6-1998

UA25/2 Connections

WKU Human Resources

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IN THE NEWS

The Department of Human Resources is pleased to welcome three new members to the human resources team. Brenda Keith has been appointed to the position of Manager, Benefits and Compensation. Brenda comes to Western from National Dust Control (subsidiary of National Linen Service) in Franklin, Kentucky where she was Human Resources Manager for approximately five years. She is a graduate of Western and has more than 25 years of experience in human resources management. Brenda's primary responsibilities are managing the University’s employee benefit programs and compensation systems. Brenda is married to Terry who is a WKU retiree. In her free time she enjoys sports, ceramics, flea markets, and her grandchildren.

Donna Duff is our newest member of the Employment Section where she holds the position of Employment Associate. Donna has extensive experience in office operations having held positions at Michigan State University and the University of Washington. She has previous experience with a CPA firm and also prior experience in the Accounts Payable office at Western. Donna is the spouse of Dr. John Duff, Head of the Music Department. Donna's hobbies include knitting, counted cross stitch and reading.

Faye McKeage has joined the Department in the position of Office Assistant where she is responsible for the general secretarial operations of the department. Faye came to Western from the Warren County School System where she served as Staff Support Secretary at Lost River Elementary School. She has prior experience at Trans Financial Bank and Holley Automotive where she worked as Personnel Clerk for almost 20 years. Faye’s daughter, Lisa Hudson, is also employed at Western in the Department of Housing. In her spare time Faye enjoys sewing.

In addition to these new employees, Beth Littrell and Mary Ann McGehee have moved into new areas of responsibility. Beth previously served as Employment Associate where she coordinated the day-to-day activities of employment. Beth’s new responsibilities are in the Benefits Section where she is responsible for maintenance of benefit accounts and assisting employees with benefit questions and issues. Mary Ann previously had responsibilities for the personnel/appointment process paperwork and the overall clerical operations of the office. She will continue to coordinate the personnel/appointment process, but will also assume new duties related to the University’s compensation systems.

Kellie Stinson will continue as our part-time Benefits Assistant with primary responsibilities for the University’s vacation and sick leave system and our faculty/staff scholarship program. Particular thanks are extended to Kellie for the critical role she performed in the Benefits Section during recent staffing changes in the Department.

More WKU Employee Cookbooks Available

We have extra copies of the WKU Employee Cookbook which was previously made available to full-time employees. If you are a part-time employee and would like a cookbook please visit or call us at 5360 to claim your free copy.

Supervisors, We Need Your Help!

Supervisors please help us ensure that employees are filling out their monthly time sheets correctly. We continue to have significant errors in running the computer generated time sheets because they are not completed properly. Please made sure each time sheet has both the employee signature and supervisor signature. Each "bubble" should be fully shaded. Also, the number of TOTAL hours reported for vacation and/or sick time should agree with the hours indicated in the daily reporting section. Time sheets not only ensure accurate vacation and sick leave balances but also serve as documentation of actual time worked each day.

Time sheets are due back to the Department of Human Resources by the 10th of each month. Thanks in advance for your help.

Mid-Year Performance Reviews

Supervisors are responsible for conducting mid-year performance reviews to document progress to date for each employee (Form HR100C). While there is no specific time frame for conducting reviews, it is suggested that they be done in June, July, or...
August. During the review meeting, goals should be reexamined and adjusted as necessary.

The mid-year review report should be signed by both the supervisor and employee to document that a review session occurred. Forms are to be retained by the supervisor/department head for reference in conducting the next annual performance appraisal.

Health Insurance UPDATE

We continue to move forward in preparing for a new health insurance program for 1999. As communicated with you previously, the University has elected not to make any mid-year (July) changes in the employee health insurance program. Coverage will continue with the current providers through December of 1998. If you feel you will be adversely affected by this decision, please contact Ms. Brenda Keith, Manager of Benefits and Compensation at 5346 and share with her your particular circumstances.

Since our last newsletter, the legislature has completed its work and one of the outcomes was elimination of the Kentucky Health Purchasing Alliance as of June 30, 1999. Several health care reforms originally passed in 1994 remain in place, however, the Alliance will no longer exist. Therefore, Western will be required to provide employee health insurance through another program as of January 1999. As a result, we must move forward on a plan of action to ensure affordable and quality health care for Western employees.

Since the "self-insurance" discussion began several months ago, we have received feedback from many of you regarding your concerns and interests. Many of you have continued to be concerned about the "self-insured" approach. In order to address these concerns and to provide updated information, the Department of Human Resources made a presentation to members of the Faculty Senate and Staff Council on May 13 and 14. In the session with Faculty Senate and Staff Council members, President Ransdell made a commitment to reinvest in the employee benefits program any dollars saved as a result of self-insurance. There had been some concern expressed that the University only wished to "profit" from a funding change of the health insurance program. Dr. Ransdell's pledge clearly ensures that employees directly benefit from any resulting plan savings.

