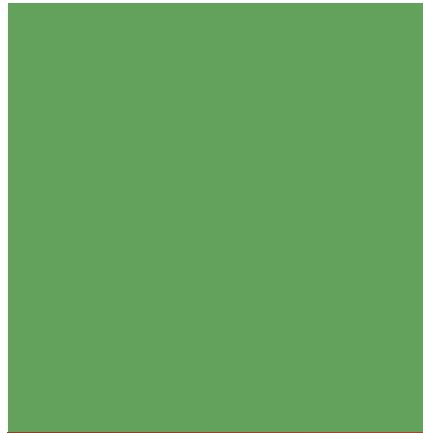


Understanding the Importance of Benefits PRIOR to negotiations



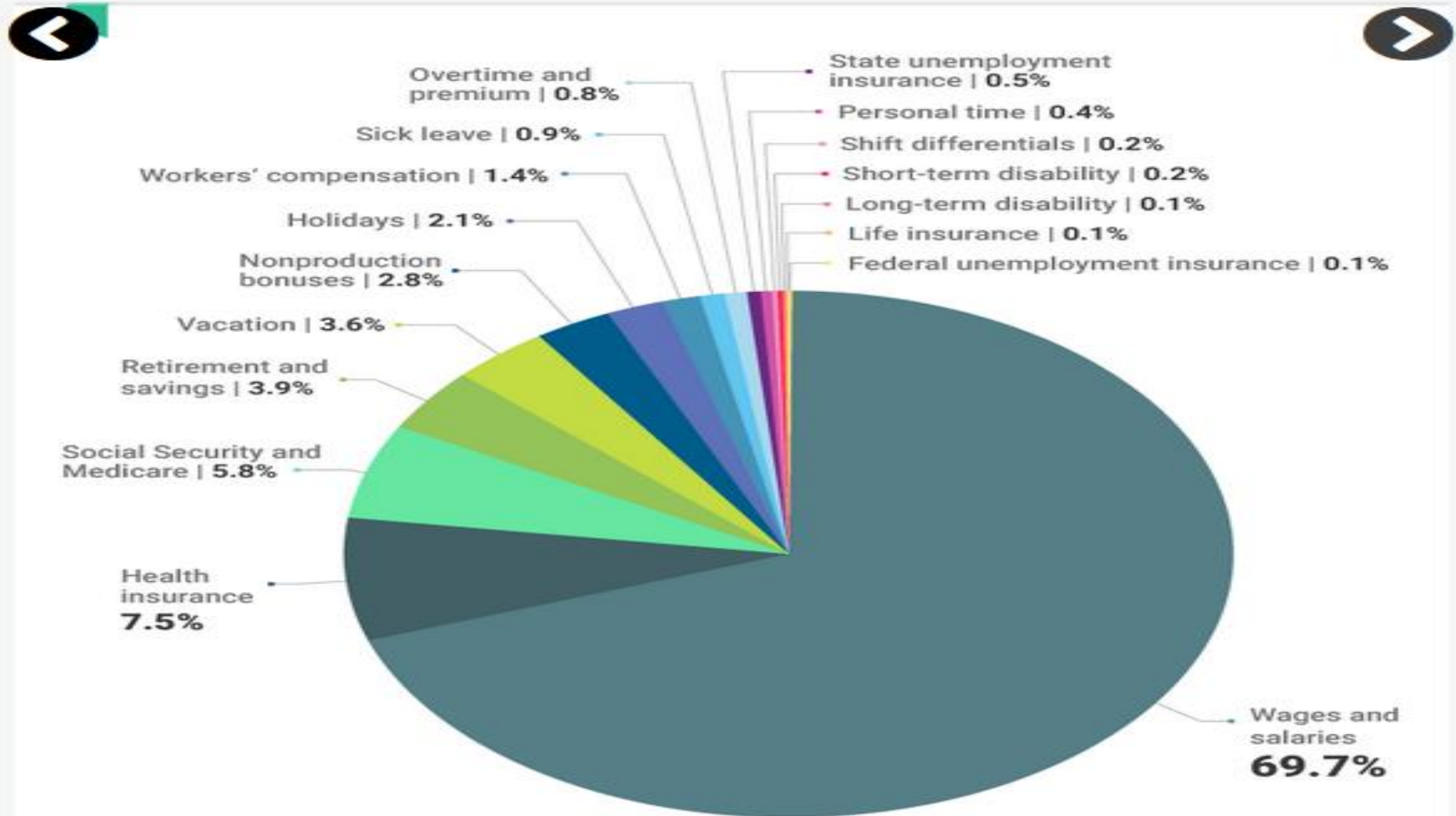
Understanding Total Compensation

- Total Compensation = Direct + Indirect
- Direct: Base Salary, Bonuses
- Indirect: Benefits, on-site amenities
- *Recent data shows that employee benefits typically cost 29-38% OR MORE than the base salary*



BREAKING DOWN COMPENSATION COSTS

Among Private Industry Employers



Source: Wooldridge, Scott. | January 28, 2019. "Breaking down benefit costs: 6 charts that show where the money goes." Benefits Pro.

