Here is additional info that may be helpful.

* **UNIT 6 - EMPLOYEE BENEFIT PLANS**

In the U.S. the average employer spends an additional 30 percent of their employees' annual income for benefit plans and many employers pay more. Some larger employers pay in excess of 50 percent of payroll on benefits. Employer benefit plan costs are high and have increased well in excess of general inflation over the last several decades, slowing the growth of employee take-home pay and our economy. While employer costs are high and most employee benefits are tax free or tax deferred to employees, many employers are certain that their employees undervalued them. That paying more for benefit plans does not increase productivity or engagement. Many believe that the best they can expect is to avoid the negative consequences of failing to provide them.In Unit 6, our focus is on educating ourselves on the most popular elements of employee benefits, their participation levels, costs, considerations in designing an employee benefits package and the current trends.
**Objectives:**

* + Identify the elements for designing a competitive employee benefit plan package
	+ Distinguish between a "defined" and a "contributory" retirement plan
	+ Explain how employers can increase their employee's perceived value of their employee benefit plans
	+ Examine the likely future of employer sponsored health care plans

**Activities:**

* + Read and review Unit 6 *Readings and Activities*
	+ Actively participate in Unit 6 *Discussion Forums*
	+ Complete and submit Unit 6 *Assignment*
* **READINGS AND RESOURCES**

**CourseSmart Textbook:**Milkovich, George T., Newman, J. M., & Gerhart, B. (2014). *Compensation* (11th ed.). New York, NY: McGraw-Hill.

* + Chapter 12 - The Benefit Determination Process
	+ Chapter 13 - Benefit Options

**Articles & Websites:**Inc., Human Resources. (2010, April). [How to build a competitive employee benefits package](http://www.inc.com/guides/2010/04/offering-competitive-employee-benefits.html).

* + The Inc. magazine on-line article identifies their version of “what constitutes a solid employee-benefits package, and how do you set up various benefits plans”?

Use the following resource to assist you with your response for Unit 6.1 DB: Perception of Value.

* + Miller, S. (2013, April). [Better benefits communications pays off](http://www.shrm.org/hrdisciplines/benefits/Articles/Pages/Better-Benefits-Communication.aspx). *Society for Human Resources Management*.
		- This article provides, “tactics that could help employees understand—and value—their benefits".

**Videos:**

|  |  |
| --- | --- |
|  | [Watch Video](http://www.youtube.com/watch?v=4aunwWgrn_w)Trends in 401(k) and Retirement Plans**Duration: (6:06)** **User:** worldatworktv - **Added:** 4/2/13**YouTube URL:**<http://www.youtube.com/watch?v=4aunwWgrn_w> |
|  | This video reports that the 2008 economic crisis may not have affected employer contributions to 401(k) plans despite what the media has reported. WorldatWork Practice Leader Lenny Sanicola discusses this and other 401(k) and retirement planning research. |
|  |  |
| [Watch Video](http://www.youtube.com/watch?v=NEWli66L104)Making Smart Benefit Choices**Duration: (2:51)** **User:** mercervideo - **Added:**9/4/12**YouTube URL:**<http://www.youtube.com/watch?v=NEWli66L104> | [Watch Video](http://www.youtube.com/watch?v=5x6SS_GrTZg)Communicating Benefit Plans**Duration: (5:15)** **User:** workingatduke - **Added:** 4/20/10**YouTube URL:**<http://www.youtube.com/watch?v=5x6SS_GrTZg> |
| In this video Mindy Fox at Mercer Consulting talks about the issues employees face when making choices as they take greater accountability for their retirement and health benefit decisions. | This Duke University video was provided to Duke employees to supplement their annual “Personal Benefits Statement,” and advance their understand and perceived value of of their Total Compensation package, including benefit plans. |

 **Supplemental Resources:**[Employee Benefits Research Institute](http://www.ebri.org/%22%20%5Ct%20%22_blank)

* + The mission of the Employee Benefit Research Institute (EBRI) is to contribute to, to encourage, and to enhance the development of sound employee benefit programs and sound public policy through objective research and education.

United States Department of Labor – <https://www.bls.gov/bls/proghome.htm> (BLS)

* + The BLS publishes a large amount of information on the wages, earnings, and benefits of workers in the U.S. by geographic area, occupation and industry.

Deloitte Consulting, LLP. (2013). [2013 Top five global employer rewards priorities survey](http://www2.deloitte.com/content/dam/Deloitte/mx/Documents/human-capital/Top-5-Global-Employer-Rewards-Priorities.pdf).

* + This annual Deloitte Consulting survey identified the top five global employer compensation and benefits priorities for 2013, as follows:
		- The ability of reward programs to attract, motivate, and retain employees
		- Clear alignment of Total Rewards strategy with business strategy and brand
		- Motivating staff when pay increases are flat or non-existent
		- The cost of providing benefits to employees
		- Demonstrating appropriate return on investment for reward expenditures

Harriet Komisar, H. (2013, January). [The effects of rising health care costs on middle-class economic security](http://www.aarp.org/content/dam/aarp/research/public_policy_institute/security/2013/impact-of-rising-healthcare-costs-AARP-ppi-sec.pdf). AARP Public Policy Institute.

* + This AARP Public Policy Institute report documents the devastating impact of national health care spending in the United States “averaging $8,402 per person in 2010 -- 72 percent higher than a decade earlier when it was $4,878, and nearly triple the 1990 level of $2,854.” Employers have generally responded to higher health care costs by scaling back wage increases and shifting cost increases to their employees, or changing the type of insurance they offer.