Highlights of the insurance presentation are provided below:

Self-Insurance is an alternative approach to risk and financial management of the employee health insurance program and does not have the effect of limiting or reducing employee coverage. Self-insurance only effects how the University pays for employee health coverage. Since the Alliance will not exist for next year, new plan designs will be put in place regardless of whether or not the University conclusively decides to self-insure.

The following general plan designs are being considered for next year:

PPO (Preferred Provider Organization) Plan:
- Enhanced benefit level
- Standard benefit level
- No primary care physician
- "In" and "out" of network benefits

POS (Point of Service) Plan:
- Enhanced benefit level
- Standard benefit level
- Requires primary care physician
- "In" and "out" of network benefits
- Gatekeeper

CONGRATULATIONS TO OUR 1997-98 RETIREES

We wish you health and happiness during this new phase of life. Your contributions to the success of Western Kentucky University are greatly valued and appreciated.

Mary Hazzard  Terry Keith  Facilities Management
Earl Pearson  Mary Sample  College Heights Foundation
Herb Simmons  Roger Pankratz  Teacher Education
Suzi Faulkner  Richard Kirby  Public Safety
Deborah Burch  Janice Masanat  University Libraries
Jane Hulshart  Dwight Pounds  Music
Jerry Boles  Carol Wells  Mathematics
Sue Montgomery  Joseph Uveges, Jr  Government
Curtis Wilkins  Janet Schwarzkopf  English
Richard Troutman  Cecil Webb  Facilities Management
Virginia Hanks  Mary Margaret Wright  English
Ray Biggerstaff  Mary Ellen Pitts  Facilities Management
Dwight Cline  Carl Martray  Food Services
Henrietta Gouvas  Patricina Adams  Nursing
George Dillingham  Kay Carr  Agriculture/University Farm
Jerry Harris  Annie Cline  Art

CONNECTIONS
What are the potential benefits?

- Total freedom of choice for physicians and hospitals
- Single benefit level

Traditionally Funded Insurance vs. Self-Insurance:

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**Self-Insurance:**

- Premises paid to an insurance company
- Insurance company pays claims and covers its expenses using premiums
- If annual claims exceed premiums paid, the insurance company suffers a loss and rates usually (almost always) increase
- If annual claims are less than premiums paid, the insurance company keeps the excess as profit

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**Traditional:**

- Premiums paid to an insurance company
- Insurance company pays claims and covers its expenses using premiums
- If annual claims exceed premiums paid, the insurance company suffers a loss
- Annual claims are less than premiums paid, the insurance company keeps the excess as profit

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**Self-Insurance** IS NOT...

- Intended to reduce benefits
- Turn Western into an insurance company
- Force the University to assume extraordinary financial risk
- A concept unproven by other large organizations

**Why would Western want to self-fund its insurance program? What are the potential benefits?**

- Plan design flexibility and simplification
- Ownership and control
- Higher customer (employee) service standards
- Expectation of lower premiums/costs for both employees and the University over the long-term

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**Where do we go from here?**

- Must make plan change for 1999
- Alliance will no longer exist
- Finalize self-insurance plan specifications and seek proposals/quotes from the market
- As a fall-back plan (if for some reason the self-insurance alternative is abandoned), quotes will also be collected from traditional insurance carriers
- Evaluate proposals received
- Make administrator/carer selection(s)
- Set up administrative/operating systems
- Communicate plan coverage with employees
- Conduct open enrollment (October)

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**Important Legislative Change:**

Several changes were made in the most recent legislative session pertaining to the Kentucky Teachers' Retirement System (KTRS) and the Kentucky Employees Retirement System (KERS).

The noted provisions below are effective July 1, 1998, and may be of interest to those considering retirement within the next few years:

**KTRS**

- Provides for a "three-year" final salary average factor for employees who are at least age 55 and who have at least 27 years of Kentucky service.
- In most situations, this change has the effect of increasing the average salary factor since fewer years are used. For employees who do not meet this criteria, the "five-year" final salary average factor will continue to be used.

- Allows active members who have 20 or more years of service credit to purchase up to a maximum of 5 years of service credit that is not otherwise purchasable under other provisions and that meets the definition of nonqualified service. Employees must pay the full actuarial cost of the service credit to be purchased as determined by KTRS. The cost may be paid by lump sum or by installments to the KTRS.

- Individuals who retire on or after July 1, 1998, will receive their monthly annuity checks by electronic fund transfer.
- Upon the death of a KTRS member retired for service or disability, the death benefit has been increased from $2,000 to $3,000.

