

University of Wisconsin System New Personnel Systems Work Group Recommendations



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BACKGROUND

The current Benefits structure for the UW-System institutions is a mixture of benefits provided through the Wisconsin Retirement System (WRS), the Department of Employee Trust Funds (ETF) and the Board of Regents. It has been determined that, at this time, health insurance and retirement benefits and other state employee benefits under Chapter 40 Wisconsin Statutes will continue to be available to UWS employees. Remaining benefits, especially annual and sick leave benefits, vary greatly between the classified and unclassified employees, both in eligibility and accruals. Accrual calendars also differ, with accruals for the classified staff being on a calendar year basis, while the unclassified calendar is on a fiscal year basis. In addition classified employees are not eligible for the employer contribution to health insurance until the beginning of the third month of employment while unclassified UWS staff are eligible beginning on the first of the month after hire.

Current tuition reimbursement benefits are for employees only, and are administered differently at each institution and between departments.

PHILOSOPHY

The review of the current benefits structure and recommendations for structural change were based on the guiding organizational principles of simplicity, consistency and coherence. These principles direct us to create a university benefits system that treats employees equitably and provides uniformity of benefits across all employees categories

The Group worked under the premise that all UWS employees will continue to be treated as state employees for state employee benefits programs, including, but not limited to WRS, State group health and life insurance.

The development of a new personnel system will not change the two sick leave conversion programs administered by the Department of Employee Trust Funds.

University of Wisconsin System New Personnel Systems Work Group Recommendations



GOALS

The goals of the Benefits Work Group were to identify inequities and inconsistencies within the university benefits structure, to reduce administrative complexity, to research sound benefit enhancement opportunities, and recommend changes designed to contribute to the recruitment and retention of highly qualified faculty and staff.

DEFICIENCIES OF CURRENT SYSTEM

Deficiencies with the current system were identified through a review of the “Assessment of Current State of Personnel Systems”, along with a comprehensive committee evaluation of current benefits.

- Accrual calendars differ between classified and unclassified staff. Classified staff accrues leave benefits on a calendar year basis. Unclassified benefit accruals are on a fiscal year calendar
- Inconsistent sick and annual leave accrual structures exist between classified and unclassified staff.
- There are inconsistent laws related to when the employer contributes to health insurance premium between classified and unclassified staff
- Two separate Catastrophic Leave Programs do not allow the donation of benefits between classified and unclassified employees
- Tuition remission policies are inconsistently applied across System and within institutions themselves
- No tuition reimbursement is available for dependents or spouses
- No personal days are provided for faculty and other nine month employees

RECOMMENDATIONS

The Benefits Work Group makes this report with the understanding that a comprehensive personnel system needs to coordinate benefits with the full spectrum of human resources issues. These include appropriate classification, the topic of another work group, striking the right balance between benefits and compensation, the topic of yet another work group, and making full use of benefits in recruitment and retention of employees. This last item might be aided by collecting benefits into functional groups that advertise values such as “family friendly,” “institutional loyalty,” or “wellness.” It also might be aided by coordinating state and system wide benefits with benefits offered at the institution, such as subsidies for childcare, parking, gym membership, or the like, into a more complete compensation package. We also acknowledge that fiscal constraints and statutory limitations may hinder complete and/or immediate implementation of our recommendations.

University of Wisconsin System New Personnel Systems Work Group Recommendations



The recommendations of the Benefits Work Group fully incorporate the goals outlined earlier in this document.

- **Benefits Eligibility:**

The Benefits Work Group recommends that benefits eligibility be tied to WRS eligibility. This would result in simplification of administration.

Additionally the Group strongly recommends that operational employees be eligible for employer contribution for health insurance consistent with that available to faculty and academic staff, i.e., the first of the month following the start of employment. This would be both equitable and ease administrative burdens.

- **Leave Accrual:**

Leave accrual calendar should be based on fiscal year for all employees. This would provide consistency for all employees. It will enhance the budgeting process as the UW-System is on a fiscal year budgeting cycle.

- **Personal Holidays:**

Add current personal holiday allocation to vacation accrual. Apply usage and carryover rules consistently. This will reduce the administrative burden of tracking leave separately and provide more flexibility for employees to use leave.

- **Vacation:**

Allow vacation carryover for one full year. Eliminate the restriction that certain employees cannot use vacation during 1st 6 months of employment. These recommendations create flexibility, especially if an employee has moved to accept a position. The change will assist in the recruitment of operational staff. It will also reduce the amount of leave that must be used after the first six months.

The Work Group strongly supports the feasibility of placing all employees on one vacation accrual schedule and one Sick Leave accrual schedule, and is studying a variety of scenarios, with the understanding that proposals will need to be fair, equitable and create efficiencies.

- **Floating Legal Holidays:**

Currently when a legal holiday falls on a Saturday, the holiday “floats”, whereas if it falls on a Sunday, the holiday is taken on the Monday. The Work Group recommends changing the current system so that if a legal holiday falls on a Saturday, the holiday would be taken on the previous Friday, and if on a Sunday, the holiday would be taken the subsequent Monday. This would ease current tracking requirements and may allow the institutions to save resources such as heat and electricity. The Group also recommends that institutions close the day after Thanksgiving. There are no students on campus, there are no classes, and the closure would result in utility savings that may assist in the offset of other costs.

- **Leave Reporting:**

The Work Group recommends that leave reporting be consistent with the Fair Labor Standards Act (FLSA) and that all staff who are FLSA exempt, report leave in half or full day increments, while operational staff, who are eligible for overtime, report actual time missed. This will also provide for ease of administration and result in all exempt employees being treated the same.

University of Wisconsin System New Personnel Systems Work Group Recommendations



- ***Initial Sick Leave Entitlement:***

The Group recommends the elimination of initial entitlement for sick leave. This change would have no impact on current employees. This would create consistency across employee groups. Also recommended was a consistent accrual calendar for all employees. A variety of options are being researched for further recommendation after fiscal impacts and equity issues can be addressed.

- ***Catastrophic Leave:***

The Group recommends that the two leave programs be merged so that annual leave time can be donated between different employee groups. This benefit is not accessed frequently, so its fiscal impact would be low.

- ***Income Continuation Insurance (ICI):***

Look closely at industry standards and programs at peer institutions, and partner with ETF to determine the viability of having all UWS employees in one ICI plan, the plan currently available to UWS unclassified staff.

- ***Vacation Sabbatical and ALRA Plans:***

Consider consolidation the Vacation Sabbatical and ALRA plans into one program and investigate a variety of consistent options for cash payment payout of vacation. Depending on the recommendations the plan could ease the large unfunded Sabbatical and ALRA liability. Grandfathering may need to be considered.

- ***Tuition Reimbursement:***

Establish a system wide employee tuition reimbursement policy that is equitably administered across all institutions and employee types. Review a variety of options to expand tuition reimbursement to dependents and spouse. This area is one that would enhance recruitment opportunities. Design/development of these programs needs to be an inclusion project with broad participation and input from the business and academic units.

SUMMARY

Recent legislation has required that we create a separate and distinct personnel system for the University of Wisconsin System. The University of Wisconsin, as compared to other state entities, has a unique blend of faculty, academic staff, and operational employees. These differences have included different reporting and governance structures as well as differences in benefits for these employees. The new UPS provides us with a unique opportunity to address some of the benefit differences and inequities that have developed over time. By instituting a comprehensive and uniform set of benefits we will remove perceived inequities, simplify administration and enhance recruitment and retention of a highly qualified workforce.