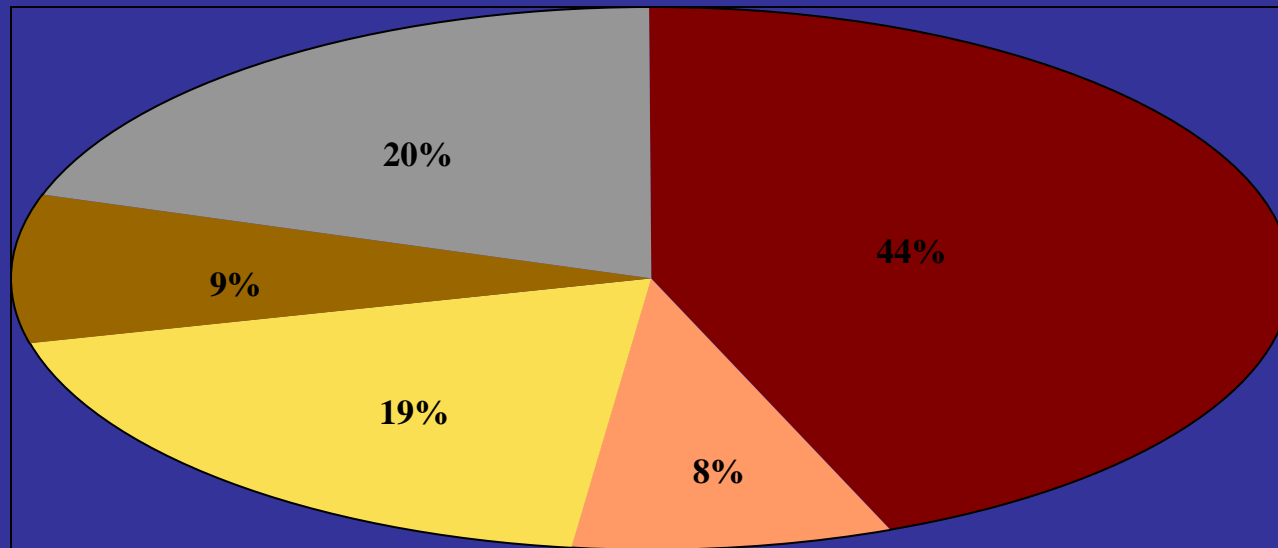
# 2007 Benefits Program Changes








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# Annual Process

## Primary Strategy for Managing Health Plan Costs



-  Plan Design Changes
-  Other - Wellness and Education and Training
-  Employee Consumerism/Employee Accountability
-  Contract Negotiations with Vendors
-  Raising Employee Contributions

# Rensselaer Strategy

- Conducted Benchmark Survey
- Consulted with Benefits Consultant (RMS)
- Reviewed and analyzed proposed 2007 renewal costs from vendors
- Negotiated plan design and costs
- Evaluated need for RFP's
- Finalized 2007 plan design, administrative and plan costs with vendors



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# 2007 Benefits Program Changes

	<b>Rensselaer Current Provision</b>	<b>Benchmark</b>	<b>Rensselaer New Provision</b>
<b>Office Co-Pay</b>	\$10	\$15 – \$20	\$15
<b>RHP Urgent Care</b>	\$10	\$25 – \$40	\$25
<b>MVP Emergency Room</b>	\$35	\$50 – \$100	\$50
<b>Inpatient Hospital</b>	\$0	\$250 – \$425	\$100
<b>RHP Out of Pocket Max (Rx+Med)</b>	\$1,200	\$1,500 – \$2,000	\$2,000
<b>Rx</b>	Two Tier	Three Tier	Three Tier Generic Preferred Brand Non Preferred Brand



