

**RESOLUTION TO CLARIFY *FACULTY HANDBOOK* LANGUAGE
ON EMPLOYEE HEALTH BENEFITS CONTRIBUTIONS**

Finance and Facilities Committee

May 11, 2009

Passed

Whereas the *Faculty Handbook* requires changes in employee benefits contributions to be approved by Faculty Senate each year, and

Whereas the current *Faculty Handbook* language uses a number of terms (“premium,” “total contributions,” and “contribution rates”) that have been open to misinterpretation,

BE IT RESOLVED that the *Faculty Handbook* (III.A), which now reads

“The University provides two health plan options for Faculty. Premium payments under this plan are partially or totally made by the University with the understanding that increases in the premium are considered as part of the annual discussion concerning faculty compensation increases. The total contributions of all employees will be limited to 10% (or less) of the medical monthly dollar factor on an annual basis (the medical monthly dollar factor includes medical costs, prescription costs, and various administrative fees). Any changes to the employee contribution rates must be presented to the Faculty Senate for approval each year,”

be revised to read as follows:

“The University provides a health benefits plan for Faculty. Premium payments under this plan are partially or totally made by the University with the understanding that increases in the premium **and employee out-of-pocket costs** are considered as part of the annual discussion concerning faculty compensation increases. **Premium payments by employees will not exceed 10% of the University’s total health care budget. Out-of-pocket costs include co-insurance, co-pays, deductibles, and any other health benefit costs that are paid by employees. Total employee contributions are defined as the sum of employee health care premiums plus employee out-of-pocket costs. Total employee contributions will be limited to 20% (or less) of the sum of the University’s total health care budget plus total employee out-of-pocket costs. The following equation expresses the preceding:**

$$A / (A + C) \leq 0.1$$

And

$$(A+B) / (A +B+C) \leq 0.2,$$

Where,

A = Employee health care premiums

B = Employee out-of-pocket costs, and
C = University's funding of the health benefits budget.

Any changes to **total employee contributions** must be presented to the Faculty Senate for approval each year.”