Insurance

- This is the most important and costly benefit.
- The total average cost for insurance benefits, including health, life, and disability insurance comes to \$5,698 annually per employee.
- Many companies are moving to high deductible plans and this can have a **major** impact on how much you have to pay for health care.



Health Insurance: Key Terms and Concepts

POS/Open Access

Point of Service, allows patients to choose between in-network and out-of-network care

PPO

Preferred Provider Organization, subscription based medical care, usually offer more flexibility by allowing for visits out-of-network, referrals may require pre-authorization

HMO

Health Maintenance Organization, typically less than PPO and POS plans, you can only visit professionals within this network and you designate a primary physician for all referrals

HDHP

High Deductible Health Plan, typically the least expensive plan. You pay the full negotiated cost for medical services and prescription drugs until you meet your annual deductible (often except for preventative care).

Key Terms and Concepts Continued

Deductible:

The amount you must pay out-of-pocket before your insurance coverage begins

In-Network:

Considered a preapproved provider by your insurance company

Out-of-network:

Not preapproved and may not be covered by your insurance plan, may require a referral, depends on your coverage

Out of Pocket Limit:

The maximum amount you will be accountable to pay out-of-pocket



Health Insurance: Key Terms and Concepts

HSA: Health Savings Account, pairs a high-deductible health plan with a tax-free savings account for medical expenses; contributions are tax-free, savings are owned by employee and moves with employee from employer to employer



What is *typically* in a Benefits Package?

Insurances

- Medical
- Dental
- Vision/Eye Care
- Life
- Accidental Death and Dismemberment Insurance (AD&D)
- Disability (short and/or long term)
- Business/International Travel
- Long term care (becoming more common)



Other

- Annual Leave: vacation, sick/personal days, holidays, PTO
- Retirement Plans: 401(k), pension, 403b
- Flexible spending account (FSA)
- Employee assistance programs (EAP)
- Professional development
- Additional Compensation: Profit Sharing, Stock Options, ESOPs
- Reimbursements: Tuition, Public Transportation, Parking, Cell Phone, Fitness/Health Clubs

Flexibility in benefits is the critical element to achieve fairness...This flexibility is much more likely to surface in areas related to work exchange, flexible working hours, location, extra vacation time and child care needs versus traditional areas of regulated benefits, like health or retirement planning. We've seen an acceleration of this in the past year with COVID-19.

Source: Roy Mauer, Feb. 24, 2021 “Most Employers Open to Negotiating Salary, Not Benefits” SHRM.



What may be negotiable?



- Salary
- Start date
- 6 month review and defined salary increase
- Public Transportation or Parking Reimbursement
- Professional Development
- Monthly cell phone costs
- Pre-paid legal Assistance
- Fitness Center

- Childcare
- Student Loan Repayment
- Flexible work schedules
- Additional/specific equipment – ex. Computer, standing desk
- Flextime/telecommuting
- Profit sharing
- Additional vacation or Vacation prior to “eligible” time
- International travel insurance

Bottom Line

Prior to accepting any offer, ask to see the company's full benefit guide to get detailed information

- This outlines YOUR costs for insurance
(This can vary greatly and may include a large cash sum for you to buy your own)
- It outlines PTO and vacation policies
(Policies can vary and unlimited PTO may not be as beneficial as you think)
- It outlines your total 401K/403B match contribution and vesting timeline & if there is a pension *(This can vary greatly in amount and time for vesting)*
- It describes any additional benefits



EXAMPLES

The following pages shows how to read and understand different benefit packages and what it means TO YOU and what to consider