**KERS**

- Provides a retirement incentive for individuals with 20 years of service credit and who remain continuously employed during the period Jan. 1, 1998 through Jan. 1, 1999. Individuals who meet these conditions and who retire between Feb. 1, 1999 and Jan. 31, 2009, will have their benefit factor increased from 1.97 percent to 2.2 percent. For example:

<table>
<thead>
<tr>
<th>Normal Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,000 (av. 5 year salary)</td>
</tr>
<tr>
<td>X 1.97% (benefit factor)</td>
</tr>
<tr>
<td>X 27 years of service</td>
</tr>
<tr>
<td>= $15,957 annual retirement benefit (basic option)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retirement Incentive Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,000 (av. 5 year salary)</td>
</tr>
<tr>
<td>X 2.2% (benefit factor)</td>
</tr>
<tr>
<td>X 27 years of service</td>
</tr>
<tr>
<td>= $17,820 annual retirement benefit (basic option)</td>
</tr>
</tbody>
</table>

  - If service credit is not earned between Jan. 1, 1998 and Jan. 1, 1999, or if you are employed anytime after Jan. 1, 1998, the benefit factor remains at 1.97 percent.
  - If you receive service credit for the period Jan. 1, 1998 through Jan. 1, 1999 and retire between Feb. 1, 1999 and Jan. 31, 2009, your benefit factor will be 2.0 percent.
  - Allows active members who have 20 or more years of service to purchase up to a maximum of 5 years of service credit that is not otherwise purchasable under other provisions and that meets the definition of nonqualified service. Employees must pay the full actuarial cost of the service to be purchased. The cost may be paid in a lump sum or in installments.
  - The death benefit has been increased from $2,500 to $5,000 for retirees.

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**1-800 Numbers:**

If you need to contact VALIC or TIAA CREF regarding your optional retirement account or 403(b) annuity account, representatives can be reached at the following 1-800 numbers:

**VALIC** 1-800-448-2542
**TIAA CREF** 1-800-842-2003
1998-99 University Holiday Schedule

- Independence Day (observed) - Friday, July 3, '98
- Labor Day - Monday, Sept. 7, '98
- Thanksgiving (2 days) - Thursday, Nov. 26, '98 & Friday, Nov. 27, '98
- Christmas Break - Monday, Dec. 21, '98 through Thursday, Dec. 31, '98
- New Year's Day - Friday, Jan. 1, '99
- Martin Luther King, Jr's Birthday (observed) - Monday, Jan. 18, '99
- Memorial Day (observed) - Monday, May 31, '99

The University will alter its official hours of operation during the summer months through Friday, August 14, 1998. During this period, regular business hours will be from 8:00 a.m. to 4:00 p.m. Full-time employees will continue to receive pay for the standard 37.5 hour workweek during this period.

Compensation Schedule Increased for 1998-99

The University's compensation schedule for positions in the classification and compensation plan has been adjusted for 1998-99. Pay band minimums have been increased by 1.5%; midpoints by 4.5% and; maximums by 6.5%. The previous compensation schedule had been in place since May 1, 1996, upon implementation of the Corroon project.

Employee Training and Development

Dr. Ken Burch recently completed his temporary appointment in the Department of Human Resources where he directed the development and implementation of the University's employee training and development program. Our appreciation is extended to Ken for putting in place a program of very high quality.

Because of limited resources, the University was unable to budget for a regular position to manage the training and development function for 1998-99. As a result, employee training opportunities will be scaled back for the immediate future. We are exploring several different alternatives for continuing this important area of our human resource program. Employee training and development does remain a priority function. Discussions will be held with the Staff Council and employee focus groups in order to get input on program continuation and necessary changes. Please contact your Staff Council representatives if you have ideas you would like to share.

Tuition Remission Policy Still Under Review

Changes to the University's tuition remission policy for employees as discussed in recent employee meetings is still under review by the President and Administrative Council.

The new policy will be communicated as soon as it is approved by the President.

HUMAN RESOURCES STAFF

Mary Ann McGehee - Human Resources Associate; Diana Jones - Data Management Associate; Beth Littrell - Benefits Associate; Donna Duff - Employment Associate; Faye McKeage - Office Assistant; Ivy Roberson - Employment Manager; Brenda Keith - Benefits & Compensation Manager; Kellie Stinson - Part-time Benefits Associate; Josh Sampson - Student Associate; Brittany Gass - Student Associate; Natasha Vondracek - Student Associate; Tony Glisson - Director

The information contained in this newsletter is not to be interpreted as policy or to impose obligations on the institution unless specifically stated. Rather, the material is designed to communicate general information for the use and benefit of Western Kentucky University employees.

Visit our Home Page at HTTP://wkuweb1.wku.edu/Dept/Support/HR/ - CONNECTIONS is made possible through financial partnerships with Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA CREF) and Variable Annuity Life Insurance Company (VALIC).