# 2007 Benefits Program Changes cont'd

	<b>Rensselaer Current Provision</b>	<b>Benchmark</b>	<b>Rensselaer New Provision</b>
<b>RHP Deductible (POS/Trad)</b>	\$0 / \$100	\$200 – \$400	\$150
<b>CDPHP Deductible (HMO)</b>	\$0	\$200 – \$250	\$0 (no change)
<b>Dental Deductible</b>	\$35	\$50	\$50
<b>Life Insurance</b>	2.25Xpay	1.5Xpay	2.25Xpay (no change)
<b>Ee Contribution:</b>	% of Premiums	Tiered by coverage level	% of Premiums
<b>Medical</b>	20%	30%-80%	21%
<b>Dental</b>	25%		27%



# Cost Impact



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# 2007 Premium Deductions Per Pay Period

	Individual	2 Person	Family
<b>CDPHP RHP (POS)</b>			
2006	\$41.12	\$82.25	\$117.62
<i>Increase</i>	3.21	6.43	9.20
2007	<b>\$44.33</b>	<b>\$88.68</b>	<b>\$126.82</b>
<b>CDPHP HMO</b>			
2006	\$29.14	\$58.28	\$78.10
<i>Increase</i>	2.28	4.56	6.11
2007	<b>\$31.42</b>	<b>\$62.84</b>	<b>\$84.21</b>
<b>MVP</b>			
2006	\$38.12	\$76.24	\$102.54
<i>Increase</i>	.13	.27	.36
2007	<b>\$38.25</b>	<b>\$76.51</b>	<b>\$102.90</b>
<b>MetLife Dental</b>			
2006	\$3.88	\$7.74	\$13.15
<i>Increase</i>	.33	.65	1.11
2007	<b>\$4.21</b>	<b>\$8.39</b>	<b>\$14.26</b>



# Policy Changes



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# Policy Changes

- **TIAA-CREF Open Plan Solutions**
  - New IT capabilities and services implemented in October 2006
    - Expanded investment options
    - Objective participant advice
    - Enhanced recordkeeping and compliance reporting
- **Parental Leave - *proposed***
  - Automatically extend tenure period
- **Paid Time Off (PTO) - *proposed***
  - Provide employees more control and privacy over their personal time
  - Strengthen diversity and promote equity
  - Reduce administrative tracking and management
- **Domestic Partner Benefit**
  - Dental plan coverage added for same sex partner

# Rensselaer's Defined Benefit Pension Plan



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# Defined Benefit Pension Plan

- Rensselaer has contributed \$44 million to this plan since 1997 and plans to contribute a like amount in the near future.
- The President is committed to ensuring that Rensselaer meets the fiscal obligation of this plan.
- As our fiduciary responsibility, we will continue to review the plan liabilities and assets to ensure that Rensselaer can support the current benefit structure of the plan.
- Given the provisions of the Pension Protection Act, passed into law this summer, Rensselaer's Board of Trustees have a fiduciary responsibility to look at the implications of the impact of this new legislation. The Board will review during the current fiscal year.



# Communication Strategy



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# Communication Strategy

- Members of Cabinet
- Faculty Senate Executive Committee
- New Employee Orientation – Faculty and Staff
- Comprehensive Benefits Statement
- Written and electronic communication to Faculty & Staff
- Benefits Guide
- Division of Human Resources Website
- HR Polytechnote
- Annual Benefits Fair
- Information Sessions
- Retiree Seminars
- Individual Investment Counseling
- Employee Self Service Website
- Annual/Quarterly Retirement Plan Statements
- Train the Trainer within the Division of Human Resources



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# Summary



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# Summary

- Rensselaer continues to:
  - Benchmark Benefits and Retirement Programs within Higher Education
  - Maintain a comprehensive, competitive and affordable benefits package for all employees and retirees
  - Amend Benefits Program Policy to meet the needs of an ever-changing, diverse workforce
  - Strengthen our channels of communication
  - Meet the fiscal obligation of the Defined Benefit Pension Program



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# HR Relocation

- HR has relocated to its new location
  - The Historic Gurley Building in downtown Troy  
21 Union Street  
Troy, NY 12180



# Q&A



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