Summary of Covered Benefits	HMO Plan	HDHP-HSA Plan
	KP Providers	KP Providers
Calendar Year Deductible** (single/family)	None	\$1,500/\$3,000*
Calendar Year Out-of-Pocket Max** (single/family)	\$2,000/\$4,500	\$3,000/\$6,000*
DOCTOR'S OFFICE		
Virtual Care Visit	100% covered	100%covered
Primary Care Office Visit	\$25 copay	20% after ded.
Specialist Office Visit	\$40 copay	20% after ded.
Preventive Care	100% covered	100% covered
DIAGNOSTIC TESTING/ IMAGING		
Diagnostic Lab and X-ray	100% covered	20% after ded.
Advanced Imaging (MRI, CT/PET Scan)	\$100 copay per procedure	20% after ded.
HOSPITAL SERVICES		
Emergency Room	20% coinsurance	20% after ded.
Urgent Care	\$50 copay	20% after ded.
Inpatient	20% coinsurance	20% after ded.
Outpatient Surgery	KP Facility: 10% coinsurance All Other Facilities: 20% coinsurance	KP Facility: 10% after ded. All Other Facilities: 20% after ded.
Chiropractic Care (up to 20 visits per calendar year)	\$25 copay	20% after ded.
PRESCRIPTION DRUGS		
Retail - 30-day supply Tier 1 Tier 2 Tier 3 Specialty	\$15 copay \$30 copay Not covered \$75 copay	Plan ded. then: \$15 copay \$30 copay Not covered \$75 copay
Mail Order - Tier 1/2/3/ Specialty (90-day supply)	\$30/\$60/Not covered/\$75	\$30/\$60/Not covered/\$75
Pediatric Vision Exam	\$25 copay	20% after ded.

	HMO Plan			HDHP-HSA Plan*		
	University of Denver Contributes	Employee with WIP Credit	Employee without WIP Credit	University of Denver Contributes	Employee with WIP Credit	Employee without WIP Credit
Employee Only	\$538.50	\$93.72	\$120.80	\$508.85	\$0.00	\$27.08
Employee & Spouse	\$873.98	\$390.40	\$444.58	\$850.26	\$167.32	\$221.50
Employee & Child (ren)	\$787.72	\$350.22	\$377.30	\$762.84	\$153.08	\$180.16
Family	\$1,156.22	\$613.94	\$668.12	\$1,129.96	\$294.70	\$348.88

Note This is the cost of two different plans of insurance. The HMO costs at least \$93.72-120.80 a month, but there is no deductible, but there are co-pays for all doctor visits (except for preventative care). So, for **no** care, or just preventative care, base insurance cost for YOU is \$1124.64 a year.

The HSA costs \$0-27.08 a month, but there is a \$1,5000 deductible before any care is paid (except for preventative care). So, for no care, or just preventative care, base insurance cost for you is \$0

QUESTION TO CONSIDER—HOW much health care might you need? THAT determines cost and which plan to choose and costs for health plan. See the next to understand these costs BETWEEN organizations

Summary of Covered Benefits	Cigna LocalPlus Medical Plan	
	LocalPlus Network	Out-of-Network
Plan Year Deductible Individual/Family	\$1,250/\$3,750	\$2,500/\$7,500
Out-of-Pocket Maximum <small>Includes deductible, copays, and coinsurance</small> Individual/Family	\$4,200/\$8,400	\$16,800/\$33,600
Preventive Care	Plan pays 100%	50% after deductible
Physician Services Primary Care Physician (includes Mental Health) Telehealth Specialist Urgent Care/Dispatch Health	\$25 copay \$25 copay \$40 copay \$75 copay	50% after deductible 50% after deductible 50% after deductible 50% after deductible
Lab/X-Ray Diagnostic Lab/X-Ray High-Tech Services (MRI, CT, PET)	Plan covers 100% 20% after deductible	50% after deductible 50% after deductible
Hospital Services Inpatient Outpatient	20% after deductible 20% after deductible	50% after deductible 50% after deductible
Emergency Room	\$250 copay	
Occupational and Speech Therapy (20 visits/year per therapy)	\$40 copay	50% after deductible
Chiropractic Care and Physical Therapy	\$40 copay	50% after deductible
Prescription Drugs Generic Preferred Brand Non-Preferred Brand Specialty Drugs Mail Order (up to 90-day supply)	Mental Health Center of Denver's in-house pharmacy copay is \$2 less. \$10 copay* \$35 copay* \$90 copay* 20% up to \$150 maximum per script 2x retail copay	Applicable copay then 50% reimbursement Not covered

Coverage Level	Medical and Vision 40 hours/week	
	Standard Rate	Tobacco Free Rate*
Employee Only	\$110.00	\$35.00
Employee + Spouse	\$233.00	\$158.00
Employee + Child(ren)	\$214.00	\$139.00
Employee + Family	\$317.00	\$242.00

Note there are not options between different plans here, but you have a choice of going to specific doctors within a “network” (this is like an HMO), or other doctors.

The total cost for this plan is \$420-1,320 per year BUT, there is a deductible before care is provided (except preventative care). For other care, there is a \$1,200-2,500 deductible, regardless and then the costs of co pays or deductible.

Further Compare other Benefits from Two Organizations:

403(b) Retirement Plan—Voya Financial

The retirement plan features a 3.5% employer match after one year! You may choose pre-tax or post tax (Roth) retirement savings plans. Financial Wellness and Retirement on-demand and live sessions are available at Voya.com/VoyaLearn.

2021 Paid Holidays:

- New Years Day—Friday, January 1
- Martin Luther King Day—Monday, January 18
- Memorial Day—Monday, May 31
- Juneteenth—Friday, June 18
- Independence Day—Monday, July 5
- Labor Day—Monday, September 6
- Thanksgiving—Thursday, November 25 and Friday, November 26
- Christmas—Friday, December 24

Paid Time Off:

Excellent PTO Leave: PTO can be used for any reason an employee wants time off, such as: vacation, birthdays, feeling under the weather/minor illness/sickness, volunteering, religious observance or holidays, personal business/errands, well-being day, or any other personal reason.

Accrual Rates for Full-Time Employees	Accrual Per Pay Period	Accrual Per Month	Days Per Year	Maximum Accrual
6 to 12 months	5.538	12 hours	18 days	180 hours
13 to 36 months	6.461	14 hours	21 days	210 hours
37 to 60 months	7.385	16 hours	24 days	240 hours
Over 60 months	8.308	18 hours	27 days	270 hours

- Retirement—3.5 percent of salary (after you contribute that amount)
- Holidays --9 days
- Vacation/Sick—18 days (TOTAL)

Retirement Savings Plan

The University offers a retirement plan under section 403(b) through TIAA to enable employees to invest in their retirement via automatic payroll contributions. Contributions are made on a pre- or post-tax basis. The University will match employee's 4% contribution with a 4% match after the completion of one year of service. Employees may waive the one year of service if the employee has met this requirement at another qualified educational institution. Employees are 100% vested immediately.

Paid Holidays

The University observes the following holidays, which are paid holidays.

New Year's Day, Martin Luther King Jr. Day, Memorial Day, Juneteenth (June 19), Independence Day, Labor Day, Thanksgiving Day, Thanksgiving Holiday (the Friday after Thanksgiving Day), and Winter Break (December 25 – 31).

Vacation Leave

Full-time non-faculty employees accrue vacation time based on the employee's work schedule and length of employment. Full-time employees accrue 1.25 days per month up to a maximum of 15 days. After completing seven years of service at the University, employees accrue 2 days per month up to a maximum of 22 days. Accrual rates are prorated by FTE for employees who work less than full-time.

Sick Leave

Full-time non-faculty employees accrue 1 day of sick leave per month up to a maximum of 130 days. Accrual rates are prorated by FTE for employees who work less than full-time.

- Retirement—4 percent of salary (after you contribute that amount)
- Holidays—13 days
- Vacation—15
- Sick—12 days per year

Things to Remember

Insurance

Costs of insurance can make a big difference in how much is costs you out of pocket (look at deductibles)

Retirement

There is often a difference with retirement contributions—and you need to plan to contribute as soon as you can—look at how long it takes “vest”

Time off

Look at how many holidays, vacation & sick days as this can make a difference

Schedule & Evaluations

Look at the work week—what are the standard hours? When are evaluations and raises given (this is sometimes negotiable, and the start date may impact when you can qualify for an evaluation)

Education

Are there other benefits that are of values? (ie: Tuition, organization membership, professional development, loan repayment)

IMPORTANT:

ALWAYS ASK FOR THE FULL BENEFITS GUIDE TO ASSESS THE BENEFITS PRIOR TO ACCEPTING A JOB—there are also other benefits defined here that may be of importance to you

Understanding benefits helps you understand the total offer and can inform your final negotiations



Where to go from Here?

- Fully review the benefits guide from the employer
- Check Glassdoor.com to try to get more information from reviews
- For Korbel Graduate students, OCPD Advisors can help you sort through your offer & discuss negotiations
 - ☐ Make an appointment with an OCPD Advisor on PCO
 - ☐ If no appointments available in time, contact korbelcareers@du.edu to see if we can get you in sooner